

SUMMARY

TELECOMMUNICATIONS LICENSE AGREEMENT DATED MARCH 1, 2000
AS RENEWED BY A LICENSE RENEWAL AGREEMENT DATED JANUARY 20, 2005

BETWEEN

TEMPLE INVESTMENTS INC. AND 4538367 MANITOBA INC.

AND

MTS ALLSTREAM INC.

305 BROADWAY, WINNIPEG

USE OF EQUIPMENT ROOM AND BUILDING RISERS

1. **License Documents** The Telecommunications License Agreement dated March 1, 2000 (the "Agreement") between Temple Investments Inc. and 305 Broadway Inc., Flanders Real Estate Ltd. and MTS Communications Inc. is renewed by a License Renewal Agreement dated January 20, 2005 (the "Renewal Agreement") between Temple Investments Inc. and 4538367 Manitoba Inc. (the "Licensor") and MTS Allstream Inc. (as successor to MTS Communications Inc.) ("MTS") for a further term of five (5) years.
2. **License** MTS has a non-exclusive license to: (i) install, operate, maintain, repair and replace telecommunications equipment and facilities of MTS and its affiliates in an equipment room (the "Licensed Premises") in the basement of the building (the "Building") at 305 Broadway, Winnipeg; and (ii) install, operate, maintain, repair and replace cables, conduits, inner ducts and connecting hardware in the Building risers from the Building's entrance link to the premises of MTS's customers in the Building. The Licensed Premises are for MTS's exclusive use for the purpose of providing telecommunications services. [**Agreement - s. 2.1 and 2.2**]
3. **Term** The term of the Agreement is five (5) years, commencing March 1, 2000 and expiring February 28, 2005 (the "Term"). [**Agreement - s. 1.1 and 3.1**]
4. **Option to Renew** MTS has two (2) options to renew and extend the Agreement for further terms of five (5) years each (each of which is a "Renewal Term") upon providing at least ninety (90) days written notice to the Licensor. [**Agreement - s. 3.2**]
5. **First Renewal Term** The first of MTS's options to renew the Agreement has been exercised by MTS. The Agreement has been renewed pursuant to the Renewal Agreement for a further term of five (5) years, commencing March 1, 2005 and expiring February 28, 2010 on the same terms and conditions. [**Renewal Agreement - s. 2**]
6. **License Fee** The annual license fee is \$2,400.00 (excluding GST), which is payable in equal quarterly instalments of \$600.00 each. [**Agreement - s. 4.1**]
7. **Access** MTS has the right to access the Licensed Premises on a seven (7) day a week, twenty-four (24) hours per day basis. Where MTS accesses the Licensed Premises before 7:00 a.m. or after 6:00 p.m. (Winnipeg time) on business days or at any time on non-business days, MTS must provide written notification of such access to the Licensor. [**Agreement - s. 6.1**]
8. **Electrical Power and Telephone Service** MTS has the right to connect its equipment to the electric power distributing system in the Building. MTS, at its expense, must install a separate metre in the Licensed Premises, and must pay for its electricity consumption based on metred use. MTS has the right to install a telephone in the Licensed Premises if required. [**Agreement - s. 6.2 and 6.3**]
9. **Alterations** If MTS intends to make alterations or modifications to the Licensed Premises, it must submit plans and working drawings to the Licensor for its prior approval, which cannot be unreasonably withheld. [**Agreement - s. 7.1**]
10. **MTS Cables** MTS must place a label that identifies the demarcation point between MTS's cable and the cable of the Licensor or third parties in the Building risers and any telecommunications closets through which MTS's cable passes. [**Agreement - s. 7.3**]
11. **Termination** MTS has the right to terminate the Agreement upon written notice to the Licensor if: (i) MTS cannot secure, on reasonable terms, any required governmental approvals in respect of its operations pursuant to the Agreement; (ii) any structures or facilities screen, shield or interfere with the signals transmitted or received by MTS's equipment; (iii) MTS's equipment is damaged or destroyed and MTS determines that it will not repair or replace such equipment, provided that where this occurs during the first three (3) years of the Term, MTS must provide six (6) months prior written notice of termination to the Licensor; or (iv) MTS no longer requires the Licensed Premises or the Building risers for providing telecommunications services to customers, provided that where this occurs during the first three (3) years of the Term, MTS must provide six (6) months prior written notice of termination to the Licensor. [**Agreement - s. 9.1**]
12. **CRTC Decision** If the CRTC issues a decision in respect of the access rights of telecommunications providers in multi-tenant buildings while the Agreement is in effect, the Agreement will be amended in such a manner so as to give effect to the CRTC's decision, and any amounts paid under the Agreement will be adjusted as appropriate to ensure that the Agreement is brought into conformity with the CRTC's decision, including, the termination of the Agreement if necessary. [**Agreement - s. 13.1**]

LICENSE RENEWAL AGREEMENT

THIS AGREEMENT dated as of the 20th day of January, 2005.

BETWEEN:

TEMPLE INVESTMENTS INC. AND 4538367 MANITOBA INC.

(the "Licensor")

– and –

MTS ALLSTREAM INC.

(the "Licensee")

WHEREAS:

- A.** By a Telecommunications License Agreement dated March 1, 2000 (the "License Agreement"), Temple Investments Inc. and 305 Broadway Ltd., by their agent, Flanders Real Estate Ltd., granted to MTS Communications Inc. a license to install, operate, maintain, repair and replace certain telecommunications equipment in designated areas of the building located at 305 Broadway, Winnipeg, Manitoba (the "Property"), as more particularly described in the License Agreement, for a term of five (5) years expiring on February 28, 2005.
- B.** 4538367 Manitoba Inc. became the registered owner of an undivided one-half interest in the Property effective November 19, 2003, and, together with Temple Investments Inc., is now the licensor under the License Agreement.
- C.** Pursuant to an amalgamation effective June 4, 2004, MTS Communications Inc. amalgamated with MTS Media Inc., Allstream Corp. and 6239765 Canada Inc. to form an amalgamated company operating under the name MTS Allstream Inc., which is now the licensee under the License Agreement.
- D.** The Licensee has exercised its option under section 3.2 of the License Agreement to renew and extend the License Agreement for a further term of five (5) years.

NOW THEREFORE, the Licensor and the Licensee, each in consideration of the mutual covenants, agreements and undertakings contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, agree as follows:

Capitalized terms used in this Agreement that are not defined shall have the meanings ascribed to them in the License Agreement.

- 2 The License Agreement shall be renewed and extended for a further term of five (5) years, commencing March 1, 2005 and expiring February 28, 2010 (the "First Renewal Term"), on the same terms and conditions as contained in the License Agreement, including, without limitation, the License Fee, which shall remain at Two Thousand Four Hundred Dollars (\$2,400) during the First Renewal Term, and which shall be payable as specified in section 4.1 of the License Agreement.

3. The Licensor and the Licensee understand and agree that the address for the Licensor specified in subsection 12.1(a) of the License Agreement has changed, and that the following is the address for the Licensor:

c/o Colliers Pratt McGarry
5th Floor – 305 Broadway
Winnipeg, Manitoba R3C 3J7
Attention: Director Property Management
Facsimile No.: (204) 943-4793

4. The Licensor and the Licensee accept the terms and conditions of this Agreement and agree to perform during the First Renewal Term all of the terms and conditions of the License Agreement.
5. This Agreement shall be binding upon, and shall enure to the benefit of, the parties and their respective successors and permitted assigns.

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

TEMPLE INVESTMENTS INC.

Per: _____

Title: President

Per: _____

Title: _____

4538367 MANITOBA INC.

Per: _____

Title: PRESIDENT

Per: _____

Title: _____



MTS ALLSTREAM INC.

Per: _____

Director Property Services

TELECOMMUNICATIONS LICENSE AGREEMENT

THIS AGREEMENT dated and made effective this 1st day of March, 2000.

BETWEEN:

**305 BROADWAY LTD. and
TEMPLE INVESTMENTS INC., BY THEIR AGENT,
FLANDERS REAL ESTATE LTD.**

(the "Licensor")

- and -

MTS COMMUNICATIONS INC.

(the "Licensee")

PREAMBLE:

- (a) The Licensor is the owner of a certain building as more particularly described in this Agreement.
- (b) The Licensor has agreed to grant to the Licensee a license to install, operate, maintain, repair and replace certain telecommunications equipment in the Licensor'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 Licensor 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:

"Affiliate" has the meaning ascribed to it in the *Canada Business Corporations Act*.

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

"Building" means the building owned by the Licensor 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 a Saturday, Sunday and any other day on which the principal commercial banks in Manitoba are not open for business during normal banking hours.

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

"**Commencement Date**" means the date on which the Term commences, which shall be March 1, 2000 or the date on which the construction of the Licensed Premises commences, whichever is earlier.

"**Communications Equipment**" means such telecommunications equipment and facilities of the Licensee and its Affiliates, including, without limitation, cabinets, racks, electronic equipment and other similar equipment, as may be required for the telecommunications operations of the Licensee and its Affiliates.

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

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

"**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 Winnipeg, in the Province of Manitoba, on which the Building is constructed, as more particularly described in the attached Schedule B.

"**License Fee**" means the annual fee specified in section 4.1 of this Agreement which is payable by the Licensee to the Licensor under this Agreement.

"**Licensed Premises**" means the enclosed premises located in the basement of the Building and shown hatched on the floor plan attached to this Agreement as Schedule A, which premises shall be provided by the Licensor to the Licensee for the sole and exclusive use of the Licensee.

"**Licensee's Equipment**" means, collectively, the Communications Equipment and the Connecting Equipment.

"**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.

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

"**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.

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 interpreted and governed by the laws of the Province of Manitoba, 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 – Licensed Premises Plan
- Schedule B – Legal Description of Lands

ARTICLE 2 - LICENSE

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

- (a) install, operate, maintain, repair and replace the Communications Equipment in the Licensed Premises, 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 as long as space in the Building Risers are available, to reach from the Entrance Link to the Licensed Premises and from the Licensed Premises to the Licensee's customers in the Building, as required by the Licensee from time to time to provide communications services; and
- (c) use the Entrance Link and existing Building wiring, only to the extent that the Licensor 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 **Licensed Premises** The Licensor shall provide the Licensed Premises to the Licensee, for the sole and exclusive use of the Licensee, which Licensed Premises shall be used by the Licensee for the provision of telecommunications services.

2.3 **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.

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

2.5 **Cooperation** At the request and at the sole expense of the Licensee, the Licensor shall cooperate with the Licensee in obtaining all necessary consents, permits and authorizations as may be required by any federal, provincial or municipal authority having jurisdiction over the Licensee's installation, operation, maintenance, repair, replacement and removal of the Licensee's Equipment in respect of the Building, including, without limitation, executing all necessary authorizations to enable the Licensee to obtain building permits, site plans approvals

and variances and to obtain the release of any information with respect to the Licensed Premises or the Building from any such authorities as may be required for the purpose of this Agreement.

2.6 Existing Rights Nothing in this Agreement is intended to affect, alter or modify any rights of the Licensee in relation to the Building, including, without limitation, the Licensee's use of the Building Risers or other parts of the Building, that were in existence prior to the Commencement Date.

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 ninety (90) days written notice to the Licensor. 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 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 *The Arbitration Act* (Manitoba).

3.3 Overholding If the Licensee remains in occupation of the Licensed Premises following the expiration of the Term or a Renewal Term, provided that negotiations are continuing in good faith between the Licensor and the Licensee respecting the renewal and extension of this Agreement, the Licensee shall pay to the Licensor in respect of such continued occupation a monthly amount equal to one-twelfth (1/12) of the annual License Fee payable during the immediately Term or Renewal Term, as the case may be. Where the parties have ceased to negotiate in good faith respecting the renewal and extension of this Agreement, or where the parties are unable to reach agreement on the terms of a renewal and extension of this Agreement, and where the Licensee remains in occupation of the Licensed Premises, the Licensee shall pay to the Licensor in respect of such continued occupation a monthly amount equal to one-twelfth (1/12) of an amount that is equal to twice the annual License Fee payable during the immediately Term or Renewal Term, as the case may be. It is understood and agreed that any 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 Licensed Premises as a licensee on a month-to-month basis upon the same terms and conditions as set out in this Agreement subject to an adjustment to the Licensee Fee in accordance with the provisions of this section 3.3.

ARTICLE 4 - LICENSE FEE

4.1 License Fee The Licensee shall pay to the Licensor an annual License Fee in an amount of Two Thousand Four Hundred Dollars (\$2,400.00), excluding GST, which License Fee shall be paid in equal quarterly instalments of Six Hundred Dollars (\$600.00) each.

4.2 GST The Licensee shall pay GST as applicable on the License Fee, which GST shall be paid at the time that the License Fee is payable.

4.3 **Non-Disclosure** The Licensor 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 Licensed Premises** The Licensee shall use the Licensed Premises only for the purpose of the installation, operation, maintenance, repair, replacement and removal of the Licensee's Equipment as required by the Licensee for the purpose of providing telecommunications services to the Licensee's customers.

5.2 **Title** The Licensor 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 Licensed Premises on a seven (7) days a week, twenty-four (24) hours per day basis for the purpose of installing, operating, maintaining, repairing, replacing and removing the Licensee's Equipment. The Licensee and its authorized representatives further shall have such access to the 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 Licensed Premises. The Licensor acknowledges that the nature of the Licensee's telecommunications 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 Licensor, 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 Licensor. All entry and access to the Licensed Premises and the Building, including the Building Risers, by the Licensee and its authorized representatives shall be subject to the Licensor's reasonable security procedures. Where the Licensee accesses the Licensed Premises outside of regular business hours, the Licensee shall provide the Licensor with written notification of such access. For purposes of this Agreement, "regular business hours" shall mean the hours from 7:00 a.m. to 6:00 p.m. (Winnipeg time) on Business Days.

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. The Licensee, at its sole cost and expense, shall install a separate metre in the Licensed Premises, and the Licensee shall pay for its electricity consumption based on metred use. The Licensor shall use reasonable commercial efforts to notify the Licensee in advance of any planned utility outages that may interfere with the Licensee's operations. The Licensee agrees that the Licensor has no obligation or responsibility to provide emergency or backup power to the Licensee, unless the parties agree that the Licensor 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 Licensed Premises if required by the Licensee.

6.4 **Nuisance** The Licensee shall not use nor permit the Licensee's Equipment or any part of the Licensed Premises to be used in such a manner as to annoy, disturb or cause nuisance to

the Licensor 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 Licensed Premises 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 Where the Licensee intends to make changes, additions, improvements or alterations to the Licensed Premises, the Licensee shall prepare and submit plans, specifications, and working drawings to the Landlord in respect of such changes, additions, improvements or alterations for the approval of the Landlord, which approval shall not be unreasonably withheld or delayed.

7.2 Installation The installation of the Licensee's Equipment 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 place a label that identifies the demarcation point between the Licensee's cable and the cable of the Licensor or third parties in the Building Risers and any telecommunications closets through which the Licensee's cable passes.

7.4 Repairs and Maintenance The Licensee, at its own cost and expense, shall keep the Licensed Premises 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 Roof and Building Envelope The Licensee shall not install, construct, or permit to be installed or constructed, any equipment of any kind on the roof of the Building or attached to the Building without the prior written consent of the Licensor, which consent may be withheld at the sole discretion of the Licensor.

ARTICLE 8 - INSURANCE AND INDEMNIFICATION

8.1 Insurance The Licensee, at its own expense, shall take out and maintain in force while this Agreement is in effect, comprehensive general liability insurance in a minimum amount of Two Million Dollars (\$2,000,000) per occurrence for injury, death or property damage arising out of the Licensee's operations pursuant to this Agreement, which insurance shall contain cross liability and severability of interest clauses, shall name the Licensor and its duly authorized agent as specified in this Agreement as additional insureds, and shall provide that the Licensee's insurer or insurers shall provide at least thirty (30) days prior notice to the Licensor of any material change in, cancellation, or termination of, the Licensee's insurance. The Licensee shall provide the Licensor with a certificate of insurance evidencing the Licensee's insurance coverage.

8.2 **Indemnification** The Licensee shall indemnify and save harmless the Licensor from and against any loss, suit, claim, action, damage or expense arising out of, from or by reason of, the installation, operation, maintenance, repair, replacement or removal of the Licensee's Equipment in the Licensed Premises and the Building Risers pursuant to this Agreement, except to the extent that any such loss, suit, claim, action, damage or expense is due to the negligence or wilful misconduct of the Licensor or those for whom the Licensor is in law responsible.

ARTICLE 9 - TERMINATION

9.1 **Termination by Licensee** The Licensee shall have the right to terminate this Agreement upon written notice to the Licensor 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, replacement and removal of the Licensee's Equipment;
- (b) any structures, facilities or other works of any nature or kind whatsoever, including, without limitation, third party telecommunications equipment or facilities, screen, shield or interfere in any manner with the signals transmitted or received by the Licensee's Equipment;
- (c) 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, provided that prior to the Licensee exercising its termination right under this subsection 9.1(c) during the first three (3) years of the Term, it shall have provided a minimum of six (6) months' written notice to the Licensor;
- (d) the Licensee no longer requires the Licensed Premises or the Building Risers for the purpose of providing its telecommunications services to customers, provided that prior to the Licensee exercising its termination right under this subsection 9.1(d) during the first three (3) years of the Term, it shall have provided a minimum of six (6) months' written notice to the Licensor;
- (e) the Licensor defaults in the observance or performance of any of the Licensor'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 Licensor, 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 Licensor promptly commences such cure with reasonable diligence; or
- (f) the Licensor 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 Licensor is conclusive evidence of insolvency.

9.2 **Pro-Rated License Fee** In the event this Agreement is terminated pursuant to section 9.1 of this Agreement, the License Fee shall be pro-rated to the date of termination, and any portion of the License Fee paid by the Licensee in advance shall be refunded by the Licensor to the Licensee on a pro-rated basis to the date of termination.

9.3 **Termination by the Licensor** The Licensor 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 fifteen (15) days after receipt of written notice of such default by the Licensor 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 Licensor 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.

9.4 **Surrender** Upon the expiration or earlier termination of this Agreement, the Licensee shall remove the Licensee's Equipment from the Licensed Premises and the Building, and shall be responsible for repairing any damage caused by such removal, save and except for reasonable 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 Licensor under this Agreement, the Licensor, at its sole option and expense, may attempt to repair such damage within one hundred eighty (180) days. In the event the Licensor 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 Licensor, in which event the Licensee shall remove the Licensee's Equipment in accordance with the provisions of section 9.4 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 Licensor 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 delivered, or sent by facsimile or registered mail, and addressed or sent as specified below:

(a) If to the Licensor:

c/o Flanders Real Estate Ltd.
600 - 305 Broadway
Winnipeg, Manitoba R3C 3J7
Attention: President
Facsimile: (204) 943-8786

(b) If to the Licensee:

MTS Communications Inc.
ER627 - 627 Erin Street
P.O. Box 6666
Winnipeg, Manitoba R3C 3V6
Attention: Director Property Services
Facsimile: (204) 772-4195

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 Licensor and the Licensee acknowledge that the access rights of telecommunications providers in multi-tenant buildings is currently the subject of 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 immediately shall 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. This Agreement may not be amended or modified except by mutual agreement of the parties in writing.

13.3 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.

13.4 Successors and Assigns This Agreement shall not be assigned by the Licensee, in whole or in part, without the express written consent of the Licensor, 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, upon written notice to the Licensor. This Agreement shall be binding upon, and shall enure to, the benefit of the parties 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.

**305 BROADWAY LTD. and
TEMPLE INVESTMENTS INC.,
BY THEIR AGENT,
FLANDERS REAL ESTATE LTD.**

Per: _____

Title: _____

Per: _____

Title: _____

MTS APPROVED
Law Department
Senior Product Manager

MTS COMMUNICATIONS INC.

Per: _____

Director Property Services

SCHEDULE A

LICENSED PREMISES PLAN

SCHEDULE B

LEGAL DESCRIPTION OF LANDS

Municipal Address: 305 Broadway, Winnipeg, Manitoba

Legal Description: Lot 266 Block 3 Plan 129 WLTO (W Div)
in RL 1 Parish of Saint John