

**LEASING AGREEMENT
FOR
TELECOMMUNICATIONS SERVICES**

BETWEEN

TELUS Communications (Quebec) Inc.

AND

KingStreet Real Estate Growth L.P. NO 01

**LEASING AGREEMENT FOR
TELECOMMUNICATIONS SERVICES**

BETWEEN : **TELUS Communications (Quebec) 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, duly authorized pursuant to a resolution of the company's board of directors;

(Hereinafter, "**TELUS Quebec**")

AND: **KingStreet Real Estate Growth L.P. NO 01**

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

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

WHEREAS TELUS Quebec agrees to provide services to clients 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:



- 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 **KingStreet Real Estate Growth LP NO 01**,
- 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 1010 de la Gauchetiere, known as “**Building**”;
- 1.9 **Telecommunications room:** refers to the space occupied by **TELUS Quebec** in its premises, hereinafter designated “**POP**”.

2. SUBJECT OF THE AGREEMENT

2.1 Subject

The **Owner** hereby grants **TELUS Quebec** 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.

Handwritten signature and initials in the bottom right corner of the page.

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 100 pi.², and bearing the number 1010, of the building located at "de la Gauchetiere" street, as described in Appendix "A", which will serve as the **POP** so **TELUS Quebec** can install and maintain its equipment within it.
- 2.1.2. **TELUS Quebec** shall provide an equipment layout plan in Appendix "B".
- 2.1.3. **TELUS Quebec** shall be entitled to use the leased premises for the sole purposes of providing telecommunications services.
- 2.1.4. The **Owner** grants **TELUS Quebec** unlimited access to its POP and permission to enter into it in accordance with the conditions provided herein so it can install and maintain its system and provide telecommunications services to the tenants and occupants of the Building. will inform the security desk of the building of the work planned Prior to accessing the building, **TELUS Quebec** and its representatives and will receive proper identification cards from the **OWNERS**.
- 2.1.5. The licensed area is comprised of: the Entrance Duct, the Riser and the POP Room, identified on Exhibits BS-3, BS-4, BS-5 respectively

3. WIRING FACILITIES

- 3.1. **TELUS Quebec** may make use of existing vertical distribution facilities within the Building, if they are adequate.
- 3.2. **TELUS Quebec** may install any additional wiring after receiving approval of the **Owner** to that effect. During this term, it agrees between the **Parties** that **TELUS Quebec** is management for his wiring inside the Building.
- 3.3. **TELUS Quebec** shall reimburse the **Owner** for the cost of electrical consumption based on the electrical power ratings of the equipment installed in its POP. **TELUS Quebec** will install a check meter at its cost.
- 3.4. The **Owner** shall provide **TELUS Québec** with an electrical power supply with a capacity of 208 V.
- 3.5. **TELUS Quebec** shall assume all POP construction and layout costs along with the piping necessary to connect the POP.
- 3.6. Notwithstanding the preceding, the **Owner** may require work to be performed by a contractor of his choice, insofar as the contractor offers

competitive prices, meets **TELUS Quebec's** deadlines, and has the expertise required to perform work in keeping with **TELUS Quebec's** standard and requirements.

3.7. **Standards and safety**

TELUS Quebec shall permit the **Owner** to enter the POP if necessary. The **Owner** thereby agrees to comply with **TELUS Quebec's** access policies and to comply with its requirements for entering the POP. **TELUS Quebec** will access the building upon presentation of identifications at the main security desk where visitor identification and keys will be given.

4. **DURATION**

4.0 The Annual Basic Fee will be adjusted as provided in Section 4.01 of the Agreement during the term.

4.1. **Duration of the Agreement**

The **Agreement** will have duration of five (3) years, starting on the first day of April 2004 and concluding on March 31, 2007.

4.2. **Renewal**

TELUS Quebec 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 fees for the similar building is situated.

5. **RENTAL**

5.1. **Rental charges**

5.1.1. **TELUS Quebec** will pay the **Owner** a gross annual rent of 6 649,89\$ for the POP.

5.1.2. **TELUS Quebec** will pay the **Owner** for its power usage. The annual estimate of \$2 664.93 will be adjusted upon check meter data and power pricing.

5.1.3. The rent described in paragraph 5.1.1 will be payable in advance, annually on the first day of April.

5.1.4. **TELUS Quebec** 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 Quebec** shall thus add said taxes to the amounts payable herein at.

5.1.5. **TELUS Quebec** will pay the **Owner** an administrative charge of fifteen percent (15%) on all charges

6. CANCELLATION FOR CAUSE

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**, for any reason whatsoever;
- 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 Quebec** 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 Quebec** and subject to the **Owner's** consent. Notwithstanding the preceding, **TELUS Quebec** may assign, licence or convey the **present Agreement** without the **Owner's** permission, to an associated company.

8. SITUATION OF FORCE MAJEURE AND RESPONSABILITY

8.1. Force Maieure

Neither the **Owner** nor **TELUS Quebec** 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.

8.2. Liability

Unless it has committed a fault, neither the **Owner** nor **TELUS Quebec** shall be held liable for loss of income, loss of business, unusual damage, indirect damage or any other kind of damage.

9. **INSURANCE**

- 9.1. **TELUS Quebec** 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 \$5,000,000
- 9.2. **TELUS Quebec** shall provide the **Owner** with certificates confirming such insurance coverage upon request or on a yearly basis.
- 9.3. **TELUS Quebec** 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.

10. **LAWS AND REGULATION**

This Agreement shall be governed by the applicable laws in the Province of Quebec. Should a regulator body having jurisdiction over one of the **Parties** impose terms not contemplated in this Agreement, the **Parties** hereto agree to comply with these terms and the Agreement shall be amended accordingly.

10. **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 Quebec** to one or the other of its customers, the **Owner** will give written notice of at least thirty (30) days to **TELUS Quebec** 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 Quebec** employee, agent or representative is required during the performance of such work, **TELUS Quebec** will be responsible for the expense.

11. INTERRUPTION OF SERVICE

In the event that a breakdown of some kind during the term of the present **Agreement** partially or totally interrupts **TELUS Quebec'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 Quebec** to restore its network to its condition prior to such interruption. **TELUS Quebec** shall assume the cost of such measures.

12. MISCELLANEOUS PROVISIONS

- 12.1. This **Agreement** is not and shall not be considered anything other than a leasing Agreement for the leasing of **TELUS Quebec'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.
- 12.2. 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
- 12.3. 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.
- 12.4. Statement: Any act of publication of the present **Agreement**, shall be approved in a reasonable manner by the **Owner**.

For TELUS Quebec : Division Director-Building
 Engineering
 TELUS Communications (Quebec)
 inc.
 160, rue des Negociants
 Department R0C10
 Rimouski (Quebec)
 G5L 7E4
 A/s Victor Gauthier
 Tel.: (418) 722-5663
 Fax: (418) 721-2133
 Copy Legal department
 Fax: (418) 722-5949

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

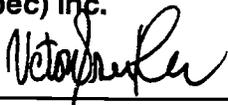
For the Owner :

Canderel Management Inc
In trust for Kingstreet Real Estate L.P. NO 1
1010 De La Gauchetière suite 100
Montreal (Quebec)
H3B 2N2
A/s Alain Beaulieu; Property manager Place du Canada
Tel. : (514) 879 1010
Fax. : (514) 879 3376

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

AT RIMOUSKI, the 23 FEV. 2004

**TELUS Communications
(Quebec) Inc.**

By: 

Victor Gauthier
Division Director-Building Engineering

At Montreal, the 08 MARS 04.

Canderel Management Inc. in trust for
Kingstreet Real Estate L.P. NO 1

By: 

Alain Beaulieu
Property manager
Place du Canada

APPENDIX "A"

Description of Premises

APPENDIX "B"

Leased Space Layout Plan