

**LEASING AGREEMENT
FOR
TELECOMMUNICATIONS SERVICES**

BETWEEN

TELUS Communications (Québec) Inc.

AND

CREIT Management Limited

**LEASING AGREEMENT FOR
TELECOMMUNICATIONS SERVICES**

BETWEEN: **TELUS Communications (Québec) Inc.**, a company legally constituted, having its principal place of business at 6 Jules A. Brillant St., Rimouski (Quebec) G5L 7E4, duly represented herein by Mr. Victor Gauthier, Division Director, Building Engineering, duly authorized pursuant to a resolution of the company's board of directors;

(Hereinafter, "**Telus Québec**")

AND: **Canadian Property Holdings Inc., ABRIM II Inc. and Centeur East Holdings Inc. duly represented by their mandatory CREIT Management Limited**, a company, having its principal place of business at 1010 Sherbrooke West, suite 204, Montréal, Québec, H3A 2R7, duly represented by Mr. René G. Arsenault, Québec Regional Manager, duly authorized for the purposes hereof, as he so declares.

(Hereinafter, the "**Owner**")

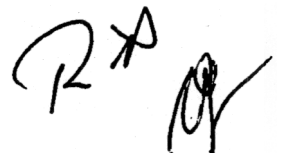
WHEREAS the **Owner** conducts business in the field of real-estate management; and

WHEREAS **Telus Québec** agrees to provide services to tenants subject to the terms and conditions herein.

WITNESSETH THAT THE PARTIES AGREE AS FOLLOWS:

1. DEFINITION

In the present Agreement, the parties agree that the following words and expressions will be understood as follows:

Handwritten initials 'R' and 'V' with a signature.

- 1.1 **Agreement:** refers to the present Agreement along with any other documents that supplement, modify or confirm it, "**herein**", "**the present Agreement**" and other similar expressions refer to this agreement and not to a particular article, paragraph, clause or other subdivision within it; "**article**", "**paragraph**", "**clause**" or any other subdivisions refer to the stipulated subdivision of the present Agreement;
- 1.2 **Owner:** refers to CREIT Management Limited;
- 1.3 **Parties:** refers to the parties to this Agreement; "**Party**" refers to one of these Parties;
- 1.4 **Illegality:** Any provision that is illegal, invalid, null, inoperative or unenforceable in the present agreement is void and without effect to the extent that it is illegal, invalid or unenforceable; however, such a provision is without effect on the other provisions herein, which shall remain in force despite any such illegal, invalid or unenforceable provisions;
- 1.5 **Single and unique agreement:** This Agreement and the documents to be submitted herein represent the sole and unique agreement between the Parties on the subject of this Agreement and replace any other prior verbal or written agreements, understandings or negotiations between the Parties;
- 1.6 **Waiver:** Any implicit or other form of waiver resulting from the conduct of one of the parties or for some other reason, to any entitlement provided herein shall not be deemed to be a waiver of any other entitlement provided herein, whether similar or not, and such a waiver shall not be deemed to be permanent, unless a provision to the contrary appears in a written declaration that has been duly signed by the waiving Party;
- 1.7 **Forbidden operations:** has the meaning assigned to it herein;
- 1.8 **Building:** refers to the building located at 100 Alexis-Nihon Boulevard, St-Laurent, Quebec known as "**Building**";
- Telecommunications room:** refers to the space occupied by **Telus Québec** in its premises, hereinafter designated "**POP**".

2. SUBJECT OF THE AGREEMENT

Subject

The **Owner** hereby grants **Telus Québec** the right to install, operate, repair, replace, maintain, improve and modify (collectively, "install and maintain") any appurtenances used to supply telecommunications services from its **POP** to its customers in the **Building**.

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2.2 Leased spaces

- 2.1.1. Subject to payment of the rental provided hereinafter and subject to the terms and conditions herein, the **Owner** shall supply a premises measuring approximately sixty-two (62) square feet, and bearing the number R.C.-Telus, of the building located at 100 Alexis-Nihon Boulevard, St-Laurent, Québec as described in Appendix "A", which will serve as the **POP** so **Telus Québec** can install and maintain its equipment within it.
- 2.1.2. **Telus Québec** shall provide an equipment layout plan in Appendix "B".

Telus Québec shall be entitled to use the leased premises for the sole purposes of providing telecommunications services.

The **Owner** grants **Telus Québec** unlimited access to its POP and permission to enter into it in accordance with the conditions provided herein and regulations as described in Appendix "C" so it can install and maintain its system and provide telecommunications services to the tenants and occupants of the Building.

3. WIRING FACILITIES

- 3.1. **Telus Québec** may make use of existing vertical distribution facilities within the Building, if they are adequate.
- 3.2. **Telus Québec** may install any additional wiring after receiving approval of the **Owner** to that effect. Any such request must be made in writing twenty-four (24) hours prior to installation.
- 3.3. The **Owner** shall provide **Telus Québec** with an electrical power supply with a capacity to be determined.
- 3.4. **Telus Québec** shall assume all **POP** construction and layout costs along with the piping necessary to connect the **POP**.
- 3.5. Standards and safety

Telus Québec shall permit the **Owner** to enter the **POP** if necessary. The **Owner** thereby agrees to comply with **Telus Québec's** access policies and to comply with its requirements for entering the **POP**. Furthermore, the **Owner** will allow **Telus Québec** to install a key box outside the Building to enable **Telus Québec** to enter its **POP**.



4. DURATION

Duration of the Agreement

The **Agreement** will have duration of five (5) years, starting on the first day of May 2002 and concluding on last day of April 2007.

Renewal

Telus Québec will have the option of renewing this **Agreement** for two (2) additional five- (5-) year periods if it makes this request in writing to the **Owner** at least ninety (90) days before the date of its expiration. At that time, the amount of rent to be paid may be renegotiated according to the then prevailing market rate for similar space in buildings of the same age and category as the building, but in no way shall it be less than the current annual rental rate.

5. RENTAL

Rental charges

- 5.1.1. **Telus Québec** will pay the **Owner** a gross annual rent of \$4,300 (the "Annual Rental Rate") for the **POP**.
- 5.1.2. **Telus Québec** will have to pay the **Owner** for its own electric consumption, annually and in only one payment, on the first day of March of each year of the Duration, as as March 1st, 2002, an amount of \$300.00 plus all applicable taxes. **Telus Québec** guarantee that its yearly annual consumption will not exceed \$300.00 per year and will provide **Owner** with its consumption data the first day of February of each year of Duration of the **Agreement** and if such consumption surplus must occur, **Telus Québec** will assume all the expense with whole exemption of **Owner**. The **Owner** will be able to require from **Telus Québec**, at any time, the installation of a check-meter to the expense of **Telus Québec**.
- 5.1.3. The rent and additional rent described in paragraph 5.1.1 will be payable in advance, annually on the first day of March.
- 5.1.4. **Telus Québec** recognizes that this rent does not include taxes, including the Tax on Goods and Services, the Quebec Sales Tax or any similar taxes that may be due in substitution to or in addition to the foregoing taxes; **Telus Québec** shall thus add said taxes to the amounts payable herein.

6. CANCELLATION FOR CAUSE

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This **Agreement** may be cancelled at any time by the **Party** not in default herein ("**the Other Party**"), by simple notice to that effect sent to the **Party** in default ("**the Defaulting Party**"), under the following circumstances:

- a) In the event of fraud by the **Defaulting Party** or its representatives;
- b) In the event of the liquidation, dissolution, general assignment of assets of the **Defaulting Party** in favour of its creditors under any legislation pertaining to bankruptcy or insolvency or in the event of the appointment of a trustee in bankruptcy to administer the assets of the **Defaulting Party**;
- c) If the **Defaulting Party** fails to comply with any of its obligations herein and fails to correct the situation within thirty (30) days following the mailing of a written notice to that effect by the **Other Party**;
- d) For any other reason that would justify the cancellation of the present **Agreement** under the laws of Quebec, because of the actions or omissions of the **Defaulting Party** or its employees or representatives if this situation is not corrected within a period of thirty (30) days from the mailing of a written notice to that effect by the **Other Party**. In the event the **Other Party** cancels the present **Agreement** for cause, by giving written notice to that effect to the **Defaulting Party**, the **Defaulting Party** is not entitled to compensation of any kind (other than any amounts due and payable herein) and hereby waives the right to any action, cause of action, claim or requirement of any kind that it might have or have had under the present agreement and hereby releases the **Other Party**, its directors, administrators, employees and assigns, the associates and subsidiaries of the **Other Party**, along with their respective directors, administrators, successors and assigns from any action, cause of action, claim or requirement of any kind.

7. ASSIGNMENT OF AGREEMENT AND SUBLEASE

The **Owner** may assign, convey or encumber the present **Agreement**, its title or interest in it, in whole or in part, to a third party, provided that the assignee is in possession of this **Agreement** and shall assume all of its obligations. **Telus Québec** shall not assign, licence, convey or encumber this Agreement or its rights in it unless such assignment, licence or conveyance pertains to all the rights of **Telus Québec** and subject to the **Owner's** consent. Notwithstanding the preceding, **Telus Québec** may assign, licence or convey the present **Agreement** without the **Owner's** permission, to an associated company. **Telus Québec** shall maintain its liability, despite any such assignment, licencing or conveyance and shall advise and send to the **Owner** all documentation pertaining to the assignment or sublease required by the **Owner**.

8. SITUATION OF FORCE MAJEURE AND RESPONSABILITY

8.1. Force Majeure

Neither the **Owner** nor **Telus Québec** shall be held responsible for a failure or a delay in meeting their respective obligations herein resulting from circumstances beyond their control or a situation of force majeure, such as a strike, an accident, climatic conditions, a fire, an act or omission of another contractor, a natural calamity, a governmental restriction or any other cause resulting from a circumstance beyond their volition. Notwithstanding the above, **Telus Québec** shall remain responsible for the payment of the **Annual Gross Rental**.

Liability of Telus Québec

Telus Québec shall be liable for damages caused by its fault, acts or omissions or of those of such persons whom **Telus Québec** allows to use or have access to the **POP**. **Telus Québec** shall indemnify and hold the **Owner** harmless from any claim made or any damages, costs and expenses suffered by any person following such damages.

Non Liability of the Owner

The **Owner** shall not be liable for damages occurring inside or outside the **POP** resulting from any cause whatsoever, unless such damages are directly attributable to the gross negligence of the **Owner**. The **Owner** shall not be liable for damages suffered by **Telus Québec** resulting from the fault, acts or omissions attributable to a tenant or a third party even if such tenant or third party is a person whom **Telus Québec** or another tenant of the Building allows to use or to have access to the **POP**.

8.4. Limited Liability

Even if the damages are directly attributable to the gross negligence of the **Owner**, its liability shall extend only to the movable property and to the ordinary fixtures of **Telus Québec** located in the **POP** and shall not extend to documents and securities.

9. INSURANCE

- 9.1. **Telus Québec** will subscribe to and keep in force through the entire duration of the present Agreement a general civil liability insurance policy covering liability for property damage, psychological harm and bodily injury, for a minimum amount of \$3,000,000.

Telus Québec shall provide the **Owner** with certificates confirming such insurance coverage upon request.

Telus Québec shall not introduce into the leased premises any flammable or explosive substances or materials or any other substances or materials that would increase the risk of fire or insurance premiums paid by the **Owner** with respect to the Building, the whole as further outlined in

Appendix "D".

10. Environmental Clause

During the Duration and its renewal, **Telus Québec** agrees to respect the Environmental Legislation and comply therewith promptly at its expense and to immediately notify the **Owner** of any release and discharge and presence inside or outside the **POP** of any Contaminants and Hazardous Materials which are in breach of the Environmental Legislation.

Telus Québec is liable for any damage whatsoever caused in or to the Building or the **POP** as a result of its non-compliance with the Environmental Legislation, which damage may also entail the termination of the **Agreement**.

Notwithstanding anything to the contrary, **Telus Québec** undertakes to save and hold harmless the **Owner**, its representatives, agents or employees from any claims, losses, costs, fees, expenses, damages for bodily injury, moral damages, property damages, actions, suits or proceedings arising from or attributable to **Telus Québec's** act, refusal, negligence or omission to comply with the Environmental Legislation.

Contaminants and Hazardous Materials: have the meaning attributed thereto in the Environmental Legislation and include any material which, because of its properties, presents a real or potential hazard to the environment or the health of users of the Building or of the **POP**;

Environmental Legislation: means all federal, provincial or municipal legislative and regulatory environmental provision, including, in all cases, any judgements, orders, notices, notices of offence, decrees, codes, rules, instructions, policies, guidelines and guides, authorisations, certificates of authorisation, approvals, permits and licenses issued by any authority having jurisdiction, the whole as amended from time to time.

Telus Québec undertakes to duly complete and sign the attached environmental questionnaire and to advise the **Owner** of any changes in its activities which may alter the information provided therein.

11. WORK PERFORMED BY OWNER

If, throughout the entire term of the present **Agreement**, the **Owner** must perform any maintenance work or corrections that could interfere with the services offered by **Telus Québec** to one or the other of its customers, the **Owner** will give written notice of at least ten (10) days to **Telus Québec** so it may coordinate its activities accordingly. The **Owner** agrees to assume the necessary expenses to minimize the consequences of such work. If the presence of a **Telus Québec** employee, agent or representative is required during the performance of such work, **Telus Québec** will be responsible for the expense. This does not cover Hydro-Québec power outages or planned shutdowns, nor corrective or emergency measures that must be taken immediately.

12. INTERRUPTION OF SERVICE

In the event that a breakdown of some kind during the term of the present **Agreement** partially or totally interrupts **Telus Québec's** network and its services to its customers and this interruption is not due to the fault of the **Owner**, the latter agrees to apply all necessary efforts to restore service within no more than twenty-four (24) hours following such interruption. If the time required to make repairs proves longer than expected, joint measures may be taken by the **Owner** and **Telus Québec** to restore its network to its condition prior to such interruption. **Telus Québec** shall assume the cost of such measures.

13. CONFIDENTIALITY

- a) The **Owner** and **Telus Québec** agree to the confidentiality of any financial information contained herein and discussed within the framework of negotiations leading to its signing.
- b) The **Owner** and **Telus Québec** shall make every possible effort not to disclose the financial terms of this Agreement.
- c) No legal recourse, action or penalty shall result if all efforts have been applied to not disclose this information.

14. MISCELLANEOUS PROVISIONS

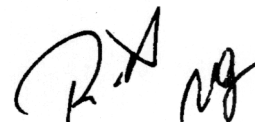
- 14.1. This **Agreement** is not and shall not be considered anything other than a leasing Agreement for the leasing of **Telus Québec's** telecommunications services; the rights of the **Parties** herein are those stipulated herein. Without limiting the general scope of the foregoing, the present **Agreement** shall not be interpreted to constitute a legal entity, a partnership, a joint venture, a corporation or a company.

The **Parties** agree that any additional clauses or appendices to the present **Agreement** shall become an integral part of it. Modifications to the present **Agreement** shall be made in writing in a document signed by each of the **Parties** herein.

The present **Agreement** shall be governed and interpreted under the laws in force in the Province of Quebec and any applicable laws of Canada.

The present **Agreement** binds the heirs, executors, successors and representatives of both **Parties**.

All notices and papers shall be deemed to have been delivered if hand delivered by messenger service with a copy faxed to the address appearing hereinafter.

A handwritten signature in black ink, appearing to be 'R.A. NG', is located in the bottom right corner of the page.

- 14.6. Statement: Any act of publication of the present **Agreement**, shall be approved in a reasonable manner by the **Owner**.

For Telus Québec: Advisor, real-estate assets
 Québec-Téléphone
 9 Jules A. Brillant St.
 Department R0901
 Rimouski (Québec)
 G5L 7E4

Tel.: (418) 722-5663
 Fax: (418) 722-5949

For any interruptions in planned service call:
 Yves Vien (418) 387-8700

For the Owner: René G. Arsenault
 Québec Regional Manager
 CREIT Management Limited
 1010 Sherbrooke Street West, suite 204
 Montréal, Québec H3A 2R7
 Tel.: (514) 843-1010
 Fax: (514) 844-5459

IN WITNESS WHEREOF the Parties have signed the present Agreement at the places and times stated hereinafter.

At Rimouski, the 3rd day of May 2002.

TELUS Communications
 (Québec) Inc

By: 

Victor Gauthier
 Division Director
 Building Engineering

At Montréal, the 3rd day of May 2002.

CREIT Management Limited

By: 

René G. Arsenault
 Québec Regional Manager

APPROUVÉ
LES CORPORATIVES

APPENDIX "B"

Leased Space Layout Plan

To Be Supplied At A Later Date

APPENDIX "C"

Regulations

1. GENERAL PROVISIONS

Telus Québec agrees to observe all of the following regulations and any additional regulations as the **Owner** may from time to time prescribe with respect to the proper management of the Building.

1.1 These regulations shall not be incompatible with the terms of the **Agreement**.

1.2 Any amendment shall be communicated in writing to **Telus Québec**.

2. TRAFFIC

2.1 Access to the Building shall at all times be under the control of the **Owner's** on duty security officer on-duty who may require persons to identify themselves and may refuse access for any justifiable reason.

2.2 Prohibition to Impede Traffic - **Telus Québec** shall not leave or allow any objects to be left that might impede the movement of traffic in the Common Areas and Facilities of the Building.

2.3 Loading and Unloading - The loading and unloading of merchandise and of furniture shall be made at the risk of **Telus Québec** and pursuant to instructions from the **Owner**.

3. GENERAL SERVICES

3.1 The work of **Telus Québec** at the interior of the **POP** with respect to the handling of merchandise and of furniture shall be effected by the employees of the **Owner** at the cost of **Telus Québec** at rates which the **Owner** shall from time to time determine.

4. PUBLIC AREAS

4.1 The use of the Common Areas and Facilities shall be under the exclusive control of the **Owner**.

5. EMERGENCIES AND SECURITY

Any emergency situation shall be brought to the attention of the **Owner's** security officer.

Only the stairways and emergency exits shall be used in cases of emergency.

5.3 Close coordination and cooperation shall be maintained between **Telus Québec's** and **Owner's** security services, for the protection of the Building.

5.4 Interruption of Services - Elevator, freight elevator and escalator service in the Building may be interrupted for reasons of maintenance or emergency.

No Smoking - Smoking in the elevators and freight elevators of the Building is prohibited.

6. MECHANICAL AND ELECTRICAL SYSTEMS

The maintenance of the private mechanical and electrical systems of **Telus Québec** shall be maintained by it at its costs, unless there is an agreement to the contrary.

The allocation of costs of supplying fluids, electrical consumption or any other source of energy shall be made by the **Owner**.

7. VEHICLES AND ANIMALS

7.1 It is prohibited to bring into the Building or the **POP** any animal or vehicle except for:

- (a) animals or vehicles serving as guides for the blind or otherwise handicapped persons; and
- (b) vehicles which may be authorized in the parking areas, by agreement with the operator of the parking lot and pursuant to instructions from the **Owner**.

8. MACHINERY, EQUIPMENT AND SAFE

8.1 Except for office equipment, no machine or piece of equipment may be brought into the Building without the approval of the **Owner**, who may refuse their installation or who may designate a specific area in which to place heavy objects in the **POP**.

9. ILLEGAL ACTIVITIES BY THE LESSEE AND PEDDLING

9.1 **Telus Québec** shall not cause a nuisance to its neighbours and shall respect the good order and the security of the Building. Any peddling and soliciting in the Building is strictly prohibited and **Telus Québec** agrees to cooperate with the **Owner** in order to prevent such activities.

10. SALES AND TYPES OF BUSINESS

10.1 The sale of merchandise and of non professional services is prohibited without the prior approval of the **Owner**.

11. SIGNS, ETC.

Telus Québec shall ensure that all signs or objects which are visible from the exterior of the **POP** are in accordance with instructions of the **Owner**. All signs and advertising materials are prohibited.

12. ADVERTISING, ADDRESS

12.1 The words "**CREIT Management Limited**" are reserved for the business name of the **Owner**.

12.2 The **Owner** reserves the right to prevent any advertising by **Telus Québec** which might harm the security, the reputation or the operation of the Building, and, without limiting the generality of the foregoing, the **Owner** may prohibit **Telus Québec** from advertising any illegal activity or the sale of any illicit or objectionable product.

12.3 The **Owner** reserves the right, at any time and without notice to **Telus Québec**, to change the address and the postal code for the Building or parts of the Building.

13. MECHANICAL AND ELECTRICAL SYSTEMS

13.1 Special maintenance and repair services for the mechanical and electrical systems inside the **POP** shall be performed only by the **Owner** and these special services shall be charged to **Telus Québec** according to rates which the **Owner** shall from time to time establish.

13.2 Air-conditioning and heating services shall be provided during Business Hours. Extra services shall be charged to **Telus Québec** pursuant to rates set by the **Owner** from time to time.

13.3 The density of occupancy of the **POP** shall not exceed one (1) person per one hundred (100) square feet of Leasable Area.

14. UTILIZATION OF INTAKE UNITS

14.1 In order to ensure the proper functioning of the air-conditioning system, **Telus Québec** shall not utilize the intake units of the air-conditioning system (perimeter zone) for the storage of documents or other items, so as not to affect the operation of said units and said system.

14.2 Any curtains mounted on the windows shall be placed so as not to impede the operation of said units and said air-conditioning system.

14.3 **Telus Québec** shall at all times keep outside windows closed (where applicable) and, while the air-conditioning system is operating, keep the blinds of all windows exposed to direct sunlight be closed as well.

15. ENTRY DOORS TO LEASED PREMISES

15.1 **Telus Québec** shall not change the access systems without the consent of the **Owner**. Should more than two keys be required for each lock, they shall be supplied by the **Owner**, at **Telus Québec's** expenses. **Telus Québec** shall return all keys of the **POP** to the **Owner** at the Expiry of the Term.

16. **CLEANING (HOUSEKEEPING)**

16.1 All cleaning services for office spaces and public areas shall be performed only by the **Owner's** employees, except by written agreement to the contrary.

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APPENDIX "D"

Environmental Questionnaire (Short Form)

1. Tenant Name: TELUS COMMUNICATIONS (QUEBEC)
2. Contact Person: BERTRAND MARCOUX Position: ANALYSTE GESTION DES LOCAUX
Phone Number: (418) 722-5988 Fax Number: (418) 721-2133
3. Do you employ an environmental officer or engineer or other similar position charged with the responsibility for environmental compliance? If so, identify individual with phone number.
N/A
4. Please describe the nature of your operations for the leased premises.
TELECOMMUNICATIONS SERVICES
5. Please list any chemicals, solvents, petroleum products or hazardous materials to be used, handled or stored at the leased premises.
N/A
6. Will you require any environmental permits or approvals for your operations at the leased premises? If so, please describe.
N/A
7. Will you be using any storage tanks, sumps or pits at the leased premises? If so, please describe.
N/A
8. Will you have any pollution control equipment (including containment areas) to control air emissions, waste, discharges or to protect against spills?
N/A
9. What types of waste (other than paper waste), including any hazardous waste, will you generate as a product or by-product at the leased premises? How will you store or dispose of waste you generate?
N/A
10. Are there any other potential environmental matters associated with your operations, including with respect to the use of the leased premises, of which the landlord should be made aware?
N/A

I hereby represent and warrant to Canadian Real Estate Investment Trust, its nominee company and CREIT Management Limited (its agent), that to the best of my knowledge

the foregoing Environmental Questionnaire responses are accurate and fully disclose the existing or potential environmental hazards and/or contamination as a result of _____ proposed or actual use or occupancy of the leased premises.

(Tenant's Name)

2002-05-08

Date:

BERTRAND MARCOUX
Authorized Signing Officer, Print Name

Bertrand Marcoux
Signature