

TCPL BCOB
CALGARY

POINT OF PRESENCE LEASE

THIS LEASE made this 28th day of February, 2001

BETWEEN:

697604 ALBERTA LTD., a corporation incorporated under
the laws of the Province of Alberta

(the "Landlord")

-and-

TELUS COMMUNICATIONS INC., a corporation
incorporated under the laws of the Province of Alberta

(the "Tenant")

WHEREAS:

The Landlord is the registered owner of those lands ("Lands") situated in the City of Calgary, in the Province of Alberta, located at 801 -7th Avenue S.W., and it has erected on the Lands a building (the "Building");

AND:

The Tenant wishes to lease from the Landlord that portion of the Building containing approximately 108 square feet of rentable area (as outlined in Schedule "A" attached) in the main telephone room located on the 3rd floor of 801-7th Avenue S.W. (the "Premises").

WITNESSES that in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

TERM

The term ("Term") shall commence April 1, 2001, and terminate March 31, 2006.

2. RENT

The Tenant shall pay to the Landlord an annual gross rent of Twelve Thousand Two Hundred Fifty Dollars (\$12,250.00), plus G.S.T. The Tenant shall be responsible for all taxes, rates, duties, levies, assessments and license fees levied with respect to the business of the Tenant.

3. GRANT

The Landlord leases to the Tenant the Premises and the Tenant accepts the Premises and Building in an "as is" condition, however, the Tenant shall be entitled to use the Premises and Building as follows:

install fibre optic cable (which may include copper wire) and such equipment, apparatus, fixtures and attachments (the "Equipment") as may be necessary for its operations;

have access to the Premises and Building during normal business hours, subject to security procedures as reasonably required by the Landlord. From time to time, in situations of emergency, for repair to the Equipment, the Tenant will have access to the Premises outside normal business hours, through security procedures as reasonably determined by the Landlord. The Tenant shall be responsible for the security of its Premises and equipment, and shall be allowed to install a lock box on the entry door to the Premises, providing that the Tenant furnishes the Landlord with a key;

- (c) provide telecommunication services to other tenants and occupants of the Building;
- (d) connect the Equipment to tenants of the Building, subject to the Landlord's prior approval as the location of installations, such approval not to be unreasonably withheld. At the expiry of the Lease or any renewal or extension thereof, all installations in the Building outside of the Premises including copper and fibre optic cabling within the conduit systems, remains a fixture and becomes the property of the Landlord; and
- (e) have access to such portions of the Building, including the riser cables, as per the provisions of Clause 3(b) aforesaid, as may be necessary to enable the Tenant to install and maintain, such equipment, interior or exterior grounding, electric power and communications lines, as may be necessary for the provision of communications services;

provided the Tenant has submitted detailed plans of the contemplated use, Equipment, connections and improvements and has obtained the approval of these plans from the Landlord, which approval may not be unreasonably withheld or delayed and provided that all work is completed in a good and workmanlike manner.

4. DEFAULT

In the event that the Tenant fails to perform its obligations as set out in this Lease, the Landlord shall provide written notice. The Tenant shall have thirty (30) days from receipt of said notice, to remedy its breach. Failing remedy by the Tenant, the Landlord, at its option and without prejudice to any other remedy available to the Landlord herein, may terminate the obligations of the Landlord herein, by

giving written notice of termination. Upon termination the Tenant will remove all Equipment from the Premises, repairing any damage caused be whatever cause, to the reasonable satisfaction of the Landlord.

5. LIABILITY & INSURANCE

The Tenant will hold the Landlord, its employees, agents, tenants and contractors, harmless in respect of:

- (a) all claims for bodily injury or death, property damage or other loss or damage arising from the conduct of any work or any act or omission of the Tenant or any assignee, sub-tenant, agent, employee, contractor, invitee or licensee of the Tenant, and in respect of all costs, expenses and liabilities incurred by the Landlord in connection with or arising out of all such claims, including the expenses of any action or proceeding pertaining thereto; and
- (b) any loss, cost (including, without limitation, lawyers' fees and disbursements on a solicitor and own client basis), expense or damage suffered by the Landlord arising from any breach by the Tenants of any of its covenants and obligations under this Lease.

The Tenant is to provide not less than Five Million (\$5,000,000) Dollars in comprehensive general liability insurance, naming the Landlord as the additional insured.

6. SALE, CONVEYANCE AND ASSIGNMENT

Nothing in this Lease shall restrict the right of the Landlord to sell, convey, assign, pledge or otherwise deal with the Building, subject only to the rights of the Tenant under this Lease. Neither party to this Lease may assign their rights hereunder without the consent of the other, such consent not to be unreasonably withheld. Notwithstanding the foregoing, either party may assign their rights hereunder as and by way of security without consent.

7. NOTICE

Any notice required or permitted to be given hereunder or any tender or delivery of documents may be sufficiently given by personal delivery or, if other than the delivery of an original document, by facsimile transmission, to the Tenant at the following address:

12040-107 Street
Edmonton, Alberta
T5G 2S7
Attention: Real Estate Specialist

and to the Landlord at:

#380, 606-4th Street SW
Calgary, Alberta
T2P 1T1
Attention: Mitchell J. Brody

8. RENEWAL

The Tenant shall have one (1) option to renew the Lease for a further term of five (5) years, subject to and in accordance with the following terms and conditions:

- (a) The option shall be to renew this Lease upon the same terms and conditions as are contained in the Lease, excepting the annual gross rent and excepting any other option to renew or other provisions applicable only to the initial Term. The gross rent shall be equal to the then existing market value for comparable space in comparable office buildings in the immediate vicinity of the Building provided that, in any event the gross rent during the renewal term shall not be less than the gross rent payable during the last year of the initial term in accordance with the foregoing guideline; and
- (b) The option shall be open for exercise by delivery to the Landlord of a letter of exercise. The option shall be exercised not less than six (6) months, nor more than twelve (12) months prior to the expiry of the Term and the Tenant shall have paid all the rents payable under the Lease and shall, at the time of exercise, not be in default (of which it has received notice) of any of the covenants and conditions to be observed and performed by the Tenant under the Lease.

9. GOVERNMENT REGULATIONS

The Tenant shall comply with and conform to all laws, by-laws, codes, legislative and regulatory requirements of any government authority relating to the business conduct on the Premises. Such governmental authorities shall include but not be limited to the City of Calgary and the C.R.T.C.. Should any provision of this Lease be not enforceable or illegal, it or they shall be considered separate and severable from the remaining provisions of this Lease and the remaining provisions shall remain in force and be binding upon the parties.

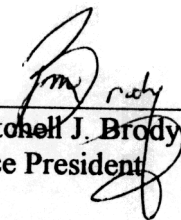
10. ACCEPTANCE

This Lease, including the Schedule "A" attached hereto constitutes the entire agreement between this Landlord and the Tenant and supersedes all prior arrangements and understandings whether written or oral relative to the subject matter thereof.

IN WITNESS WHEREOF the Landlord and the Tenant have executed this Lease as of the date first above written.

697604 ALBERTA LTD.


Per: _____


Mitchell J. Brody
Vice President

TELUS COMMUNICATIONS INC.

Per: _____

Form
Approved


Counsel