

# **LEASE AGREEMENT**

**P.R. DEVELOPMENTS LTD.**  
(hereinafter known as "**the Landlord**")

Hereby agrees to lease the area specified in 12.1 and 12.2 of this Lease Agreement to:

**SHAW FIBERLINK LTD.**  
(hereinafter known as "**the Tenant**")

## **1.0 PREMISES**

The Leased Premises shall consist of those areas defined in section 12.1, 12.2, 12.3 and 12.4 of this Lease. The Leased Premises are located within the Building identified as 229 – 4<sup>th</sup> Avenue South, Saskatoon, Saskatchewan.

## **2.0 TERM**

The Term of this Lease shall be five (5) years commencing April 1<sup>st</sup>, 1999, and expiring March 31<sup>st</sup>, 2004.

## **3.0 RATE**

The Rate shall be \$1,200.00 per annum payable in equal monthly installments of \$100.00 plus any applicable Government taxes. Monthly payments are due and payable in advance on the first of each and every month during the Term of this Lease Agreement and any subsequent renewals thereof.

## **4.0 LEASE TYPE**

This shall be a Gross Lease.

## **5.0 LATE PAYMENTS**

Late payments are subject to a 2% per month interest charge.

## **6.0 DEFAULT OF PAYMENT**

In the event that the Tenant is in arrears of two months, the Landlord reserves the right to TERMINATE this Lease Agreement forthwith with no further notice to the Tenant by the Landlord.

## **7.0 WAIVER BY TENANT**

The Landlord shall not be held liable for any disruption of power, access to or damage to the Equipment and property of the Tenant at anytime.

## **8.0 LIABILITY**

The Tenant shall indemnify and save harmless the Landlord from and against any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations arising from the conduct of any work by or through any act of negligence of the Tenant or any assignee, subtenant, agent, contractor, servant, employee or licensee of the Tenant and against and from all costs, legal fees, expenses and liabilities incurred with respect to any such claim or action or proceeding brought thereon.

## **9.0 INSURANCE**

The Tenant shall carry insurance on Equipment to the replacement value of the same and General Liability Insurance in the amount of not less than One Million Dollars (\$1,000,000.00) and any Disruption of Service Insurance as may be required by the Tenant, proof of which shall be provided to the Landlord upon request.

## **10.0 DAMAGE and DESTRUCTION**

The Landlord or Tenant may terminate this Lease upon thirty (30) days' written notice to either party in the case where the building is substantially damaged, by any cause, and the damage cannot be repaired or rebuilt within six (6) months as determined by the Landlord.

## **11.0 UTILITY SERVICE**

The Landlord shall pay for the power used by the Tenant's Equipment, however, the Equipment shall not require more than one 15-amp breaker. The Tenant shall be responsible for installation of the 15-amp breaker and subsequent wiring to and from the electrical panel. The Tenant at their own cost, will employ certified trade contractors to install said electrical apparatus.

## **12.0 USE OF PREMISES**

1. **Telephone Room** – Shall be used to set up the Tenant's Equipment which shall be mounted to the west wall and shall not exceed twenty (20) square feet unless authorized, in writing, by the Landlord.
2. **Roof top** – Shall be used for a period not to exceed five (5) years for the purpose of installing one (1) microwave satellite dish – not to exceed twenty (20) inches in diameter.
3. **The Satellite Dish** - Shall be properly secured to sustain any weather, which may occur however, any penetration of the building envelope to secure the device shall be repaired to its original condition upon removal of the device at the sole cost of the Tenant. Any damages occurring to the building, its tenants, employees, invitees or any other person, animal, vehicle, building or like matter as a result of the installation of the device shall be the financial responsibility of the Tenant.
4. The Landlord agrees to the Tenant installing conduit and fibre-optic cable through the floor of the building. All concrete coring is to be done in the Boiler Room and subsequent ventilation rooms located on each floor below. All coring and subsequent installation of conduit will require proper fire stops to conform to the National Fire Code of Canada for New Construction. All costs for concrete coring and installation of material will be the financial responsibility of the Tenant. All installed conduit and subsequent fire stops will become the property of the Landlord upon termination of this Lease Agreement and any renewal thereof.

5. The Landlord grants permission to the Tenant and the Tenant shall have the right:
- a) To install, operate, maintain, repair and replace in or on the building such Equipment, cable, apparatus, fixtures and attachments, including, without limitation, the fibre optic cross connection Equipment (collectively, the "Equipment") as may be necessary for the Tenant's operations which Equipment shall include all fixtures and attachments attached or affixed by the Tenant to the premises; subject to 12.6
  - b) To use the premises including the Equipment for the purpose of telecommunications; subject to 12.6
  - c) **Telecommunication(s)** means any transmission, emission or reception of signals by wire, radio, visual, fibre optic or other system; subject to 12.6
  - d) **Signals** means signs, signals, writing, images, sounds or intelligence of any nature; subject to 12.6.
6. The Landlord hereby agrees to the items in 12.5 herein contained provided that:
- a) all items referred to in 12.5 are subject to the space limitations identified in 12.1, 12.2, 12.3 and 12.4 herein.
  - b) any additional installation of Equipment for the purpose other than that identified in 13.1 and 13.2 shall require the approval of the Landlord and shall require an amendment of this Lease with respect to location of the proposed installation, size of the area leased, and with respect to rent for any additional area required for the additional installation.
  - c) The installation of any current or future Equipment shall not cause any interference, disturbance or harm whatsoever, to any existing or subsequent Tenant(s) or occupier(s) of the building.

### **13.0 PURPOSE OF LEASE**

- 1. The Tenant will establish communications via microwave radio between Siecor Cable and Shaw Fiberlink Ltd.
- 2. Shaw Fiberlink Ltd. will install fiber optic cable into the Churchill Building enabling Shaw Fiberlink Ltd. to offer point-to-point communication, Internet products and various other telecommunications services to existing and future tenants of the Churchill Building.

### **14.0 LEGAL EXPENSES**

If the Landlord brings an action against the Tenant arising from an alleged breach of a covenant or condition in the Lease to be complied with by the Tenant and the Court establishes that the Tenant is in breach of the covenant or condition, the Tenant will pay to the Landlord all expenses incurred by the Landlord in the action including all reasonable legal fees.

## **15.0 NON-EXCLUSIVE USE AREAS**

The areas designated for use in sections 12.1 and 12.2 are not exclusive use areas of the Tenant. The Landlord, its employees, agents, contractors and invitees shall have access to the areas as the Landlord sees fit.

## **16.0 ACCESS TO BUILDING and EQUIPMENT**

The Tenant shall have access to the premises, 24 hours a day 7 days a week and such other rights as are necessary for the installation, operation, maintenance, repair and replacement of the Equipment.

## **17.0 LEASE RENEWAL**

Provided the Tenant is not in default in the payment of the rent or in the performance or observance of any other covenant, obligation or agreement herein contained at the time of giving notice of renewal and at the end of the Term the Tenant shall have the right, by written notice given to the Landlord not less than six (6) months prior to the expiration to renew this Lease for a period of five (5) years. Said renewal period shall be subject to the same terms and conditions contained in this Lease except for rent, which shall be negotiated, and any inducements and there shall be no further right of renewal. The rent for the renewal period shall be equal to the fair market rent anticipated to be in effect by the commencement of the renewal period for space of comparable size, quality and location, as agreed between the Landlord and the Tenant. In the event the parties are unable to agree, the fair market rent shall be established by arbitration in accordance with the provisions of The Arbitration Act of the Province of Saskatchewan. In no event shall the rent payable during the renewal period be less than the rent payable during the immediately preceding period. The parties shall execute and deliver a further Lease or modification and extension of this Lease, as the Landlord may think appropriate in the circumstances of such renewal.

**18.0** This Lease Agreement shall be binding on the successors and assigns of the Landlord and/or the Tenant.

## **19.0 OWNERSHIP & SURRENDER**

1. The Equipment installed by or on behalf of the Tenant or by its predecessors on, in or to the property shall remain the sole and exclusive personal property of the Tenant notwithstanding that the Equipment may be in part or in whole attached to the property.

2. In the event of Termination of this or any subsequent Lease Agreement or renewal thereof, the Landlord, at the Landlord's option, may require the Tenant and will allow the Tenant, to remove the Tenant's Equipment, subject to 12.4 herein, after the Tenant has satisfied any rental arrears.

## 20.0 ASSIGNMENT

The Tenant shall not assign this Lease or sublet all or part of the Equipment without the prior written consent of the Landlord being first had and obtained, which consent shall not be unreasonably withheld. Notwithstanding the foregoing the Tenant may assign or sublicense this Lease or sublet all or part of the Equipment to a person that directly or indirectly controls, is controlled by or under common control of the Tenant or to a purchaser of substantially all of its assets without the prior consent of the Landlord. A change of control of the Tenant shall not be considered an assignment of this Lease. The Tenant shall be relieved of its obligations hereunder to the extent that such obligations are assume in writing by such assignee.

**IN WITNESS WHEREOF, P.R. DEVELOPMENTS LTD.** has hereunto caused their corporate seal to be affixed attested by the hands of their proper officer(s) in that behalf this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 1999.

Per: \_\_\_\_\_

\_\_\_\_\_  
Seal/Witness

Per: \_\_\_\_\_

\_\_\_\_\_  
Seal/Witness

**IN WITNESS WHEREOF, SHAW FIBERLINK LTD.** has hereunto caused their corporate seal to be affixed attested by the hands of their proper officer(s) in that behalf this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 1999.

Per: \_\_\_\_\_

\_\_\_\_\_  
Seal/Witness

\_\_\_\_\_  
Print Name and Position

Per: \_\_\_\_\_

\_\_\_\_\_  
Seal/Witness

\_\_\_\_\_  
Print Name and Position