

THIS AGREEMENT made in duplicate this 18th day of July 2002

BETWEEN:

O.N.TEL INC.
a corporation incorporated under the laws of the Dominion of Canada having its head office in the City of North Bay, District of Nipissing and carrying on business as **O.N.TELCOM**

(hereinafter referred to as "O.N.Telcom")

OF THE FIRST PART

AND:

THE CORPORATION OF THE MUNICIPALITY OF HURON SHORES
(hereinafter referred to as the "CBN Host")

OF THE SECOND PART

LICENSE-BUILDING SPACE

WHEREAS the CBN Host is presently a member of ADnet, a not-for-profit corporation, the members of which are community-based telecommunications users throughout the District of Algoma Ontario.

AND WHEREAS the CBN Host desires to support ADnet's efforts to facilitate the telecommunications and infrastructure and application development of the whole district.

AND WHEREAS ADnet has selected O.N.Telcom and PUC Telecom Inc. to implement and to roll out state of the art, high speed data connectivity within the serving area in which ADnet is located and for connection to other service serving areas.

AND WHEREAS O.N.Telcom requires building space in order to house its equipment which is required to provide its services to ADnet members and other customers within the District of Algoma.

AND WHEREAS the CBN Host is the owner of a certain building located in the Municipality of Huron Shores, District of Algoma, Province of Ontario and more particularly described in Schedule "A" attached hereto.

AND WHEREAS O.N.Telcom has requested the use of a portion of the building to house its telecommunications equipment on the terms and conditions contained in this Agreement (hereinafter referred to as "the "Licensed Premises").

IN CONSIDERATION OF the recitals and the provisions contained in this Agreement, the parties agree as follows:

1. LICENSE

Subject to the terms and conditions of this license, the CBN Host hereby grants a License to O.N.Telcom to:

- (a) Use and occupy the portion of the building as outlined in Schedule "A" attached hereto, to install, operate and maintain its telecommunications equipment required to provide high quality

telecommunications infrastructure and access to ADnet members and other customers within the District of Algoma.

2. TERM

- (a) The Effective Date of this Agreement shall be the last date on which a Party has executed this Agreement.
- (b) The expiry date of this Agreement shall be 31 December 2005, after which it will be automatically renewed every year thereafter for one-year terms, subject to the provisions for termination hereafter contained.

3. CONSIDERATION

In consideration of the CBN Host allowing O.N.Telcom to use and occupy the Licensed Premises for those services provided to the CBN Host by O.N.Telcom, O.N.Telcom will waive any billable items that are normally assessed separately (not bundled with other billable items) for local loop connection (for example, if there was a separate billable item relating to a local cable pair loop, normally required from the local telephone company for the service to establish the service, but not required at the CBN Host location because the required connections can be completed with in-house wiring, that charge would be waived).

An O.N.Telcom sales representative shall provide information as to which services this applies on a request basis.

4. OBLIGATIONS OF THE CBN HOST

- (a) The CBN Host is required to maintain the technical and operational specifications for the Licensed Premises as outlined in Schedule "B" attached to this Agreement.
- (b) O.N.Telcom shall mutually agree with CBN Host upon any building and room renovations required to meet the technical and operational requirements in Schedule "B" attached; such Agreement by the CBN Host not to be unreasonably withheld.
- (c) The CBN Host shall provide and maintain the Licensed Premises and allow O.N.Telcom and O.N.Telcom authorized contractors and agents to access the Licensed Premises as outlined in Schedule "B" attached.
- (d) The CBN Host shall provide and maintain secure space for all O.N.Telcom provided cables and wire between the exterior property line of the building and the Licensed Premises.
- (e) Subject to regulatory approvals, each party shall at all times repair and keep in good order and condition all equipment and all buildings and related equipment owned by it and controlled by it and used in or in connection with the Licensed Premises, to a reasonable standard of usage taking into account the age of such building and the equipment and the uses to which they are put, and each party shall, in accordance with the usual practice and as reasonably required, repair and replace all and any of the same which may become worn out, dilapidated, unserviceable or destroyed, and which are necessary for the efficient operation of the Service Access Point site.
- (f) The CBN Host shall pay all hydro electricity costs, which are required in order to maintain the O.N.Telcom telecommunications equipment.

5. OBLIGATIONS OF O.N.TELCOM

- (a) O.N.Telcom shall comply with all statutes, regulations, by-laws, codes and requirements of all governments and governmental authorities and all boards and commissions applicable thereto with respect to the use of the Licensed Premises.
- (b) O.N.Telcom shall ensure that the installation, operation and maintenance of all O.N.Telcom provided equipment in the Licensed Premises is in accordance with generally accepted industry standards for such installations.
- (c) O.N.Telcom shall ensure that the installation, operation of maintenance of exterior cables and inside wiring or cables as outlined in Schedule "B" is in accordance with generally accepted industry standards for such operations.

6. LIABILITY

- (a) Each party agrees that the wrongdoer shall make full and complete compensation for any damage caused to the innocent party's physical property by the wrongdoer's act or omission or that of any of its officers, employees, servants, agents, contractors or invitees or those for whom it is in law responsible.
- (b) Each party agrees that the wrongdoer shall make full and complete compensation for any bodily injury or death to any person caused by the wrongdoer's act or omission or that of any of its officers, employees, servants, agents, contractors or invitees or those for whom it is in law responsible or for bodily injury or death attributable to the equipment owned or operated by the wrongdoer, its officers, employees, servants, agents, contractors or invitees or those for whom it is in law responsible.
- (c) Each party agrees that the wrongdoer shall indemnify the innocent party and save it harmless from and against any and all actions, suits, claims, damage, costs, liability and expenses in any manner based upon, connected with or arising out of any breach, violation or non-performance by the wrongdoer of any of the terms and conditions of this Agreement, including the effects of any applicable environmental legislation, unless caused by the negligent act or omission of the innocent party, its officers, employees, agents, contractors or those for whom it is in law responsible.
- (d) Each party agrees that the wrongdoer shall waive against the innocent party, its officers, employees, agents or contractors any claims of any kind whether directly or indirectly arising out of or connected with the existence of this Agreement or for any injury to or death of any person or for any loss of or damage to any property belonging to the wrongdoer, its employees, servants, agents, invitees, licensees, contractors or visitors unless caused by the negligent act or omission of the innocent party, its officers, employees, agents, contractors or those for whom it is in law responsible.

7. USE OF THE LICENSED PREMISES

The Licensed Premises shall only be used for the purpose of installing, maintaining and utilizing equipment required for the facilitation of telecommunications infrastructure and application development.

8. OPERATIONAL REQUIREMENTS

- (a) O.N.Telcom shall not construct, renovate or replace any part of the Licensed Premises without first obtaining the permission, in writing, from the CBN Host and obtaining a license as required by the appropriate government authorities if required.

- (b) O.N.Telcom agrees that no work shall at any time be done on the Licensed Premises in such a manner so as to obstruct, delay, or in any way interfere with the CBN Host's operations.

9. INSURANCE

Both parties shall maintain public liability and property damage insurance with respect to the Licensed Premises and its use by O.N.Telcom; such policy to be written on a comprehensive basis with inclusive rights of not less than \$2,000,000.00 or such higher limits and including such additional terms and coverage as each party acting reasonably may require.

10. TERMINATION

- (a) Either O.N.Telcom or the CBN Host may, at any time during the term or renewal hereof, terminate this Agreement by giving the other party eight (8) months' prior written notice of termination.
- (b) At the expiration of the term or upon the earlier termination of this Agreement, O.N.Telcom shall, within thirty (30) days, remove off the said Licensed Premises of the CBN Host all other materials and things which O.N.Telcom shall have placed thereon.

11. ASSIGNMENT

The rights contained in this Agreement may be transferred, assigned or disposed of in any manner whatsoever without either party's prior written consent.

12. RELATIONSHIP

Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent, landlord and tenant, or of partnership or of joint venture between the parties hereto, it being understood and agreed that none of the provisions contained herein, nor any of the acts of the parties shall create any relationship between the parties other than that of Licensor and Licensee as described in this Agreement.

13. NOTICE

Any notice required by this License Agreement shall be in writing and shall be deemed to have been sufficiently given when personally delivered telefaxed or sent by prepaid registered post addressed to O.N.Telcom to:

Vice-President O.N.Telcom
555 Oak Street East
North Bay, ON P1B 8L3

and addressed to the CBN Host to:
Clerk, Municipality of Huron Shores
P.O. Box 384, 7 Bridge Street
Iron Bridge, ON P0R 1H0

Any notice made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, or if made or given by telefax, on the first business day following the transmittal thereof, or, if sent by prepaid registered post, on the third business day following the day of mailing thereof, except in the case of the interruption or anticipated interruption in the mail service in which case such notice shall be given by personal delivery or telefax.

14. SUCCESSORS

Subject to paragraph 11, this License Agreement and the covenants, provisions and obligations herein contained shall enure to the benefit of and be binding upon each party, its successors and assigns.

IN WITNESS WHEREOF the said parties hereto have signed these presents and affixed their respective seals under the hands of their respective officers duly authorized in that behalf.

SIGNED, SEALED and DELIVERED

in the presence of:

ON TEL INC.

per _____
Vice President

Secretary

per _____

**THE CORPORATION OF THE
MUNICIPALITY OF HURON SHORES**

Clerk/General Administrator

Schedule A - Floor plan of Equipment Room

Schedule B - Technical and Operational Specifications for Equipment Room

Environmental

1. Sufficient ventilation and temperature control of the room to dissipate up to 500Watts of heat from O.N.Telcom's equipment, and continuously maintain a temperature between +5 Celsius and +35 Celsius, with a normal operating temperature of 20 Celsius.
2. Dust and air particle levels no greater than the levels of a normal business office environment.
3. Humidity Levels the same as those for a normal business office environment.
4. Lighting levels as agreed upon, to ensure safe and efficient operation, installation and maintenance within the Equipment Room.

Power

5. A 120VAC 15AMP circuit for O.N.Telcom's equipment (20AMP capacity preferred for future).

Security

6. Doors to the room shall be keyed for secure access, and will normally be kept locked by the CBN Host, excepting when the CBN Host requires access.
7. The CBN Host shall retain a list of all those persons holding keys to the room.
8. Signage, approved by the CBN Host, will be posted, indicating that the room is for authorized personnel only (authorized by the CBN Host or O.N.Telcom).

Personnel Access

9. Unrestricted access to the room, 24 hours a day, seven days a week, for O.N.Telcom employees, and O.N.Telcom authorized contractors, or agents.
10. Third party access as required, to the building in general, for the installation of telecommunications and transmission facilities, between the exterior of the CBN Host's property line to the Equipment Room, including without limitation, entrance cables.

Connecting Telecommunications Facilities

11. The installation of exterior telecommunications cables by O.N.Telcom or a third party, between the property line, and an entrance point to the building.
12. The installation of inside wiring or cables between the point where the external cables are terminated, and the Equipment Room, following industry standard installation practices.

Emergency Conditions

13. In emergency repair situations, and when the O.N.Telcom employee, contractor or agent is unable to utilize their cellular/mobile phone, reasonable access to a telephone line within the building, if available, so that emergency repairs can be coordinated.

CBN Host Contact

14. Optionally, the CBN Host will designate a contact person, employed by the CBN Host, who will have access to the Equipment room, and who, upon request, and with assistance from O.N.Telcom technicians, provide information to O.N.Telcom about the conditions of the Equipment room and the equipment there (normally to assist in determining the cause of a service problem).