

H&R REIT

H&R Property Management Ltd. Telecommunications Agreement

Re: Letter Agreement for Bell West Inc. to use the pathways to provide telecommunications services at the TransCanada Tower, 450 – 1st Street SW Calgary, Alberta (the “Building”) and/or occupants.

H&R Property Management Ltd. (herein after referred to as “H&R”) on behalf of H&R REIT, hereby authorizes Bell West Inc. (herein after referred to as “Bell West”) to use the sub-grade pathways to access and use the vertical backbones owned by TransCanada, to provide telecommunications services at TransCanada Tower. This letter authorizes the installation by Bell West of this equipment. Please acknowledge your acceptance of these terms by countersigning this Telecommunications Agreement below.

The terms and conditions of the Telecommunications Agreement commence August 1, 2003 and expire on July 31, 2007 and are as follows:

1. a) H&R authorizes Bell West :
 - (i) To install, operate, maintain, replace and remove at Bell West’s sole expense and risk, “Communications Equipment” (defined as cabinets, racks and other electronic equipment as network facilities), on and in Point of Presence site for the purpose of providing telecommunications services at TransCanada Tower.
 - (ii) To install, maintain, operate and replace at Bell West’s sole expense and risk cables and connecting hardware (the “Connecting Equipment”), together with the right to pull such Connecting Equipment from the exterior of the Building to and through the telecommunication pathways to the Point of Presence site.
 - (iii) To connect its Communications Equipment to the Buildings electrical systems and utilities, via approved metering devices supplied and installed by Bell West.
- b) H&R hereby reserves the right to grant, renew or extend similar rights to others.
2. Bell West shall pay to H&R \$10,000.00 per annum in advance for the Point of Presence space plus GST which payment includes the use of the pathways for the term of this authorization (the “Fee”).
3. a) Before starting the authorized work Bell West will, at its sole cost and expense prepare and deliver to H&R working drawings for such work or installation, detailing the type, size and location of Bell West’s equipment, the Building communications spaces to be used by Bell West and the Equipment Room. No work shall commence until H&R has approved, in writing, all applicable construction or installation plans, which approval will not be unreasonably withheld or delayed.
- b) Bell West agrees that installation and construction shall be performed in a neat, responsible and workmanlike manner at their cost, using base building construction standards, consistent with such reasonable requirements as shall be imposed by H&R. All Communications Equipment and connecting equipment shall remain the property of Bell West.

- c) Bell West shall, at its sole cost and expense, repair any damage to the Building or other property owned by H&R or by any other occupant of the Building where such damage is caused by Bell West.
 - d) Bell West shall not interfere with the use and enjoyment of the Building or with any communications services or computer devices of H&R or of other lessees, or licensees of H&R or other tenants or occupants of the Building. If such interference shall occur, H&R shall give Bell West written notice thereof and Bell West shall correct the same within 24 hours after receipt of such notice. If however such interference cannot be corrected within 24 hours after receipt of written notice then Bell West must have diligently commenced to correct such interference within 24 hours after receipt of written notice.
 - e) Bell West agrees to comply with all reasonable rules and regulations as adopted and altered by H&R from time to time, and generally applicable to the tenants, licensees and other occupants of the Building
4. Bell West employees must check in with building security and show a photo ID prior to entering the Point of Presence site. Bell West employees shall be entitled to access the Building seven days a week, twenty four hours a day during the term of this Letter Agreement, subject to H&R's reasonable security requirements.
5. Each party shall save harmless and indemnify the other from injury to the Building, its employees or the public that may occur at anytime through such parties negligent acts or omissions provided that no event will either party be responsible for indirect, special or consequential damages, even if notified of the possibility of such damages.
6. H&R and Bell West agree that all information relating to this Letter Agreement and the Communications Equipment is confidential and unless required by any governmental authority, regulatory body or stock exchange, or by law, the parties will not disclose to any other person the terms and conditions of this Letter Agreement prior to its expiry. The parties shall take all reasonable steps to hold the terms and conditions of this Letter Agreement in the strictest confidence. This provision shall survive any termination or expiration of this Letter Agreement.
7. The parties hereto acknowledge and agree that Bell West and its operations are subject to compliance with the orders, decisions, rules, regulations, license and directions of the Canadian Radio and Telecommunications Commission ("CRTC") and Industry Canada and their successors as they exist or are created from time to time during the term of this Letter Agreement (collectively the "Order"). In the event an Order is issued which appears in Bell West's reasonable opinion to impinge upon Bell West's ability to comply with the terms of the Letter Agreement, or Bell West determines that the Building is not suitable for its business, Bell West may terminate this Agreement upon thirty (30) days notice, and the fee shall be apportioned to the date of termination.
8. The Landlord may assign this agreement at any time and shall be relieved of all obligations to the Tenant under this agreement, provided Landlord ensures that the assignee receives actual notice of this agreement. Tenant shall not assign this agreement or sublet or license all or part of the Premises (a "transfer"). Notwithstanding the foregoing, Tenant may affect a transfer to a corporate affiliate, its senior lenders or their collateral agents or a purchaser of a material portion of its business. Tenant shall ensure that Landlord is informed of a transfer and except for a transfer to a purchaser, shall remain liable under this agreement.

If the terms and conditions of this Letter Agreement are acceptable, indicate such by countersigning below.

The terms and conditions of this Letter Agreement are accepted by:

H&R Property Management Ltd.

Date: July 7/03

Authorized Signature

Name:
Title: General Manager

I/We have the authority to bind the Corporation.

Bell West Inc. *ol*

Date: July 28/03

Authorized Signature

Name:
Title: CORP. CONTROLLER

I/We have the authority to bind the Corporation.

