

CONNECTING BRITISH COLUMBIA AGREEMENT

between

TELUS COMMUNICATIONS COMPANY

and

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA, as represented by the Minister of Labour, Citizens'
Services and Open Government**

as of

July 29, 2011

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CONNECTING BC AGREEMENT

This Connecting BC Agreement is entered into as of July 29, 2011 (the “**Deal Effective Date**”), between TELUS Communications Company (“**TCC**”), a general partnership of TELUS Communications Inc. and TELE-MOBILE Company (“**TELUS**”) and Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Labour, Citizens’ Services and Open Government (the “**Province**”). TELUS and the Province are sometimes referred to herein individually as a “**Party**”, and collectively as the “**Parties**”.

RECITALS

- A. The Province wishes to enable affordable broadband access to the Internet for all residents of the Province of British Columbia in order to foster the benefits of connectivity including the development and reach of government services, economic development, electronic health and education initiatives;
- B. In furtherance of these objectives the Parties entered into a Connecting Communities Agreement as of March 23, 2005, as amended and restated July 9, 2008, to amongst other things, make affordable, high-speed internet services available in designated communities in British Columbia;
- C. The connection of the designated communities under the Connecting Communities Agreement has been substantially realized;
- D. In addition to enabling affordable broadband access to the Internet for all residents of British Columbia in order to achieve the social benefits described above the Province wishes to facilitate the expansion of cellular services in order to maintain and enhance public safety and the economic vitality of communities and remote locales;
- E. The Parties have entered into separate agreement under which data, voice and other telecommunications services may be provided by TELUS to the Province and public sector entities;
- F. The Parties wish to advance the objectives of and replace the Connecting Communities Agreement with a new agreement reflecting their strategic relationship that will support the expansion of cellular services and support broadband access to the Internet for all residents of the Province of British Columbia; and
- G. This Agreement documents the terms and conditions under which the Parties intend to work together to enable the deployment and reach of connectivity solutions in the Province of British Columbia.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties agree as follows.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise provided herein, capitalized terms shall have the meanings given to those terms in Schedule A attached hereto. In addition to the definitions contained in Schedule A, certain other terms are defined in the context in which they are used in this Agreement.

1.2 Recitals

The recitals to this Agreement are intended to be a general introduction to this Agreement and are not intended to expand the scope of the Parties' obligations hereunder or to alter the plain meaning of the terms and conditions of this Agreement.

1.3 Headings

The division of this Agreement into Articles, Sections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Interpretation

In this Agreement:

- (a) the terms “**this Agreement**”, “**hereof**”, “**hereunder**”, and similar expressions refer, unless otherwise specified, to this Agreement taken as a whole and not to any particular Article, Section, Schedule or other portion hereof;
- (b) words importing the singular number only shall include the plural and vice versa and words importing gender shall include all genders;
- (c) unless something in the subject matter or context is inconsistent therewith, all references herein to Articles, Sections, paragraphs, subparagraphs and Schedules refer to Articles, Sections and Schedules of this Agreement;
- (d) words and phrases denoting inclusiveness (such as “**including**” or “**includes**”), whether or not stated, are not limited by their context or the words or phrases which precede or succeed them;
- (e) unless otherwise provided herein, whenever the word “**discretion**” is used with respect to a Party, it will be deemed to mean such Party's sole and absolute discretion;
- (f) any reference to a statute shall be deemed to refer to the statute and any regulations made thereunder in force as at the date hereof, as the same may be subsequently amended or replaced, unless otherwise expressly provided;

- (g) references to “**days**” means calendar days unless “**Business Days**” are specified; and
- (h) any reference to “**knowledge**” of a Person shall mean the actual knowledge of such Person without inquiry.

1.5 Accounting Policy

In this Agreement all references to “**GAAP**” refer, unless otherwise specified, to generally accepted accounting principles (including any successor principles) from time to time approved by the Canadian Institute of Chartered Accountants (or any applicable successor institute thereto) as at the date on which such calculation is made or required to be made, consistently applied. Unless otherwise provided in this Agreement, all accounting, record keeping and book keeping contemplated in this Agreement will be performed and carried out in a manner that is consistent with GAAP.

1.6 Calculation of Time Periods

Unless otherwise specified in this Agreement, when calculating the period of time within which or following which any act is to be done or any step taken, the date which is the reference date for starting the calculation of such period shall be excluded and the final date for completing such act or step shall be included.

1.7 Currency References

Unless otherwise specified, all dollar references in this Agreement are deemed to refer to lawful money of Canada.

1.8 Time

Time shall be of the essence in this Agreement.

1.9 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be a part hereof.

Schedule A	-	Definitions
Schedule B	-	Communities
Schedule C	-	Master Wholesale Services Agreement
Schedule D	-	Pricing
Schedule E	-	Highway Segments
Schedule F	-	Governance
Schedule G	-	Reporting

Schedule H	-	Privacy Protection Schedule
Schedule I	-	APM Pricing Selection Process

1.10 Conflict Between Documents

The main body of this Agreement and the Schedules attached hereto are to be interpreted so that all of the provisions are given as full effect as possible. In the event of a conflict between the foregoing, unless expressly stated to the contrary, the order of precedence shall be:

- (a) first, the main body of this Agreement unless a Schedule states that it operates despite a conflicting provision of this Agreement; and
- (b) second, any Schedules attached hereto.

The Parties acknowledge and agree that this Agreement represents the final agreement of the Parties as to the matters raised herein.

Notwithstanding anything to the contrary herein, the Parties acknowledge and agree that the MWSA, subject to Section 5.3(b), shall apply solely as between TELUS and an ISP and shall not be interpreted as subject to the provisions herein. For greater clarity the terms of the MWSA, subject to Section 5.3(b), shall not apply as between TELUS and the Province.

1.11 Objectives and Guiding Principles of the Parties

The Parties acknowledge and agree that the primary objectives and guiding principles of their contractual relationship under this Agreement are:

- (a) that all British Columbians should have access to broadband Internet and telecommunication services and thus be able to realize the social benefits of connectivity including economic development, access to government services and electronic health and education initiatives;
- (b) that the ongoing business decisions of TELUS affecting rural and remote communities and locales should consider the goal of maintaining and progressively enhancing connectivity;
- (c) to maintain access to broadband Internet services in those communities connected under the Connecting Communities Agreement and to facilitate the establishment of last mile connectivity in those communities and locales where last mile connectivity was not established as of the date of this Agreement;
- (d) to support the establishment and ongoing viability of local and regional ISPs including through the provision of carrier services on terms that take into account the economic challenges affecting some rural and remote markets;

- (e) to enhance the opportunity for social benefits to be realized through the services that ISPs provide in rural and remote communities and locales by facilitating relationships and initiatives between ISPs, TELUS, the Province and various other Governmental Authorities, non-governmental organizations and other third parties;
- (f) to enhance the coordination between TELUS, the Province and ISPs in rural and remote communities and locales in order to more effectively pursue connectivity initiatives;
- (g) to expand the availability of cellular services with a focus on primary and secondary highways throughout British Columbia;
- (h) cellular coverage is vital to public safety and is economically beneficial to rural and remote communities and locales and there are social benefits to expanding cellular coverage along primary and secondary highways in British Columbia;
- (i) to develop a long term and mutually beneficial relationship characterized by, among other things, cooperation, good faith and flexibility in respect of the specific commitments and broader goals contemplated by this Agreement;
- (j) full and open disclosure among the Parties of relevant information, to the extent permitted by applicable laws and to the extent not otherwise prohibited or restricted by contractual rights of or obligations to third parties;
- (k) good faith cooperation by the Parties in all matters necessary to enable the Parties to meet and exceed their obligations under this Agreement and to meet or exceed the goals and objectives of the Parties stated herein; and
- (l) to recognize the distinct character and location of rural and remote communities and locales in British Columbia and, accordingly, to encourage the development of services and solutions that are beneficial to such communities and locales and not necessarily of general application.

The Parties acknowledge and agree that the above listed objectives and principles are intended to document the mutual primary objectives and principles of the Parties in entering into this Agreement, and that therefore the specific and detailed provisions of this Agreement are to be interpreted in the light of such primary objectives and principles and, where there is uncertainty, the specific and detailed provisions are to be interpreted in a manner which best achieves such primary objectives and principles.

1.12 Province Acting Reasonably

Nothing in this Agreement, including any requirement for the Province to act reasonably, is to be interpreted as requiring the Province to act in any manner contrary to, or interfering with, the exercise by the Province of any prerogative, executive, legislative or statutory power or duty, including any statutes, regulations, the Policies (as defined in the Telecommunications Services

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Master Agreement), and any Treasury Board or executive directives, whether existing before, on or after the date this Agreement is made.

ARTICLE 2 TERM OF AGREEMENT

2.1 Term

Subject to Section 2.2, the term of this Agreement (the “**Term**”) will commence on the Deal Effective Date and will continue until the 10th anniversary of the Deal Effective Date.

2.2 Extension of the Term

Not less than one year prior to the end of the Term the Parties will establish and diligently engage in a review process to assess whether the objectives of this Agreement can be more fully realized by extending the Term of this Agreement and if so the parties will endeavour, acting reasonably, to agree to an extension of the Term.

ARTICLE 3 CONSIDERATION

3.1 Consideration

As full and complete consideration for the performance of TELUS’ obligations hereunder, the Province has entered into the Telecommunications Services Master Agreement and the Province has paid to TELUS the sum of ten (\$10.00) dollars, the receipt of which sum is hereby acknowledged by TELUS. Except where expressly stated otherwise herein, the Province is not obligated to pay TELUS any fees in return for TELUS’ performance of its obligations hereunder.

ARTICLE 4 CO LIVE STATUS

4.1 Maintaining CO Live Status

By entering into this Agreement the Parties wish to increase the availability of local broadband services to end users in each Community and to foster open competition in the delivery of local broadband services in each Community. Accordingly, throughout the Term TELUS will maintain CO Live Status for the Central Offices in each Community subject to the following qualifications:

- (a) Suspension of obligations as a result of events of Force Majeure in accordance with Article 23;
- (b) TELUS exercise of a Turn Down Option in accordance with Section 4.3;
- (c) Changes implemented pursuant to Article 9;
- (d) TELUS’ ability to maintain underlying rights as set out in Section 7.1; and

- (e) TELUS initiated construction in accordance with Section 4.5.

4.2 Failure to Achieve and Maintain CO Live Status

If the Province becomes aware or TELUS discloses pursuant to its reporting obligations hereunder that TELUS does not have CO Live Status in a Community and such failure is not otherwise permitted under the qualifications listed above in Section 4.1, then TELUS shall:

- (a) upon receipt of written notice of such non-compliance from the Province, such notice to include sufficient reasonable detail of the non-compliance to the extent such information is available to the Province; or
- (b) TELUS reporting such non-compliance to the Province hereunder,

exercise all commercially reasonable efforts to achieve CO Live Status in the designated Community and the Parties will refer the matter to the Governance Process with the objective of achieving CO Live Status as soon as possible.

4.3 TELUS Turn Down Option

TELUS' obligation to achieve and maintain CO Live Status in a Community shall be subject to a TELUS option to turn down CO Live Status (the "**Turn Down Option**") that is subject to, and governed by, the following terms and conditions:

- (a) For the purposes of this Section 4.3 turn down means anything that would have a material adverse affect on CO Live Status and which is caused by TELUS;
- (b) Prior to TELUS exercising a Turn Down Option TELUS will give the Province written notice and consult with the Province to determine whether there is a reasonable prospect that an ISP will, within 120 days of such notice, enter into a MWSA with TELUS (the "**Pending ISP**"); and
- (c) TELUS may only exercise a Turn Down Option if at that time there is no ISP in the Community with a valid MWSA providing services to end users; and
 - (i) there is no Pending ISP for that Community; or
 - (ii) TELUS will incur extraordinary costs in achieving and maintaining CO Live Status in that Community; and
- (d) In the event TELUS exercises a Turn Down Option, TELUS shall be obligated to re-establish CO Live Status as provided in Section 4.4.

4.4 Re-Establishing CO Live Status

If TELUS exercises a Turn Down Option and subsequently the Province becomes aware of an ISP interested in acquiring Carrier Services, the Province will notify TELUS of such ISP and no

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later than 120 days following receipt of that notice TELUS will re-establish CO Live Status at the Central Office in question, unless:

- (a) TELUS will incur extraordinary costs in achieving and maintaining CO Live Status; or
- (b) if the ISP identified by the Province has not signed a MWSA with TELUS within 90 days following TELUS' receipt of the Province's notice despite commercially reasonable efforts by TELUS to conclude such MWSA.

The Province may notify TELUS of any other expressions of interest from ISPs affecting the Central Office which the Province may thereafter receive in which case the provisions of this Section 4.4 shall continue to apply.

For the Port Edward Central Office the Parties agree that the 120 day requirement for re-establishment of CO Live Status will be extended as may be necessary to reflect the unique circumstances of this CO.

4.5 TELUS Initiated Construction

TELUS' obligation to achieve and maintain CO Live Status in a Community shall be subject to:

- (a) TELUS initiated construction activities, provided TELUS first delivers to the Province written notice of the construction activities including an estimated schedule for completion and further provided that TELUS provides the Province with regular updates on progress and when completing such construction activities that TELUS seeks to minimize conditions that adversely impact CO Live Status; and
- (b) scheduled and emergency maintenance activities.

4.6 CO Live Status Disputes and Release

Any failure by TELUS to maintain CO Live Status in accordance with this Article 4, or otherwise comply with its obligations in this Article 4 shall be promptly escalated through the Governance Process. The Parties will ensure that the Governance Process remains structured to provide an effective and responsive process for the resolution of escalations related to CO Live Status and, as applicable, to restore and maintain that status. The Parties acknowledge that any resolution arising from the Governance Process shall be the sole and exclusive remedy applicable to TELUS' failure to achieve and maintain CO Live Status and that neither Party shall escalate the Dispute or issue to arbitration, litigation or any other formal complaint resolution process. The Province hereby releases and discharges TELUS from and against any and all Claims and Losses suffered or incurred by the Province arising or alleged to arise from TELUS' failure to perform its obligations under this Agreement to achieve or maintain CO Live Status save and except for any and all Claims or Losses based on an obligation or duty of TELUS arising other than as a result of this Agreement.

4.7 Technology Refresh

TELUS will maintain and update all TELUS technology used in Central Offices in accordance with TELUS' prevailing standards and practices.

4.8 Exclusion of Warranties

Except as set forth in Sections 4.2, 4.4, 4.6 and 17.2, or as may be set forth specifically and expressly elsewhere in this Agreement, TELUS makes no warranty or condition, express or implied, with respect to the work described hereunder including, without limitation, warranties of merchantability, merchantable quality, durability or fitness for a particular purpose or use, all of which are expressly disclaimed. The warranties set forth in this Agreement constitute the only warranties made by TELUS and are made in lieu of all other warranties or conditions, written or oral, statutory, express or implied.

ARTICLE 5 CARRIER SERVICES

5.1 Carrier Services General

By entering into this Agreement the Parties wish to increase the availability of local broadband services to end users in each Community and to foster open competition in the delivery of local broadband services in each Community. Accordingly, the Parties have agreed to certain matters in respect of Carrier Services as set out in this Article 5.

5.2 Eligible ISPs

An “**Eligible ISP**” shall be an ISP that complies with the following provisions at all times:

- (a) has entered into and is in good standing with all the terms and conditions of the MWSA subject to the waiver by TELUS set out below in Section 5.3(b);
- (b) uses the Carrier Services for the purpose of providing local broadband services to end users in Communities;
- (c) demonstrates ownership or control of infrastructure and an intent to resell Carrier Services to more than one end user in a single Community;
- (d) is considered a local or regional ISP; and
- (e) is not an Affiliate, or otherwise has an equity interest in, or entered into a partnership or business alliance with, a telecommunications provider which does not meet the eligibility criteria set out above.

Any Disputes between the Parties as to whether an ISP is an Eligible ISP shall be referred to the Governance Process and neither Party shall escalate the Dispute or issue to arbitration, litigation or any other formal complaint resolution process.

5.3 Availability of Carrier Services

TELUS will provide Carrier Services from a Central Office in each Community once CO Live Status has been achieved, in accordance with the following:

- (a) Carrier Services will be made available to all ISPs who wish to provide services within a Community in accordance with the terms of TELUS' MWSA generally applied as amended from time to time by TELUS;
- (b) Carrier Services will be made available to all Eligible ISPs who wish to provide services within a Community in accordance with the terms of the MWSA attached hereto as Schedule C, provided that until the earlier of the expiry of the Term or a material default by the Eligible ISP under the MWSA, TELUS shall not:
 - (i) enforce or demand compliance with Sections 5.9 and 5.10 of Schedule A General Terms of the MWSA or,
 - (ii) amend the MWSA without Approval from the Province where such amendment might reasonably have a material adverse impact on the Eligible ISP;
- (c) any MWSA entered into during the Term will have a minimum term of not less than 3 years;
- (d) subject to Section 5.9, the charges for all Carrier Services shall be competitive with similar services offered by other service providers in British Columbia having due regard for volumes, term, service levels and any other pertinent business or financial considerations; and
- (e) in support of increasing broadband access to end users in Communities, TELUS will assess, and offer on terms it deems appropriate, new products and solutions for wholesale services to ISPs in Communities.

5.4 TELUS 30 Mbps Carrier Services

TELUS will make a 30 Mbps Carrier Service available to Eligible ISPs in Communities identified in Schedule B as eligible for such services at APM Pricing as follows:

- (a) For any Community designated with a "yes" on Schedule B, TELUS will make 30 Mbps Carrier Services available as soon as commercially reasonable following receipt of an executed MWSA for such service by an ISP but not later than the last to occur of the 3rd anniversary of the Deal Effective Date and the 6th month following the execution of such MWSA. For greater clarity, following the 3th anniversary of the Deal Effective Date, TELUS will make the 30 Mbps Carrier Service available no later than 6 months following execution of an MWSA. Notwithstanding the foregoing, TELUS shall not be obligated to make a 30 Mbps Carrier Service available in a Community if, but only for so long as, a significant network capacity issue exists in such Community. For the purposes of this

Section 5.4 and 5.5 below, “**significant network capacity issue**” means a network capacity issue affecting an upgrade that would require a capital expenditure greater than twenty thousand (\$20,000) dollars to resolve. In the event that a significant network capacity issue arises, the Parties will meet and discuss the issue and determine whether there are any means of reasonably resolving the issue, including through mutually agreeable cost-sharing arrangements.

- (b) For any Community designated with a “no” on Schedule B, TELUS has the discretion to determine whether to complete the network upgrades required to support 30 Mbps Carrier Services to that Community. If the network upgrades for any such Community are completed and support 30 Mbps Carrier Services, the Community designation on Schedule B will be changed to “yes” and TELUS will advise the Province of such change and make the 30 Mbps Carrier Services available to that Community in accordance with the terms of this Section 5.4.

5.5 TELUS 100 Mbps Carrier Services

TELUS will make a 100 Mbps HDX Carrier Service available to Eligible ISPs in Communities identified in Schedule B as eligible for such services at APM Pricing as follows:

- (a) For any Community designated with a “yes” TELUS will make 100 Mbps HDX Carrier Services available as soon as commercially reasonable following a receipt of an executed MWSA for such service by an ISP but not later than the last to occur of the 5th anniversary of the Deal Effective Date and the 6th month following the execution of such MWSA. For greater clarity, following the 5th anniversary of the Deal Effective Date, TELUS will make the 100 Mbps HDX Carrier Service available no later than 6 months following execution of an MWSA. Notwithstanding the foregoing, TELUS shall not be obligated to make a 100 Mbps HDX Carrier Service available in a Community if, but only for so long as, a significant network capacity issue exists in such Community. In the event that a significant network capacity issue arises, the Parties will meet and discuss the issue and determine whether there are any means of reasonably resolving the issue, including through mutually agreeable cost-sharing arrangements.
- (b) For any Community designated with a “no” on Schedule B, TELUS has the discretion to determine whether to complete the network upgrades required to support 100 Mbps HDX Carrier Services to that Community. If the network upgrades for any such Community are completed and support 100 Mbps HDX Carrier Services, the Community designation on Schedule B will be changed to a “yes” and TELUS will advise the Province of such change and make the 100 Mbps HDX Carrier Services available to that Community in accordance with the terms of this Section 5.5.
- (c) By the 5th anniversary of the Deal Effective Date or sooner, TELUS will advise the Province of any available TELUS service with bandwidth capacity in excess

of 100 Mbps HDX Courier Service that could be provided to ISPs in designated Communities.

5.6 Upgrades from E6 Carrier Services

For any Community identified in Schedule B as eligible and other Communities for which a request has been submitted to TELUS that are currently serviced by a carrier Internet flat rate service (commonly referred to as E6 services), TELUS shall, acting reasonably, determine whether to complete network upgrades required to support 10Mbps or higher bandwidth services, provided that all local direct costs related to such upgrade are paid by an ISP. For the purposes of this Section 5.6, “**local direct costs**” means the incremental cost of Central Office improvements (hardware, software and infrastructure) and connecting the ISP to the Central Office associated directly with the delivery of the upgraded service to the ISP. In determining whether an upgrade is reasonable the factors to be considered by TELUS may include the following:

- (a) whether a traffic study demonstrates a need for the upgrade;
- (b) whether the upgrade will result in significant incremental capital cost to TELUS; and
- (c) whether the upgrade will exhaust remaining network capacity.

5.7 Non-Compete

For the periods described in Section 5.8 below, TELUS shall not directly or indirectly compete against Eligible ISPs in the provision of retail broadband services to end users in a Community, unless:

- (a) the Province consents, acting reasonably; or
- (b) there is no Eligible ISP then offering retail broadband services to the Community.

Notwithstanding anything to the contrary herein, cellular network services (e.g. EVDO, HSPA, LTE, etc.) and Communities where TELUS as of the commencement of the Term provides DSL services as identified on Schedule B, are exempt from the non-compete.

5.8 Duration of Non-Compete

The non-compete obligations under Section 5.7 shall, subject to extension as hereinafter provided, apply for the applicable period as described below.

- (a) If there is no Eligible ISP offering retail broadband services to a Community as of commencement of the Term but such an ISP enters into a MWSA prior to the 3rd anniversary of the Deal Effective Date and at that time TELUS is not providing service in that Community then the non-compete will apply for a period of 3 years from the time of commencement of service under that MWSA.

- (b) If there is an Eligible ISP offering retail broadband services in the Community as of commencement of the Deal Effective Date the non-compete will apply for a period of 3 years from the Commencement of the Term.

Prior to the expiry of any initial 3 year non-compete period as described in Sections 5.8(a) and (b) above, TELUS and the Province will review the list of Communities in Schedule B to mutually determine if there are any Communities in which the non-compete provisions should be extended having regard to factors such as: performance of any existing ISP, value for money provided to the population being served by the existing ISP, TELUS' intention to enter the market, and the Province's last mile connectivity objectives. During the term of any extended non-compete periods, TELUS and the Province will continue to mutually consider further non-compete extensions based on factors such as those described above.

5.9 Charges for Carrier Services

The Parties acknowledge that in certain Communities ISPs will face certain economic impediments in providing local broadband services to end users in that Community. In the interest of supporting the Province's objective of ensuring broadband to end users in all Communities, TELUS agrees that throughout the Term, the price paid by Eligible ISPs for Carrier Services will be in accordance with APM Pricing and PUP Pricing, subject to the following:

- (a) The Parties agree that the selection process developed under the CCA to determine eligibility for APM Pricing as generally described in Schedule I attached hereto, will be applied and continued under this Agreement to determine which Eligible ISPs receive APM Pricing;
- (b) TELUS is not obligated to provide APM Pricing for more than one circuit per Community. For clarity, all subsequent circuits for the Eligible ISP in a Community receiving APM Pricing and all circuits for additional Eligible ISPs in a Community will be provided at PUP Pricing;
- (c) APM Pricing varies depending on the size of the Community involved. The Parties agree that Community size will be based on the actual population of potential end users consistently applied;
- (d) For those Eligible ISPs which as of the commencement of the Term purchase from TELUS 10 Mbps HDX services TELUS will fix the ISP's existing pricing until the ISP cancels the service or chooses to upgrade to another service available from TELUS;
- (e) TELUS will annually review PUP Pricing and every three years review the usage component only of APM Pricing, to ensure both remain competitive with prevailing rates for similar services offered by TELUS in the Lower Mainland. TELUS will provide the Province with the results of TELUS' review on or before the anniversary of the Deal Effective Date and any dispute or issues arising from such price reviews will be resolved through the Governance Process and neither

Party shall escalate the dispute or issue to arbitration, litigation or any other formal complaint resolution process;

- (f) Any price adjustments resulting from a price review completed under Section 5.9(e) will be implemented for each Eligible ISP with existing MWSAs upon the earlier of the MWSA's renewal or such Eligible ISP upgrading to another Carrier Service; and
- (g) Eligible ISPs who enter into MWSAs on or after January 1, 2010, will receive, if eligible, APM Pricing and otherwise PUP Pricing as of the Deal Effective Date. Each Eligible ISP who entered into MWSAs prior to January 1, 2010, will receive, if eligible, APM Pricing and otherwise PUP Pricing as of the renewal of its MWSA or upon such ISP upgrading to another Carrier Service.

5.10 Connection Costs Paid by TELUS

TELUS shall pay all of the costs to connect the first Eligible ISP to a designated Central Office in a Community identified in Schedule B as a Community without an active ISP.

5.11 Support Structures

TELUS will permit access and use of TELUS support structures in accordance with the terms of TELUS' support structure Tariff and TELUS' related support structure license agreement as amended from time to time.

In addition, TELUS hereby agrees to provide such assistance as it may reasonably provide subject to all applicable laws to ISPs to access support structures or towers of TELUS Affiliates and to regularly advise and inform such Affiliates of the objectives and intent of the Parties hereunder and, to the extent reasonably possible, seek the support and cooperation of each of such Affiliates in the fulfillment of the Parties' objectives and intent.

5.12 Assistance to ISPs

TELUS will cooperate with suppliers and existing or potential wholesale customers to identify solutions and methods to encourage the provision of broadband services to end users in rural or remote communities.

5.13 TELUS Ambassador

TELUS will assign a TELUS employee or contractor to act on a full time basis as a local and regional TELUS Ambassador with functions, responsibilities and performance requirements all directed at encouraging the establishment and successful operation of local and regional ISPs. The TELUS Ambassador will be a manager to senior manager level position which will be fully funded and supported by TELUS in order to allow that person to successfully undertake these functions on a full time basis. The TELUS Ambassador will be assigned on or before 6 months following the commencement of the Term and be funded by TELUS for a period of 3 years thereafter. Prior to the conclusion of the 3rd year anniversary of the TELUS Ambassador assignment date, the Parties will consider, acting reasonably, whether the position is still required

to achieve the objectives of this Agreement and, if so, shall mutually agree on an appropriate extension of the term. TELUS will fund the TELUS Ambassador for any such mutually agreed extension term.

5.14 TELUS Ambassador Duties

The duties of the TELUS Ambassador will include:

- (a) Investigate new initiatives that will promote ISP sustainability, such as the ISP ADSL model;
- (b) Investigate training and subcontracting opportunities for regional and local ISPs;
- (c) Participate in operational governance (monthly and quarterly meetings);
- (d) Facilitate education of regional and local ISPs on TELUS processes such as P408 applications, access to support structures, insurance and liability requirements;
- (e) In cooperation with the Province prepare and maintain materials and information regarding this Agreement and the Carrier Services for Eligible ISPs on the TELUS Connecting Communities website;
- (f) Work with Eligible ISPs to address requests for upgrades to 30 Mbps Carrier Services, 100 Mbps HDX Carrier Services and E6 Carrier Services, where available, as indicated in Schedule B;
- (g) Liaise between TELUS business units (Customer Solutions, Business Transformation Technology Operations, Government Relations, etc.), the Province and local ISPs in British Columbia;
- (h) Investigate opportunities within TELUS to reduce process and timeframes for the delivery of Carrier Services and regulatory obligations; and
- (i) Communicate and maintain awareness within TELUS of the objectives and terms of this Agreement.

ARTICLE 6 CELLULAR EXPANSION

6.1 Cellular Coverage

Cellular coverage is vital to public safety and is economically beneficial to small communities and accordingly the Parties recognize that there are social benefits to expanding cellular coverage on primary and secondary highways throughout British Columbia. TELUS will support the social benefits associated with the expansion of cellular coverage through the commitments set out in this Article 6.

6.2 Cellular Build

- (a) TELUS' cellular build construction obligations under this Article 6 will commence on the Deal Effective Date.
- (b) In accordance with Section 6.2(c) TELUS will provide new cellular coverage along those primary and secondary highway segments which measure approximately 3,350 kilometres and are identified in Schedule E attached hereto (collectively, the "**Highway Segments**"). TELUS acknowledges that it has satisfied itself as to the total approximate length of the Highway Segments.
- (c) On or before the 5th anniversary of the Deal Effective Date TELUS will complete construction which will provide 1,716 kilometres of cellular coverage (the "**Cellular Build Target**") along sections of the Highway Segments (the "**New Coverage Sections**").
- (d) Completion of the New Coverage Sections will be based on increases in the cellular coverage that existed as at May 27, 2009. New Coverage Sections will be deemed complete when and only if cellular service is available and signal strength measurements taken along the New Coverage Sections meet or exceed -96Dbm C-PICH Power at 90% of the measurement points. Signal strength measurements will be taken using antenna on the roof of a test vehicle driving the Highway Segment.
- (e) New Coverage Sections constructed to achieve the Cellular Build Target will be determined by TELUS following consultation with the Province as provided in Section 6.6 and:
 - (i) there may be multiple New Coverage Sections or no New Coverage Sections in a particular Highway Segment and where a Highway Segment contains multiple New Coverage Sections, those new Coverage Sections may not be contiguous;
 - (ii) TELUS may determine the size of the New Coverage Sections, and hence the total number of New Coverage Sections, that are constructed to achieve the Cellular Build Target;
 - (iii) TELUS may determine where the New Coverage Sections are located along the Highway Segments from time to time, provided that the Cellular Build Target is achieved and falls within the Highway Segments; and
 - (iv) TELUS may amend from time to time, its schedule for completing the New Coverage Sections.
- (f) The Parties may, upon mutual agreement, allow TELUS to achieve its Cellular Build Target with alternative coverage initiatives aimed at providing cellular/broadband connectivity to population locales, high traffic transportation routes and infill initiatives. At the time of such agreement, the Parties will

calculate how the alternative coverage initiative translates into kilometres considered completed for the purposes of calculating completion of the Cellular Build Target. Any reference to the Cellular Build Target means that target as modified by any agreements in accordance with this Section 6.2(f).

6.3 Maintaining Cellular Facilities

For the Term TELUS shall maintain and operate cellular facilities as necessary in order to maintain the cellular coverage contemplated by the Cellular Build Target.

6.4 Underlying Rights and Regulatory Approvals related to Cellular Build Target

TELUS will exercise all commercially reasonable efforts to secure Underlying Rights or all regulatory/government approvals necessary to achieve and maintain the Cellular Build Target. The Province will provide consistent and ongoing assistance to TELUS to streamline and expedite for TELUS the process of securing Underlying Rights and approvals for properties within the Province's control or the control of the GPS Entities in accordance with, and subject to the terms and conditions set out in Article 7. For certainty, the sole remedy in respect of the Province's commitment to provide assistance in respect of Underlying Rights shall be as set out in Article 7 and a failure to provide assistance with respect to Underlying Rights as set out in this Section 6.4 and in Article 7 shall not in any way whatsoever release, discharge or otherwise limit the obligation of TELUS to achieve the Cellular Build Target and shall not in any way limit or affect the remedies relating to the Cellular Build Target as set out in Section 6.6 below.

6.5 Cellular Build Consultations

Prior to the commencement of the Term, TELUS will consult and review with the Province's authorized representative the cellular coverage construction work TELUS proposes to complete during the first year of the Term. For each year thereafter until completion of the Cellular Build Target, the TELUS Ambassador will consult and review with the Province's authorized representative cellular coverage construction work carried forward from past years, new work to be completed in the year in question and any Underlying Rights or regulatory/government challenges related to the Cellular Build Target. More specifically, the TELUS Ambassador will consult with the Province's authorize representative as follows:

- (a) January – review of cellular coverage construction work scheduled for that year;
- (b) May – Province to provide input (including priorities and rationale) into the cellular coverage construction work planned for the year following the current year and TELUS to provide an update on the status of current construction activities (architecture and design as well as Underlying Rights or regulatory/government challenges, build issues, hold ups, concerns and successes); and
- (c) September – final refinement of the cellular coverage construction work planned for the year following the current year.

6.6 Cellular Build Remedies:

- (a) If TELUS has not fulfilled its Cellular Build Target by the 5th anniversary of the Deal Effective Date, the Province will be entitled to a “clean grind” on the Telecommunications Services Master Agreement annual revenue commitment (meaning that the annual revenue commitment under the Telecommunications Services Master Agreement is reduced and the GPS Entities have the right to move that reduced amount to a competitor without termination fees) calculated in accordance with, and subject to the following terms and conditions:
 - (i) for purposes of this Section 6.6, “**shortfall**” means the difference between the Cellular Build Target minus the number of kilometres of New Coverage Sections that TELUS has completed as of the 5th anniversary of the Deal Effective Date rounded to the nearest 100 kilometres;
 - (ii) for purposes of this Section 6.6, the “**Annual RC Reduction Amount**” means \$250,000 for each 100 kilometres of shortfall;
 - (iii) subject to paragraph (v) below, commencing on the 5th anniversary of the Deal Effective Date and each year thereafter, the annual revenue commitment of the Telecommunications Services Master Agreement will be reduced by the Annual RC Reduction Amount;
 - (iv) the Annual RC Reduction Amount will be applied annually and subject to paragraph (v) will continue to be applied annually until expiry or termination of the Telecommunications Services Master Agreement; and
 - (v) if on the 7th anniversary of the Deal Effective Date TELUS fulfills the Cellular Build Target then no further Annual RC Reduction Amount will apply to the annual revenue commitment under the Telecommunications Services Master Agreement. For clarity the aggregate revenue commitment under the Telecommunications Services Master Agreement will reflect the reductions made on the 5th and 6th anniversaries of the Deal Effective Date.
- (b) The remedies set out in this Section 6.6 are the only remedies available to the Province should TELUS fail to achieve the Cellular Build Target. For greater clarity and except for the remedies set out in this Section 6.6, the Province hereby releases and discharges TELUS from and against any and all Claims and Losses suffered or incurred by the Province arising or alleged to arise from TELUS’ failure to satisfy its obligation under this Agreement to achieve the Cellular Build Target.

ARTICLE 7 UNDERLYING RIGHTS

7.1 Underlying Rights

The Parties acknowledge that certain Underlying Rights are necessary to achieve and maintain CO Live Status; for the proper performance and completion of work needed to connect an ISP to a Central Office and for the cellular coverage construction work contemplated by this Agreement (collectively the “**Work**”) and that certain Persons may withhold, delay or otherwise encumber the provision of such Underlying Rights, or impose terms and conditions such as access fees, levies, imposts and other charges in connection with such Underlying Rights. The Province and TELUS agree that it is their mutual objective to minimize, to the extent feasible, any such delays or terms and conditions in Underlying Rights and to cooperate with each other and coordinate their mutual efforts, to the extent reasonably possible, to achieve such objective in accordance with the provisions of this Agreement. For greater certainty, TELUS expressly acknowledges that the Province, as defined in this Agreement, is Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Labour, Citizens’ Services and Open Government and does not include any representation of Her Majesty the Queen by any other Minister in British Columbia nor any other Governmental Authority other than the Ministry.

7.2 At Risk Underlying Rights

TELUS shall at all times exercise commercially reasonable efforts to secure and maintain Underlying Rights in a timely manner, using TELUS’ preferred routing and technology and on terms and conditions that TELUS would ordinarily accept in the circumstances. For the duration of the Term, the General Manager shall immediately provide written notice to the Contract Manager (the “**UR Notice**”), of all instances where TELUS has, or reasonably believes it may have, difficulty in securing and maintaining Underlying Rights in a timely manner, using TELUS’ preferred routing or technology, on terms and conditions that TELUS would ordinarily accept in the circumstances (the “**At Risk Underlying Rights**”). The UR Notice shall contain reasonable details of the difficulties that TELUS has in securing and maintaining Underlying Rights in a timely manner. For the purposes of this Agreement, references to terms and conditions that TELUS would ordinarily accept in the circumstances shall be construed as including such consideration and benefits as TELUS may ordinarily accept or provide in the circumstances.

The Contract Manager will, no later than five (5) Business Days following the date of the UR Notice, inform the General Manager in writing whether or not the Province agrees the UR Notice discloses At Risk Underlying Rights. If the Province disagrees that the UR Notice discloses At Risk Underlying Rights then the Parties shall promptly discuss such disagreement. Where the Parties cannot promptly come to an agreement regarding the UR Notice, such matter shall be immediately referred to the Strategic Management Committee for resolution in accordance with Section 22.2(c). If the Province agrees that the UR Notice discloses At Risk Underlying Rights, then TELUS shall, within the next thirty (30) days, provide to the Province a report which:

- (a) describes the most reasonable proposed remedial activity or workaround for each At Risk Underlying Right; and
- (b) the nature and extent of the assistance sought from the Province to help resolve the At Risk Underlying Rights.

7.3 Right to Contest Underlying Rights

Notwithstanding anything to the contrary herein, TELUS may at any time and in its sole and absolute discretion contest an At Risk Underlying Right by referring the matter to the CRTC in which case all obligations to perform any directly affected Work shall be suspended until a final determination is made in respect of the matter. The Parties hereby acknowledge and agree that the provisions of this Article 7 are without prejudice to the position of TELUS before the CRTC or any other Governmental Authority in connection with Underlying Rights. TELUS expressly agrees that it shall exercise its rights under this Section 7.3 in good faith.

7.4 Additional Province Assistance

- (a) The Ministry hereby agrees to provide such assistance as it may reasonably provide within the scope of its authority to TELUS to streamline and expedite the process of granting Underlying Rights necessary for the completion of the Work including, without limitation, the current process for obtaining and maintaining licences of occupation, statutory rights of way, permits and approvals from public officials responsible for Crown lands, highways, forests, British Columbia Hydro and Power Authority and such other public entity which holds or controls necessary Underlying Rights, with the Ministry's specific commitments being set forth in Section 7.4(b). TELUS acknowledges that the Ministry cannot compel a change to the processes outside its scope of authority.
- (b) The Ministry shall regularly advise and inform all ministries, departments, agencies, crown corporations and authorities owned or controlled by the government of the Province of British Columbia responsible for the grant or administration of Underlying Rights for Work, of the objectives and intent of the Parties hereunder and, to the extent reasonably possible, seek the support and cooperation of each such ministry, department, agency, crown corporation and authority in the fulfillment of the Parties' objectives and intent. More particularly, the Parties shall initiate a workgroup, to include input and advice from such ministry, department, agency, crown corporation and authority and such other Persons as the workgroup deems appropriate, to provide recommendations to the Strategic Management Committee on how to streamline and expedite the grant of Underlying Rights to TELUS in British Columbia.
- (c) TELUS acknowledges that all expedited and improved services and processes arising from this Agreement in relation to Underlying Rights may be made available generally for the benefit of others.

7.5 Failure to Provide Assistance

Any failure by the Province or the Ministry to provide assistance with respect to Underlying Rights and any Dispute relating thereto, may be escalated through the Governance Process. The Parties acknowledge that any resolution arising from the Governance Process shall be the sole and exclusive remedy with respect to the Province or the Ministry's obligations under this Agreement to provide assistance in respect of Underlying Rights and that neither Party shall escalate the dispute or issue to arbitration, litigation or any other formal complaint resolution process and TELUS hereby releases and discharges the Province from and against any and all Claims and Losses suffered or incurred by TELUS arising or alleged to arise from the Province or the Ministry's failure to perform its obligations under this Agreement relating to Underlying Rights.

ARTICLE 8 CITIZENS CONNECTIVITY PROGRAM

8.1 Connecting BC Target

Subject to Sections 8.2, 8.3 and 8.4 below, TELUS will work with the Province to achieve the goal of connecting 100% of British Columbia's population in 10 years from the commencement of the Term. This connecting target will take into consideration the speed and cost of broadband services and take advantage of the following programs and commitments:

- (a) Deferral Fund;
- (b) First Nations Connectivity and Capacity Building Initiative;
- (c) Enhanced GPON expansion;
- (d) Digital Radio Network Replacement;
- (e) SMI and other connectivity initiatives;
- (f) any related federally funded programs; and
- (g) the various commitments contained in this Agreement.

8.2 Connecting BC Target Defined

The connecting target described in Section 8.1 strives to provide broadband access services to every small locale which may or may not be an incorporated township or community with 200 or more permanent residents in British Columbia which together with TELUS' current service area represents approximately 97% of the population of British Columbia. The Province will work with TELUS to make available to the remaining approximate 3% of British Columbia's population data satellite services in order to reach the connecting target of 100%, provided that any Province or other government funding to support such initiatives is available and receives all necessary approvals.

8.3 Connecting Target Consultations

TELUS will consult with the Province on a regular and ongoing basis throughout the Term (including through monthly, quarterly and planning meetings) to obtain Province input with respect to TELUS infrastructure build plans and other opportunities for achieving the connecting target described in Section 8.1. These consultations will include, as appropriate, TELUS Business Transformation Technology Operations, TELUS Government Relations and the TELUS Ambassador

8.4 Release

For greater certainty, the connecting target described in Section 8.1, is a mutually shared objective and not a legally enforceable commitment and the Parties do hereby release and discharge the other from and against any and all Claims and Losses suffered or incurred by the other arising or alleged to arise from the connecting target.

8.5 BC Connectivity Conferences

Annually throughout the Term, TELUS will contribute five thousand (\$5,000) dollars towards sponsorship of the BC connectivity conferences. TELUS may, at its discretion, increase its financial contribution or provide additional sponsorship benefits such as participation in discussion panels and network access services.

ARTICLE 9 CHANGES

9.1 Changes

The Parties agree that changes to any matter or thing required to be done by virtue of their respective obligations, duties, covenants and responsibilities under this Agreement (collectively, the “**Changes**”), may only be completed as follows:

- (a) TELUS or the Province may initiate a Change by notice in writing from its Contract Manager or General Manager, as applicable, to the other Party (the “**Change Notice**”), and such Change Notice shall include all relevant information reasonably required for the proper consideration of such Change;
- (b) A Change Notice shall indicate a reasonable time for the response to the Change which shall not be less than five (5) Business Days, unless the Parties mutually agree to a different period of time; and
- (c) The Party receiving a Change Notice may either accept, reject, or make a counter-proposal in response to such Change Notice in writing setting out:
 - (i) a specific response to the Change Notice; and
 - (ii) the analysis of such Party of the anticipated effect on the matters described in this Section 9.1.

9.2 Effect of Changes

If the Parties agree to proceed with a Change, such Change shall constitute an amendment to this Agreement including the relevant Schedules to this Agreement, and the Parties shall enter into a written agreement or acknowledgment signed by both Parties evidencing such Change and the corresponding amendments. From and after the effective date of the implementation of such Change, this Agreement shall be interpreted accordingly and this Agreement, as so amended, shall continue in full force and effect for the remainder of the Term.

If the Parties are unable to agree on a Change then the matter may be submitted for resolution to the Governance Process provided that the inability of the Parties to resolve the dispute through the Governance Process shall not entitle either Party to escalate the matter to arbitration, litigation or any other formal complaint resolution process and the Change shall lapse and be of no force and effect whatsoever.

ARTICLE 10 GENERAL MANAGEMENT OF RELATIONSHIP

10.1 Governance

The Parties agree that forthwith upon execution of this Agreement, the Parties shall establish a governance structure in the manner set forth in Schedule F. The Parties further agree that during the Term their relationship shall be governed by the principles and attributes set forth below in order to achieve openness, transparency, efficiency and effectiveness in the management of relationships between TELUS and the Province. The governance structure shall include the following:

- (a) active joint sponsorship at executive and strategic levels;
- (b) alignment of technical and operational level teams;
- (c) efficient mechanisms to resolve differences; and
- (d) mechanisms to effectively engage the governance structure established under the Telecommunications Services Master Agreement in regard to those matters specified in Schedule F that the Parties have agreed are most effectively addressed through such governance structure.

To the extent that the above principles conflict with the governance structure set forth in Schedule F, the terms of Schedule F shall prevail.

ARTICLE 11 RELATIONSHIP

11.1 TELUS Not an Agent

Nothing in this Agreement shall be construed to grant TELUS any right to act as an agent for or on behalf of the Province.

11.2 Cooperation

Each Party will cooperate with the other Party in good faith in the performance and satisfaction of its respective activities, liabilities and obligations contemplated by this Agreement by, among other things, making available, as may be reasonably requested by the other Party, such management decisions, information, Approvals and acceptances in order that the transactions contemplated under this Agreement may be accomplished in a proper, timely and efficient manner without unreasonable delay.

11.3 Province Approval

TELUS shall not undertake any of the following matters without the Approval of the Province:

- (a) those matters specifically identified in this Agreement as requiring the Approval or other authorization of the Province;
- (b) making or agreeing to make any capital expenditure on behalf of the Province; or
- (c) retaining legal counsel on behalf of the Province, or initiating or responding to any legal, regulatory or other proceeding on behalf of the Province or settling any claim prosecuted by or against the Province arising from a legal or regulatory proceeding regarding this Agreement.

11.4 Approval and Response Time

If the Approval of the Province is required pursuant to this Agreement, TELUS shall, except as otherwise provided in this Agreement, deliver written notice to the Province in a manner described in Section 24.2, setting out particulars of the matter and requesting the Approval of the Province, including advising of the time period in which a response is reasonably requested and if applicable, the implications of not responding within that time period. The Province shall use reasonable efforts to respond to any request by TELUS for the Approval of the Province or for the directions or instructions of the Province within five (5) Business Days, or such other period as is expressly provided for in this Agreement or is reasonably requested by TELUS in its notice requesting such Approval, but except as otherwise provided in this Agreement, the failure of the Province to respond during such period shall not result in liability of the Province or be deemed to constitute the Approval of the Province. Where the Province delays in responding to TELUS and such request for Approval expressly sets forth the consequences reasonably anticipated as a result of not responding within the required time period, then TELUS shall not be responsible for such consequences where the same are directly attributable to the delay of the Province in responding.

11.5 Conflict of Interest

At no time during the Term shall TELUS or any material Subcontractor or any employee thereof directly or indirectly engage in any activity, business or undertaking that could create a conflict of interest or perceived conflict of interest with or on behalf of the Province in respect of any activities contemplated hereunder (such as, for example, the hiring of relatives of government officials who are involved in the oversight of the services). Where TELUS or any material

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Subcontractor at any time becomes aware of any act, omission or event that could be construed as creating a conflict of interest or a perceived conflict of interest for TELUS or any material Subcontractor or any employee thereof, the Province or otherwise in respect of the activities contemplated hereunder, or where TELUS or any material Subcontractor is uncertain as to whether or not a conflict of interest or a perceived conflict of interest could exist in a particular situation, then TELUS or any material Subcontractor, as applicable, will immediately advise the Province of the same and comply with any direction given by the Province in respect of the same except where TELUS or any material Subcontractor disagrees with such direction from the Province in which case such matter shall be deemed to be a Dispute which shall be addressed in accordance with Article 22 provided that if such Dispute is otherwise to be referred to arbitration pursuant to Article 22, the matter shall instead be determined by the Province in accordance with any policies or processes demonstrably utilized or held by the Province. The Province retains the right to prohibit any Person (including any Subcontractor or supplier of TELUS) from taking any action with respect to this Agreement where the Province determines, in its sole opinion, that such Person's current or past corporate or other interests may give rise to a conflict of interest in connection therewith. Any determination or direction by the Province in respect of this Section 11.5 will be based upon such information as the Province, in its discretion, determines to be relevant. Without limiting the generality of the foregoing, TELUS expressly agrees with the Province that TELUS will require its Personnel and External Personnel involved in the activities contemplated by this Agreement to conduct themselves in a manner consistent with TELUS' ethics policy.

TELUS represents, warrants and covenants that none of the employees of TELUS or any material Subcontractor has given nor will any of the employees of TELUS or any material Subcontractor give commissions, payments, kickbacks, lavish or excessive entertainment, or other inducements of more than minimal value in any form to any employee or agent of the Province in connection with this Agreement. TELUS acknowledges that the giving of any such commissions, payments, kickbacks, gifts, lavish or excessive entertainment, or other thing or benefit is strictly in violation of TELUS' policy on conflicts of interest, and may result in the cancellation of this Agreement.

The Province agrees that it will operate in accordance with its conflicts of interest guidelines as such guidelines are amended and revised from time to time.

11.6 No Guarantee of Volumes

TELUS acknowledges and agrees that the Province makes no representation or warranty as to the nature, timing, quality, quantity or volume of Carrier Services that any ISP may be willing or able to acquire from TELUS under this Agreement or the compensation that may be earned by TELUS. The Province acknowledges that TELUS makes no representation or warranty as to the willingness or ability of ISP's to acquire any particular volume of Carrier Services or the social benefits that may result in connection with the Cellular Build Target.

ARTICLE 12 TELUS DUTIES AND OBLIGATIONS

12.1 General Duties and Obligations of TELUS

At all times during the Term and without limiting the other provisions set forth herein, TELUS agrees to, and to cause its officers, employees, agents and Subcontractors to, exercise its rights, powers and authority and to perform its obligations, duties, covenants and responsibilities under this Agreement in the following manner:

- (a) in compliance with all of the terms and conditions of this Agreement;
- (b) consistent with the Parties' objectives set out in Section 1.11 hereof;
- (c) in a competent, efficient, diligent, prudent, honest and faithful manner;
- (d) that results in a safe and non-discriminatory work environment; and
- (e) that ensures the representations and warranties set out in Section 17.2 continue to be true and correct during the Term.

12.2 Compliance with Applicable Laws

At all times during the Term, TELUS will, and will cause its employees, agents, representatives and Subcontractors (collectively, the "**TELUS Group**"), as applicable, to exercise its rights, powers and authority and to perform its obligations, duties, covenants and responsibilities under or as contemplated in this Agreement in accordance with all applicable laws of the Province of British Columbia and Canada.

12.3 Obtaining and Maintaining Licenses and Permits

Subject to Article 7, TELUS will at all times during the Term and at its cost, obtain and maintain in full force and effect all licenses and permits issued by any Governmental Authority which are required or desirable for the proper performance of the Work, the Carrier Services and the transactions contemplated in this Agreement.

ARTICLE 13 PERSONNEL, EXTERNAL PERSONNEL AND SUBCONTRACTORS

13.1 TELUS Personnel – General

At all times during the Term, TELUS shall utilize sufficient personnel of TELUS (collectively, "**Personnel**") and/or sufficient personnel of Subcontractors (collectively, "**External Personnel**") to fulfill its obligations hereunder. TELUS shall be responsible for the management and supervision of, and for the acts, omissions and performance of, such Persons.

TELUS shall ensure that the Personnel and External Personnel shall possess a degree of skill and experience appropriate to the tasks to which they are allotted.

Without limiting the generality of the foregoing:

- (a) TELUS shall ensure that there is a sufficient number of Personnel and External Personnel available at all times during the Term to fulfill its obligations hereunder;
- (b) TELUS shall ensure that the Personnel and External Personnel and, in particular, those in the Key Roles, are appropriately staffed and available at all times during the Term;
- (c) TELUS shall be solely liable and responsible for (to the exclusion of the Province) all costs, expenses, liabilities or claims, whenever incurred, relating to:
 - (i) salaries and other compensation payable to its Personnel and expense reimbursement;
 - (ii) labour relations proceedings or orders, grievances, arbitration proceedings or unsatisfied arbitration awards relating to the Personnel and External Personnel;
 - (iii) strikes or other actions due to Labour Disputes; and
 - (iv) complaints, claims, decisions, applications, orders or prosecutions under any employment or labour standards, occupational payroll and safety, workers' compensation, pay equity, employment equity and human rights legislation relating to TELUS, its Subcontractors, Personnel and External Personnel, and for greater certainty, none of such costs, expenses, liabilities or claims referred to in this Section 13.1(c) shall be subject to reimbursement by the Province to TELUS;
- (d) TELUS shall deal with all Subcontractors in such a manner that the Province shall have no liability resulting from the failure of the Subcontractors to meet the same responsibilities and payment obligations as described above in Section 13.1(c) with respect to the External Personnel, and for greater certainty, none of such costs, expenses, liabilities or claims contemplated in this Section 13.1(d) shall be subject to reimbursement by the Province to TELUS or the Subcontractor; and
- (e) TELUS shall be solely liable and responsible for, to the exclusion of the Province, all costs arising from or otherwise relating to the termination by TELUS of any Personnel and the termination by any Subcontractor of any External Personnel and TELUS shall not be reimbursed by the Province for any such costs, expenses, claims or liabilities.

13.2 Key Roles

The TELUS Ambassador described in Section 5.13 will be a Key Role. With respect to each Key Role:

- (a) TELUS will not transfer the incumbent from his or her designated position (in whole or in part) to another position for any reason except with at least six (6) weeks prior notice to the Province (or such shorter notice period as agreed by the Parties) and the Approval of the Province to such transfer, which Approval shall not be unreasonably withheld but which may be conditional upon the Province being provided with a succession plan for the Key Role which the Province Approves;
- (b) any transfer Approved in the manner set forth in Section 13.2(a) shall only be undertaken after there has been a replacement determined and Approved in accordance with the terms of this Section 13.2 and such replacement has assumed such Key Role jointly with the incumbent who is to be replaced for at least two (2) weeks or such other period of time as agreed by the Parties;
- (c) TELUS will not terminate any Personnel or External Personnel in a Key Role for any reason including for cause unless TELUS, to the extent reasonably possible, provides the Province with prior notice of the same;
- (d) in the event of an extended or unexpected absence of the incumbent in a Key Role, TELUS shall forthwith advise the Province of such absence and the Parties shall consult with each other as to appropriate steps to be taken in respect of such absence;
- (e) any new Person in a Key Role shall be suitably trained, qualified and transitioned to the Key Role; and
- (f) the Province shall have the right to deliver a written direction to TELUS requesting the removal of a Person from a Key Role, and TELUS shall effect such removal and replacement of such Person as soon as reasonably practical.

13.3 Subcontractors

TELUS may by subcontract delegate, transfer or otherwise require a Subcontractor to perform any Work or other obligation of TELUS hereunder provided TELUS shall at all times be the general contractor for the work described in this Agreement and remains responsible for all of its obligations under this Agreement, regardless of whether a subcontract or supply agreement is made or whether TELUS relies upon any Subcontractor to any extent. TELUS' use of Subcontractors will in no way increase TELUS' rights or diminish TELUS' liabilities to the Province with respect to this Agreement, and in all events, except as otherwise expressly provided for herein, TELUS' rights and liabilities hereunder with respect to the Province will be as though TELUS had itself performed such work. TELUS will be liable for any defaults or delays caused by any Subcontractor in connection with this Agreement as if such defaults or delays were caused by TELUS.

The terms of this Agreement shall in all events be binding upon TELUS regardless of and without regard to the existence of any inconsistent terms in any agreement between TELUS and

any Subcontractor whether or not and without regard to the fact that the Province may have directly and/or indirectly had notice of any such inconsistent term.

TELUS shall require all Subcontractors to obtain, maintain and keep in force during the time they are engaged in providing services hereunder adequate insurance coverage having regard for the size of the subcontract.

ARTICLE 14 REPORTS

14.1 Reports - General

At all relevant times during the Term, TELUS shall prepare or cause to be prepared and shall provide to the Province all reports and other deliverables as contemplated in Schedule G. TELUS will prepare and provide to the Province updates of such reports at such times as reasonably requested by the Province, from time to time. Any Dispute as to the accuracy or content of a report or deliverable contemplated by Schedule G will be referred to the Governance Process.

14.2 Guiding Principle for Reporting

As a general principle with respect to reporting, the Parties agree that, to the greatest extent possible, they will use web-enabled reports and direct electronic access to data and query reports from the systems of TELUS to meet the reporting and information needs of the Province. The Parties agree to minimize the amount and types of paper-based reporting.

TELUS shall provide the reports as set forth in Schedule G, as may be amended from time to time in accordance with the terms of this Agreement.

TELUS acknowledges that all reports required pursuant to the terms of this Agreement shall:

- (a) be in accordance with any specific requirements as to timing, format and data elements set out herein;
- (b) be timely, comprehensive and, and to the best of TELUS' ability, contain accurate and complete information; and
- (c) be updated from time to time, not less frequently than the time periods as set forth in Schedule G.

14.3 Monthly Reports

TELUS shall give the Province a written report on a monthly basis that contains such information as the Parties reasonably agree to be appropriate for tracking on a monthly basis.

14.4 Change Reports

The Parties shall jointly maintain an accurate and complete record of all Changes agreed to by the Parties in accordance with Article 9. Such record may be maintained in such form as the Parties may agree. Each Party shall cooperate to make such corrections to such record as the other Party may reasonably request to ensure such record of all Changes is accurate and complete, in all material respects, at all times throughout the Term.

14.5 Project Review Meetings

TELUS shall convene on a regular basis review meetings at which TELUS' representative and the Province's representatives will review and discuss the overall progress of TELUS in meeting its commitments under this Agreement and any other matters or initiatives undertaken in accordance with this Agreement, with a view to each Party keeping the other adequately informed on these matters. The Parties will specifically identify and mark as Confidential Information any information or material prepared or provided by it for project review meetings that it considers to be Confidential Information and TELUS may, at its discretion, withhold any such material or information from any Province representative that is not designated by TELUS as entitled to receive such information. TELUS may require that any Province representative who receives TELUS Confidential Information be required to enter into a non-disclosure agreement with TELUS on terms TELUS considers advisable in the circumstances.

14.6 Annual Review of Reporting Requirements

The Parties shall conduct an annual review of the current reporting requirements under this Agreement and shall consider any changes to the current reporting requirements as the Parties shall determine to be appropriate or desirable.

ARTICLE 15 RECORDS

15.1 Maintenance of Books and Records

During the Term and for a period of seven (7) years after the end of the Term (or such longer period as may be required by applicable law), TELUS shall maintain accurate and complete Records related to this Agreement, as may be necessary to enable the Province to verify compliance by TELUS with the terms of this Agreement.

Without limiting the generality of the foregoing TELUS shall ensure that all Records shall be in conformity with GAAP and the requirements of applicable laws.

TELUS acknowledges that all costs of record keeping and of audits contemplated in this Section 15.1 shall, unless otherwise provided in this Agreement, be the responsibility of TELUS.

15.2 Access Rights

During the Term and, for a period of 7 years after the end of the Term to the extent that TELUS still holds Province Confidential Information, TELUS shall permit the Province and its auditors

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and their respective other authorized representatives, at such reasonable times to be agreed between the Province and TELUS, to access and make a reasonable number of copies of the Records and any accounting procedures and practices, cost analyses and any other supporting financial or operational data, including invoices, payments or claims and receipts, pertaining to this Agreement.

With respect to the access granted pursuant to this Section 15.2, the Province agrees as follows:

- (a) Any access by the Province granted pursuant to this Section 15.2 shall be subject to TELUS' privacy, security and safety policies that TELUS provides in writing to the Province in advance, subject to such policies not being in conflict with the Province's policies, applicable law or otherwise with the terms of this Agreement (including any rights granted pursuant to this Agreement).
- (b) Any Province access shall be limited to business hours of TELUS.
- (c) The Province will provide TELUS with ten (10) Business Days prior written notice before exercising the access rights set out herein.
- (d) Where the Province utilizes a third party auditor, TELUS has the right to require such auditor to sign a direct confidentiality agreement with TELUS subject to such confidentiality agreement being reasonable and consistent with the terms of this Agreement.

ARTICLE 16

OBLIGATIONS, DUTIES AND RESPONSIBILITIES OF THE PROVINCE

16.1 Province Retained Responsibilities

During the Term, the Province shall remain responsible for and shall retain control of:

- (a) exercise of powers for and on behalf of Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Labour, Citizens' Services and Open Government;
- (b) Approvals as may be required;
- (c) media relations in accordance with the terms of this Agreement;
- (d) administration of this Agreement on behalf of the Province; and
- (e) such other direct responsibilities as expressly contemplated in this Agreement or as otherwise reasonably retained by the Province.

16.2 Obligations of the Province

The Province covenants and agrees with TELUS as follows:

- (a) the Province shall comply with the terms and conditions of this Agreement and all applicable laws of British Columbia and Canada with respect to this Agreement;
- (b) the Province will communicate and maintain awareness with all internal stakeholders of the objectives and terms of this Agreement; and
- (c) the Province shall exercise its rights, powers and authority and perform its obligations, duties, covenants and responsibilities under this Agreement in accordance with all applicable laws of British Columbia and Canada and consistent with the objectives set forth in Section 1.11.

ARTICLE 17

REPRESENTATIONS AND WARRANTIES

17.1 Representations and Warranties of the Province

The Province represents, warrants and covenants as follows to TELUS, as of the date hereof and (except as otherwise noted) throughout the Term, and acknowledges and confirms that TELUS is relying upon such representations, warranties and covenants:

- (a) it has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement;
- (b) all necessary proceedings have been taken and done to authorize the execution and delivery of this Agreement by the Province; and
- (c) this Agreement has been legally and properly executed by the Province and is legally binding upon and enforceable against the Province in accordance with its terms.

17.2 Representations and Warranties of TELUS

TELUS represents, warrants and covenants as follows to the Province, as of the date hereof and (except as otherwise noted) throughout the Term, and acknowledges and confirms that the Province is relying upon such representations, warranties and covenants:

- (a) TELUS Communications Company is a general partnership duly organized, validly existing and having the legal capacity to carry on business in British Columbia and TELUS Services Inc. is a corporation duly organized, validly existing and with the legal capacity to carry on business in British Columbia;
- (b) TELUS has the power and capacity to enter into this Agreement and to observe, perform and comply with the terms of this Agreement;
- (c) all necessary proceedings have been taken and done to authorize the execution and delivery of this Agreement by TELUS; and

- (d) this Agreement has been legally and properly executed by TELUS and is legally binding upon and enforceable against TELUS in accordance with its terms.

17.3 Disclaimer of Warranties

Other than the representations and warranties expressly set out in this Agreement or as otherwise referenced herein, neither Party makes any representation or warranty, express or implied, regarding any matter in connection with this Agreement including any representations as to merchantability or fitness for a particular purpose.

ARTICLE 18 CONFIDENTIALITY AND PRIVACY

18.1 Privacy Obligations

TELUS shall at all times comply with and ensure that all of its Personnel and External Personnel comply with the obligations set forth in the Privacy Protection Schedule attached as Schedule H hereto, as such exist or are otherwise amended from time to time in accordance with the terms of Schedule H (collectively, the “**Privacy Obligations**”). The Parties acknowledge that for convenience all such provisions have been placed in Schedule H as opposed to the body of this Agreement.

18.2 Definition of Confidential Information

In this Agreement “**Confidential Information**” means any technical, business, financial, personal, operational, scientific or other information or data in connection with this Agreement that is:

- (a) at the time of disclosure designated as confidential (or like designation) by the disclosing party; or
- (b) that would be understood by a Person exercising reasonable business judgment to be confidential.

18.3 Safeguarding Confidential Information

Each of the Parties acknowledges and agrees that all Confidential Information of the other Party, whether received or created before or after the Deal Effective Date, will be received in strictest confidence and held in accordance with and subject to the terms of this Agreement. The Party receiving Confidential Information will retain such information in confidence and shall treat it in accordance with the terms of this Agreement and with a degree of care no less than the degree of care that the receiving Party employs for the protection of its own Confidential Information of a similar nature provided that in any event the receiving Party shall use a reasonable degree of care to protect such Confidential Information.

18.4 Permitted Disclosure and Use of Confidential Information

Subject to Schedule H and all other obligations set forth in this Agreement, a Party may:

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- (a) use relevant aspects of another Party's Confidential Information to the extent reasonably necessary to perform its obligations and exercise its rights under this Agreement; and
- (b) disclose relevant aspects of another Party's Confidential Information to its Personnel and Subcontractors (including their External Personnel) (and subject to Section 15.2 and 14.5 in the case of the Province, its employees, subcontractors, professional advisors and agents) employees and professional advisors to the extent such disclosure and use thereof is reasonably necessary for the performance of the receiving Party's rights or obligations under this Agreement and provided that such Persons and their employees have an actual need to know such information;

but in all cases in accordance with all applicable laws of British Columbia and Canada including, without limitation, FOIPPA.

18.5 Exceptions to Obligations of Confidentiality

Subject to Schedule H and the obligations of confidentiality contained herein, Section 18.3 shall not apply to any information to the extent a Party can reasonably demonstrate that such information:

- (a) was, at the time of disclosure to the receiving Party, in the public domain;
- (b) after disclosure to the receiving Party, is published or otherwise becomes part of the public domain through no fault of the receiving Party;
- (c) was in the possession of the receiving Party at the time of disclosure to it and was not the subject of a pre-existing confidentiality obligation;
- (d) was disclosed independently to the receiving Party by a third party without any confidentiality obligations, provided such third party, or any other party from whom such third party receives such information, is not in breach of any confidentiality obligations in respect of such information;
- (e) was independently developed by the receiving Party without use of any Confidential Information of the other Party;
- (f) is disclosed with the prior written Approval of the other Party, but only to the extent Approved by the other Party; or
- (g) with respect to TELUS Confidential Information, as required of the Province under FOIPPA subject to TELUS retaining all rights under such Act including in respect of contesting such disclosure.

18.6 Disclosure Compelled by Law

Subject to Schedule H, a Party shall not be considered to have breached its confidentiality obligations under this Article 18 for disclosing any Confidential Information of the other Party to the extent such disclosure is required to satisfy any applicable laws, including FOIPPA, such disclosure does not involve Personal Information, and provided that the Party requested to make such disclosure (the “**Compelled Party**”):

- (a) promptly upon receiving any such request if the disclosure is not being made pursuant to a request by a third party and within a reasonable time prior to disclosure (if possible) notifies the other Party of the terms and circumstances of the requested disclosure, including when the Compelled Party expects to make the disclosure;
- (b) consults with the other Party regarding the nature and scope of such request and the response or other position the Compelled Party intends to take with respect to such request;
- (c) does not obstruct or interfere and to the extent practical permits the other Party to obtain a protective order or other remedy to prevent, object to, enjoin, narrow the scope of or otherwise contest the requested disclosure;
- (d) if the other Party is unable to obtain a protective order or other remedy, the Compelled Party shall only disclose such of the Confidential Information that it is legally required to disclose; and
- (e) makes and reasonably pursues a request, that is reasonable and customary in the circumstances, to the applicable Governmental Authority for confidential treatment of the information to be disclosed to such Governmental Authority,

but in all cases subject to and in accordance with all applicable laws including FOIPPA.

18.7 No Rights to Confidential Information

Nothing in this Article 18 shall be construed as obligating a Party to disclose its Confidential Information to the other Party or as granting or conferring on a Party, expressly or impliedly, any right, title or interest or any licence to the Confidential Information of the other Party.

18.8 Notification of Unauthorized Use of Confidential Information

Without limiting any other obligations set forth in this Agreement including the Privacy Obligations, each Party shall:

- (a) promptly notify the other Party of any unauthorized possession, use, access or disclosure, or attempt to effect the same, of the other Party’s Confidential Information by any Person that may be become known to such Party;

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- (b) promptly furnish to the other Party details of the unauthorized possession, use, access, or disclosure, or attempt to effect the same, and use reasonable efforts to assist the other Party in investigating or preventing the recurrence of any unauthorized possession, use, access or disclosure, or attempt to effect the same, of the other Party's Confidential Information;
- (c) use reasonable efforts to cooperate with the other Party in any litigation and investigation against third parties deemed necessary by the other Party to protect its proprietary rights and Confidential Information; and
- (d) promptly use reasonable efforts to prevent a recurrence of any such unauthorized possession, use, access or disclosure of the other Party's Confidential Information.

The Party whose Confidential Information is the subject of such activity will reimburse any out-of-pocket expenses reasonably incurred by the other Party as a result of compliance with this Section 18.8.

18.9 Breach of Confidentiality

Subject to all applicable laws of British Columbia and Canada including the *Crown Proceeding Act* (British Columbia), in the event of any breach of this Article 18, the non-defaulting Party shall be entitled to seek preliminary and permanent injunctive relief, which remedy shall be in addition to any other rights or remedies to which such Party may be entitled under this Agreement or otherwise under applicable laws of British Columbia and Canada.

18.10 FOIPPA Inspections

TELUS acknowledges that under FOIPPA, the Commissioner has the power to obtain information and evidence from Persons other than the Province in the course of conducting an investigation or an inquiry under that Act. Accordingly, TELUS shall provide reasonable cooperation to the Province with respect to investigations or inquiries of the Commissioner under that Act in connection with any information related to this Agreement which the Commissioner is entitled to obtain under such Act.

18.11 Disclosure to CRTC

Notwithstanding anything to the contrary herein, the Province hereby agrees that TELUS may disclose some or all of this Agreement to the CRTC and that TELUS may invite the Province to participate in any meetings TELUS may have with the CRTC to introduce this Agreement and the transactions contemplated hereunder to the CRTC.

ARTICLE 19 COMMUNICATIONS

19.1 Publicity

- (a) TELUS will not make any public announcement relating to this Agreement without the prior written approval of the Province other than as may be required under applicable law.
- (b) Without restricting the generality of Section 19.1(a), TELUS will submit to the Province for its prior written approval all advertising, written sales promotion, press releases, public notices and all other publicity matters or materials relating to this Agreement or any transaction contemplated by this Agreement or in which the Province's name or mark is mentioned or language from which the connection of said name or mark may be inferred or implied (the "**Publicity Materials**"), and will not publish or use any Publicity Materials without prior consultation with and the written Approval of the Province, such Approval not to be unreasonably withheld. Notwithstanding the foregoing, TELUS may include the Province's name and a factual description of the work performed under this Agreement on employee bulletin boards, in internal business planning documents and whenever otherwise required by reason of legal, accounting or regulatory requirements.
- (c) The Province shall submit to TELUS any proactive press releases of a marketing nature directly referencing TELUS:
 - (i) in the context of TELUS' obligations under this Agreement; or
 - (ii) specifically in respect of TELUS' obligations under this Agreement, and will not publish any such press releases without first obtaining the prior Approval of TELUS. In the event that TELUS proposes to withhold its Approval it will promptly inform the Province and any Dispute will be immediately escalated for consideration by the Strategic Management Committee and, if required, further escalated to the Joint Executive Governance Committee. For greater certainty, this limitation shall not apply to press releases that are responding to issues, statements or other circumstances including a failure by TELUS to comply with its obligations under this Agreement. Nothing contained in this Agreement shall modify the obligations of the Province with respect to TELUS Confidential Information.

ARTICLE 20 INDEMNITY AND LIABILITIES

20.1 Indemnity by TELUS

Subject to the releases and disclaimers in Sections 4.6, 6.6(b), 7.5, 8.4 and Section 11.6, TELUS shall indemnify and save harmless Her Majesty the Queen in right of the Province of British Columbia and its elected officials, employees, advisors, agents and representatives (collectively, the “**BC Government**”) to the fullest extent permitted by law, from and against any and all Losses suffered or incurred by any of them arising or alleged to arise:

- (a) from the default of TELUS in the performance of its obligations under this Agreement;
- (b) from any Claim from any third party that has a contractual, statutory or other legal relationship with TELUS and that arises in connection with or as a result of this Agreement (other than third party claims caused by the breach of this Agreement by the Province or the negligence or wilful misconduct of the Province);
- (c) from the death of or bodily injury to any third party or to any employee of the BC Government to the extent caused by the negligence or wilful misconduct of TELUS in respect of this Agreement;
- (d) from any theft or other misappropriation of any funds by TELUS; and
- (e) from the loss of or damage to any property of the BC Government or the property of any third party, to the extent caused by the negligence or wilful misconduct of TELUS in respect of this Agreement.

20.2 Third Party Claim Process

- (a) If the Province intends to seek indemnification under this Article 20 from TELUS in respect of any third party Claims, then the Province shall promptly give TELUS written notice of such Claims for indemnification, such notice to be given as soon as practicable following the commencement of any action by a third party; provided, however, that the failure of the Province to give TELUS such prompt notice shall not relieve TELUS of its obligations under this Agreement, except to the extent that such failure results in a material prejudice to TELUS’ defence to such Claims;
- (b) If TELUS receives a notice of any Claim pursuant to Section 20.2(a) above, then:
 - (i) the Province may permit TELUS to defend and control the defence of the Province against such Claim at TELUS’ expense and TELUS will pay such costs, damages and legal fees that a court finally awards or are included in a settlement agreed to by TELUS, as are in proportion to TELUS’ comparative fault in causing such amounts;

- (ii) the Province shall cooperate in all reasonable respects with TELUS and its counsel in the defence, and may reasonably participate but, for greater clarification, not take control or conduct of such defence at its own expense through its separate legal counsel or otherwise;
 - (iii) if the defendants in any such action include both the Province and TELUS, and the Province shall have reasonably concluded that there may be legal defences available to it which are different from or additional to those available to TELUS, then the Province shall have the right to select separate counsel, the cost of which shall be at TELUS' expense, to assert such legal defences or to otherwise participate in the defence of such action on behalf of the Province; and
- (c) To the extent that the Province has not permitted TELUS to control its defence of the Claim pursuant to Section 20.2(b)(i) above, then the Province shall not settle any Claim for which it may seek indemnification from TELUS pursuant to this Section, without consultation with TELUS. Notwithstanding such consultation, the Province shall have the right to settle such Claim provided, however, that if the Province has reached a bona fide settlement agreement with the plaintiff(s) in any such action and TELUS disputes:
 - (i) the settlement amount;
 - (ii) the liability of TELUS under this Article 20; or
 - (iii) any impact on the indemnifying Party (including costs) with respect to its performance or compliance under this Agreement

(collectively, the “**Disputed Matters**”)

then, the Disputed Matters shall be resolved in accordance with the provisions of Article 22 of this Agreement. For greater clarification, the Disputed Matters shall not include the Province's decision to settle any Claim. All settlements of Claims subject to indemnification under this Section 20.2 shall include an appropriate non-disclosure agreement with the plaintiff(s), prohibiting the disclosure of the terms of such settlement by the plaintiff(s).

20.3 Mitigation

Each Party has a duty to mitigate the Losses that would otherwise be recoverable from the other Party pursuant to this Agreement by taking appropriate and commercially reasonable actions to reduce or limit the amount of such Losses.

20.4 Limitation on Liability

The liability of either Party (if any) to the other Party for any Loss, relating to or arising from this Agreement, will not exceed five hundred thousand (\$500,000.00) dollars on a per claim basis and one million five hundred thousand (\$1,500,000.00) dollars on an aggregate basis for the duration of the Term (collectively, the “**Damage Cap**”). The Damage Cap will apply

irrespective of the nature of the cause of action, demand or action, including but not limited to, breach of contract, negligence, tort or any other legal theory.

Notwithstanding anything to the contrary herein, the Parties hereby expressly acknowledge and agree that neither shall be liable to the other hereunder, irrespective of the nature of the cause of action, demand or action, for any and all special, incidental, punitive, indirect or consequential damages, including, without limitation, loss of business, loss of profits or revenues, in respect of the same.

20.5 Insurance

- (a) Without limiting its obligations or liabilities under this Agreement, TELUS shall procure and maintain at all times during the Term of this Agreement, at its own expense and without reimbursement from the Province the following insurance policies, which shall be underwritten by insurers licensed to carry on insurance business in British Columbia:
 - (i) **Commercial General Liability.** Commercial general liability insurance protecting against damage from bodily injury (including death) and from claims for property damage which may arise out of the operations of TELUS and its employees under this Agreement. Such insurance shall be for an amount of not less than ten million (\$10,000,000) dollars inclusive for any one occurrence, and may be provided by way of an umbrella or excess policy. Such policy or policies shall be on an occurrence basis and shall provide coverage for bodily injury and property damage, non-owned automobile liability, personal injury liability, employer's liability, blanket contractual liability coverage, broad form property damage coverage and coverage for products and completed operations. The policy shall contain a cross liability clause, naming the Province as an additional insured.
 - (ii) **Errors & Omissions Liability.** Errors and omissions liability insurance covering liability for Claims arising out of an error or omission by TELUS in the performance of its obligations under this Agreement for an amount not less than five million (\$5,000,000).
- (b) All required insurance must be primary and not requiring the sharing of any loss by any insurer of the Province.
- (c) TELUS shall not cancel any of the required insurance policies set out or contemplated in this Section 20.5, without thirty (30) days prior written notice to the Province and Approval of the Province, acting reasonably, where a cancelled insurance policy is not replaced with a replacement insurance policy of the same kind and type, and in an equal or greater amount. Each insurance policy for the above described insurance coverage shall be endorsed to provide the Province with thirty (30) days prior written notice of cancellation. TELUS shall provide the Province with evidence of all insurance required to be obtained by TELUS in

a form agreed by the Province before commencing work under this Agreement and within thirty (30) days of the renewal of the insurance policy or policies.

- (d) Subject to Section 15.2, during the Term and upon reasonable prior written request of the Province, TELUS shall permit the Province and its auditors and their respective authorized representatives, at such reasonable times to be agreed between the Province and TELUS to review TELUS' insurance policies.
- (e) TELUS acknowledges that any requirement by or advice from the Province as to the amount of coverage under any policy of insurance shall not constitute a representation by the Province that the amount required is adequate, and TELUS acknowledges and agrees that it is solely responsible for obtaining and maintaining its own policies of insurance in such amounts as TELUS shall determine to be appropriate and adequate, subject to the minimum requirements set out in this Section 20.5.

ARTICLE 21 ASSIGNMENT

21.1 Assignment by the Province

The Province may assign at any time, in its discretion, and without the consent of TELUS but upon prior notice to TELUS (such notice including reasonable details of the assignment), this Agreement in whole or in part or sublicense any right or benefit set forth herein to any Governmental Authority or any Public Sector entity. For greater certainty, the Province shall remain jointly and severally liable to TELUS in the event of any such assignment and such assignment shall not relieve the Province of any of its obligations under this Agreement nor limit any rights or remedies that TELUS may have against the Province. The Province may assign this Agreement to any other Person with the prior written Approval of TELUS which Approval may be given or withheld by TELUS in its discretion.

21.2 Assignment by TELUS

TELUS will not assign this Agreement, or any right of TELUS under this Agreement, without the prior written Approval of the Province which Approval may be given or withheld in the discretion of the Province, except where either such assignment or sublicense of any right or benefit is part of a corporate restructuring of TELUS or the assignment or sublicense of any right or benefit is to an Affiliate of TELUS, in which case such Approval will not be unreasonably withheld. For greater certainty TELUS shall remain jointly and severally liable to the Province in the event of any such assignment as part of a corporate restructuring of TELUS or assignment to an Affiliate and such assignment shall not relieve TELUS of any of its obligations under this Agreement nor limit any rights or remedies that the Province may have against TELUS. Any entity that is the assignee of a material portion of the assets of TELUS where any portion of the assigned assets are used in connection with the performance of TELUS' obligations hereunder shall agree to be jointly and severally liable under the terms of this Agreement as a condition of such assignment of assets. Any name change of TELUS shall not be deemed to be an assignment by TELUS hereunder.

ARTICLE 22 DISPUTE RESOLUTION

22.1 Internal Dispute Resolution

In the event of any Dispute, the Parties shall use reasonable commercial efforts to settle such Dispute internally and shall consult and negotiate with each other in good faith in an effort to reach a fair and equitable solution satisfactory to the Parties.

22.2 Procedure for Internal Dispute Resolution

If a Dispute arises the Parties shall, unless otherwise set out in this Agreement, follow the step-by-step resolution procedure set out below to the extent necessary to resolve the Dispute:

- (a) the General Manager and the Contract Manager shall attempt to resolve any Dispute informally by meeting as often, for a duration and as promptly as those representatives deem necessary to discuss the Dispute and negotiate in good faith in an attempt to resolve the Dispute;
- (b) where the Dispute involves an interruption in service to end users in Communities, the General Manager and Contract Manager shall discuss and seek to resolve the Dispute within 48 hours of being brought to their attention;
- (c) if such Persons are unable to resolve the Dispute within a reasonable period a meeting of the Strategic Management Committee shall be promptly scheduled and held in an attempt to resolve the Dispute;
- (d) In the case of Disputes which involve an interruption in service to end users in Communities, the Strategic Management Committee shall meet within 48 hours of the Dispute being referred to them and seek to resolve the Dispute as soon as reasonably possible; and
- (e) if the Strategic Management Committee is unable to resolve the Dispute, within ten (10) Business Days or such other period of time as agreed, either Party may, to the extent not otherwise precluded by this Agreement, refer the Dispute to arbitration pursuant to Section 22.3.

22.3 Arbitration

Save and except where expressly excluded in this Agreement, any Dispute that is not settled in accordance with Section 22.2 above shall be settled at the request of either Party by binding arbitration in Victoria, British Columbia in accordance with the *Commercial Arbitration Act* (British Columbia). All hearings will be in confidence. Judgement upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof. Each Party shall pay its own costs and expenses and one-half of the arbitration panel costs, subject to final apportionment by the arbitration panel. The arbitration panel shall be composed of one Person appointed by the Party originating the Dispute, one Person appointed by the Party responding to the originating Party and a third Person to act as chairperson, chosen by the two arbitrators, or if

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both Parties agree, the arbitration panel will consist of one Person. No Person may be appointed as an arbitrator unless he or she is independent of each Party, and each Party (and the two arbitrators selecting the third arbitrator) will use its reasonable commercial efforts to select an arbitrator that has experience in complex, commercial engagements and is skilled in the subject matter of the Dispute. The decision of the arbitration panel shall be made by a majority vote, or by the sole arbitrator, as the case may be. In the event of the failure of the arbitration panel to reach a majority decision, the decision of the chairperson shall constitute the decision of the arbitration panel.

22.4 Other

To the extent not prohibited by Applicable Law, TELUS and the Province agree that written or oral statements or offers of settlement made in the course of the Dispute Resolution Process will:

- (a) be Confidential Information;
- (b) be on a without prejudice basis and will not be offered into evidence, disclosed, or used for any purpose other than the Dispute Resolution Process; and
- (c) not constitute an admission or waiver of rights.

TELUS and the Province will promptly return to the other, upon request, any such written statements or offers of settlement, including all copies thereof.

22.5 Confidentiality

The existence and outcome of any Disputes hereunder and all information disclosed by any Party in relation to the resolution of Disputes pursuant to the terms hereof shall be deemed to be Confidential Information of the Parties.

22.6 Irreparable Harm

The provisions of this Article 22 will not be construed to prevent a party from seeking a temporary restraining order or injunctive or other equitable relief with respect to a breach (or attempted breach) of this Agreement by another party, to the extent such remedies are available to a party pursuant to applicable law including, without limitation the *Crown Proceeding Act* (British Columbia).

ARTICLE 23 FORCE MAJEURE

23.1 Notice of an Event of Force Majeure

If either Party is prevented from, or delayed in performing any of its obligations under this Agreement by an event of Force Majeure, the Party claiming the event of Force Majeure shall promptly notify the other Party by telephone (which does not include, for greater certainty, leaving a voicemail message), and by follow-up written notice within two (2) Business Days of such Party becoming aware of the potential non-performance or delay, of the particulars of the

event of Force Majeure including reasonable details of the nature of the event, its expected duration and the obligations under this Agreement that will be affected by the event. The Party claiming the event of Force Majeure shall continue to furnish reasonable reports with respect thereto to the other Party on a timely basis prior to and during the continuance of the event of Force Majeure.

23.2 Reasonable Commercial Efforts to Prevent or Mitigate Event of Force Majeure

Prior to claiming an event of Force Majeure, a Party shall use reasonable commercial efforts to prevent or avoid any event, condition or circumstance, which would result in such event of Force Majeure. Failing prevention of the occurrence of such event of Force Majeure by the use of such efforts, the Party claiming the event of Force Majeure shall, during the continuance of such event of Force Majeure, use reasonable commercial efforts to mitigate and minimize the effects of such event of Force Majeure, to reduce and minimize any ensuing delay or interruption in the performance of its obligations hereunder and to recommence performance of its obligations under this Agreement whenever and to whatever extent possible without delay. For greater certainty, where an event of Force Majeure affects performance of the obligations of both Parties under this Agreement, both Parties may claim the same event of Force Majeure for the purpose of this Article 23.

23.3 Consequences of an Event of Force Majeure

During the occurrence of an event of Force Majeure, the obligations of the Party claiming an event of Force Majeure, to the extent that its obligations cannot be performed or are delayed as a result of such event of Force Majeure, shall be suspended, and such Party shall not be considered to be in breach or default hereunder, for the period of such occurrence. The suspension of performance shall be no greater in scope and of no longer duration than is reasonably required to adjust for the effects of the event of Force Majeure. No obligation of either Party that existed prior to the event of Force Majeure causing the suspension of performance shall be excused as a result of the Force Majeure, unless such obligation is a continuing obligation the performance of which is affected by the event of Force Majeure.

23.4 Establishing an Event of Force Majeure

The Party claiming that an event of Force Majeure has occurred shall bear the burden of proving the existence of such event of Force Majeure and the consequences of the event.

ARTICLE 24 GENERAL PROVISIONS

24.1 Appropriation and Approvals

Notwithstanding any other provision of this Agreement, the payment of money by the Province to TELUS under this Agreement is subject to:

- (a) there being sufficient monies available in an appropriation, as defined in the *Financial Administration Act* (British Columbia), to enable the Province, in any

fiscal year or part thereof when any payment of money by the Province to TELUS falls due under this Agreement, to make that payment; and

- (b) Treasury Board, as defined in the *Financial Administration Act* (British Columbia), not having controlled or limited, under the *Financial Administration Act* (British Columbia), expenditure under any appropriation referred to in Section 24.1(a).

24.2 Notices

Any notice, designation, communication, request, demand or other document, required or permitted to be given or sent or delivered hereunder to any Party shall be in writing and shall be sufficiently given or sent or delivered if it is given or delivered by personal delivery such Party, sent to the Party entitled to receive it by registered mail, postage prepaid, mailed in Canada addressed in the manner described below, or sent to the Party entitled to receive it by fax.

Notices shall be sent to the following addresses or fax numbers:

- (a) In the case of the Province:

4000 Seymour Place
Victoria, BC V8X 4S8
Attention: Office of the Chief Information Officer
Fax number: 250-387-1940
- (b) In the case of TELUS:

826 Yates Street
Victoria, BC V8W 2H9
Attention: AVP Government of BC
Fax number: 250-382-9428

Either Party may change its address or fax number for notices upon giving not less than twenty (20) Business Days' prior written notice to the other Party in the manner provided in this Section 24.2. Any demand, notice or communication shall be deemed to be made or given when actually received by the recipient Party.

24.3 Severability

If any provision contained in this Agreement or its application to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law. In addition, any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In respect of any provision determined to be unenforceable or invalid in a British Columbia court of

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competent jurisdiction, the Parties agree to negotiate in good faith to replace the unenforceable or invalid provision with a new provision that is enforceable and valid in order to give effect to the business intent of the original provision to the extent permitted by British Columbia and Canadian law and in accordance with the intent of this Agreement.

24.4 Entire Agreement

This Agreement and the Schedules hereto and documents incorporated herein by reference, constitute the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any other prior agreements, undertakings, declarations, commitments, representations, warranties, conditions, promises and understandings, whether written or oral, in respect thereof including without limitation, the Connecting Communities Agreement.

24.5 Amendments

No term or provision of this Agreement may be amended except by written instrument signed by each of the Parties hereto.

24.6 No Liens or Charges Against Provincial Assets

Except as expressly provided in this Agreement, TELUS covenants and agrees to protect and keep free all assets of the Province, including, without limitation, all Province facilities on or in which TELUS is performing any portion of the services and any and all interests and estates therein, and all improvements and materials now or hereafter placed thereon under the provisions of this Agreement, from any and all liens, claims, liabilities, security interest, encumbrance, pledge, mortgage or charge of any kind. If any such lien is filed as a result of any action or omission of TELUS, then TELUS will immediately notify the Province by providing a copy of the lien claim and cause such lien to be satisfied or otherwise discharged within ten (10) Business Days. If any such lien is filed or otherwise imposed, and TELUS does not cause such lien to be released and discharged forthwith, the Province has the right, but not the obligation, to pay all sums necessary to obtain such release and discharge or otherwise cause the lien to be removed to the satisfaction of the Province and upon written notice to TELUS referencing this Agreement and the details of such lien, set-off such amounts against any amount otherwise payable by the Province to TELUS.

24.7 Waivers

Failure by a Party to insist in any one or more instances upon the strict performance of any one of the terms, provisions or covenants contained in this Agreement shall not be construed as a waiver or relinquishment of such term, provision or covenant. No consent or waiver, express or implied, by a Party to or of any breach or default by another Party in the performance by such other Party of any term, provision or covenant hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default such other Party hereunder. No waiver of any breach of any term, provision or covenant of this Agreement shall be effective or binding unless made in writing and signed by the waiving Party.

24.8 Further Assurances

Each of the Parties shall, from time to time, execute and deliver all such further documents and instruments and do all such further acts and things as the other Party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Agreement.

24.9 Obligations as Covenants

Each obligation of a Party in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

24.10 Joint Drafting

The Parties have jointly contributed to the drafting of this Agreement, the Schedules attached to this Agreement and all other documents referenced herein or therein. Accordingly, it is the intention of the Parties that the principle of *contra preferentem* shall not apply with respect to interpretation matters.

24.11 Transaction Fees and Commissions

Each Party shall be responsible for and pay its respective legal and accounting costs and other expenses incurred in connection with the preparation, execution and delivery of this Agreement and all other documents and instruments executed pursuant hereto or the transactions contemplated hereunder.

24.12 Survival

All terms and conditions of this Agreement including, without limitation, Sections 1.1 to 1.10, Section 1.12 and Articles 15, 17, 18, 20, 22 and 24, which by their nature are intended to survive expiry of this Agreement will continue in full force and effect subsequent to and notwithstanding any expiry of this Agreement.

24.13 No Partnership or Joint Venture

This Agreement establishes and shall only be construed as establishing a contract between unrelated business entities for the provision of certain services and does not and shall not be construed or deemed to create or constitute a partnership or joint venture relationship between the Parties and each Party hereby expressly disclaims any intention to create a partnership or a joint venture or to constitute the other Party as its agent (except as expressly provided in this Agreement) with respect to the subject matter hereof. Each Party shall be independently and solely responsible for all obligations arising in connection with its own employees (including any obligations incumbent upon such Party as an employer such as the payment of benefits and the withholding and remittance of applicable source deductions in respect of its employees).

24.14 Language

The Parties have agreed that this Agreement and all documents related thereto shall be drafted in the English language. Les parties aux présentes ont convenu que cette convention et tous les documents qui s'y rapportent soient rédigés en langue anglaise.

24.15 Choice of Law and Forum

This Agreement shall be governed by the laws of the Province of British Columbia and any matter regarding its interpretation and application, and all disputes arising under or in any connection with this Agreement shall, subject to Article 22, be within the exclusive jurisdiction of the Courts of British Columbia as stipulated in the following paragraph.

Subject to Article 22, the Parties irrevocably agree to and hereby accept and attorn to the exclusive jurisdiction of the Courts of British Columbia for any and all claims that they may have related in any way to this Agreement and its renewal or non-renewal and all disputes relating hereto or hereunder, and the Parties hereby irrevocably covenant and agree not to commence any action or bring any claim in any other forum whatsoever, be it domestic, foreign or international (including, but not limited to the North American Free Trade Agreement), relating in any way to this Agreement, or its renewal or non-renewal, or any dispute relating hereto or hereunder.

24.16 No Fettering of Legislative Authority

Nothing in this Agreement shall be construed as an agreement by the Province to restrict, limit or otherwise fetter in any manner the Province's ability to introduce, pass, amend, modify, replace, revoke or otherwise exercise any rights or authority regarding legislation, regulations, policies or any other authority of the Province.

24.17 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

24.18 No Third Party Beneficiaries

Nothing in this Agreement, express or implied, is intended to confer upon any Person (other than the Parties and their successors and permitted assigns), and the indemnified parties who are expressly indemnified pursuant to the provisions of this Agreement, any rights, benefits or remedies of any kind or character whatsoever and no Person shall otherwise be deemed to be a third-party beneficiary under or by reason of this Agreement.

24.19 Counterparts

This Agreement may be executed in several counterparts and delivered by electronic transmission, each of which when so executed and delivered shall be deemed to be an original. Such counterparts together shall constitute one and the same instrument, notwithstanding that all of the parties are not signatories to the original or the same counterpart.

24.20 Contravention of Applicable Laws

TELUS represents, warrants and covenants that nothing in this Agreement is to be construed as being in contravention of any British Columbia or Canadian applicable laws that are in respect of the regulation of telecommunication services or telecommunication service providers. If there is a change in British Columbia or Canadian applicable laws such that any part of this Agreement is found to be in contravention of any British Columbia or Canadian applicable laws that are in respect of the regulation of telecommunication services or telecommunication service providers prevailing at that time or if the CRTC issues any decision, order or proceeding which purports to regulate, amend, terminate or otherwise modify the Carrier Services or any other obligation hereunder (a “**Change in Law**”), then:

- (a) TELUS shall have an opportunity to contest the Change in Law and TELUS shall contest the Change in Law at its cost and expense;
- (b) If TELUS is unsuccessful pursuant to Section 24.20(a) and the Change in Law has a material adverse impact on either Party or the severing of the applicable portions of this Agreement would itself have a material adverse impact on either Party, TELUS and the Province shall immediately meet to negotiate a mutually acceptable work around or alternative service which does not contravene such Change in Law; and
- (c) If the Parties agree that a Change in Law has a material adverse impact on either Party and the severing of the applicable portions of this Agreement would itself have a material adverse impact on either Party, then the Parties shall consider this Agreement to have expired, to no longer be of any force and effect and all obligations of the Parties shall be deemed to have come to an end.

For greater clarity the Parties hereby acknowledge that any Change in Law that does not have a material adverse impact on either Party or if the severing of the applicable portions of this Agreement would itself not have a material adverse impact on either Party, then the Parties will comply with the Change in Law or sever the applicable provisions of this Agreement.

Either Party may, under Section 22.3, submit to arbitration any dispute concerning whether a Change in Law has a material adverse impact on the other or whether the severing of the applicable portions of this Agreement would itself have a material adverse impact on either Party and in considering such question the arbitrator shall take into consideration the objectives of the Parties under this Agreement as well as their respective financial capacity.

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IN WITNESS WHEREOF, this Agreement has been duly executed by and on behalf of the Parties hereto as of the date hereof.


**HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH
COLUMBIA, as represented by the
MINISTER OF LABOUR, CITIZENS'
SERVICES AND OPEN GOVERNMENT**

**TELUS COMMUNICATIONS
COMPANY**

By:


Name:
Title:

By:


Name: Kim Henderson,

Title: Deputy Minister, Citizens' Services and Open Government

SCHEDULE A DEFINITIONS

In this Agreement, unless something in the subject matter or context is inconsistent therewith, the following capitalized terms shall have the meanings set forth below:

“**Affiliate**” has the meaning given to it in the *British Columbia Business Corporations Act* as well as any partnership or other unincorporated association in which TELUS or any of their affiliated bodies corporate (as so defined) has a Controlling interest.

“**Agreement**” means this Connecting British Columbia Agreement and all Schedules annexed hereto, together with all amendments or supplements made in accordance with the provisions hereof.

“**APM Pricing**” means the affordable pricing model as set out in Schedule D.

“**Approval**” means, with respect to any document, budget or action to be taken, that such document, budget or action has the prior written approval of the Contract Manager or General Manager, as applicable, for the applicable Party, or of such other representatives of such Party designated by such Party in writing to have such approval power in respect of all or certain matters relating to this Agreement; and “**Approved**” has a similar meaning.

“**At Risk Underlying Rights**” has the meaning given to it in Section 7.2.

“**BC Government**” has the meaning given to it in Section 20.1.

“**Business Day**” means a day other than Saturday, Sunday or a statutory holiday in British Columbia.

“**Carrier Services**” means the TELUS carrier internet flat rate service and the TELUS carrier WAN service as well as the 30 Mbps and 100 Mbps HDX variations thereof described in Section 5.4 and 5.5, which are made available by TELUS or its Affiliates in Communities by way of an MWSA and any replacement services to such services which TELUS may offer commercially during the Term conditional upon such replacement services having the same or greater functionality as compared to the then existing Carrier Services.

“**Cellular Build Target**” has the meaning given to it in Section 6.2(c).

“**Central Office**” or “**CO**” means a central office or wire center premises of TELUS, exclusive of enclosures designed to house remote line concentration equipment, that provides switching capability, including tandem, access tandem, local central offices, toll offices that house local or toll switches or central offices that provide a wire center or subtending remote wire center.

“**Change in Law**” has the meaning given to it in Section 24.20.

“**Change Notice**” has the meaning given to it in Section 9.1(a).

“**Changes**” has the meaning given to it in Section 9.1.

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“Claims” means all losses, damages, expenses, liabilities (whether accrued, actual, contingent, latent or otherwise), claims and demands of whatever nature or kind including, without limitation, all reasonable legal fees and costs.

“Community” and **“Communities”** means those locations with a place name identified in Schedule B.

“Compelled Party” has the meaning given to it in Section 18.6.

“Confidential Information” has the meaning given to it in Section 18.2.

“Connecting Communities Agreement” or **“CCA”** means the Connecting Communities Agreement made between the Parties as of March 23, 2005, as amended and restated July 9, 2008.

“Contract Manager” has the meaning given to it in Schedule F.

“Control” of a corporation or other entity is held by a Person where securities of the corporation or other entity to which are attached more than 50% of the votes that may be cast to elect directors or persons acting in a similar capacity of the corporation or other entity are held, other than by way of security only, by or for the benefit of such Person; and **“Controlled”** and **“Controlling”** have corresponding meanings.

“CO Live Status” means a Central Office in a Community is able to consistently support Carrier Services. For greater clarity, CO Live Status excludes: (i) the installation of any access facilities to the ISP’s premises; (ii) the installation of any CPE at the ISP’s premises; (iii) the installation of any ISP specific equipment at the Central Office; and (iv) the configuration of Central Office equipment necessary to activate the Carrier Services for an ISP.

“CRTC” means the Canadian Radio-television and Telecommunications Commission.

“Damage Cap” has the meaning given to it in Section 20.4.

“Deal Effective Date” means the date of this Agreement as indicated on page 1 hereof.

“Dispute” means a dispute, claim, questions, difference or disagreement between the Parties arising out of or related to any rights or interests, or the performance of any duty or obligation, in connection with this Agreement or any breach hereof.

“Disputed Matters” has the meaning given to it in Section 20.2.

“Dispute Resolution Process” means the dispute resolution process set forth in Article 22.

“Eligible ISP” has the meaning given to it in Section 5.2.

“External Personnel” has the meaning given to it in Section 13.1.

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“**Firm Order**” means a pending ISP has confirmed in writing that it is ready and willing to enter into an MWSA.

“**FOIPPA**” means the *Freedom of Information and Protection of Privacy Act* (British Columbia).

“**Force Majeure**” means the occurrence of an event or circumstance beyond the reasonable control of a Party that interferes with, delays or prevents performance of the obligations of a Party hereunder, provided that (i) the non-performing Party is without fault in causing or failing to prevent such occurrence and (ii) such occurrence cannot be circumvented through the use of commercially reasonable alternative sources, workaround plans or other means. Subject to the foregoing, an event of Force Majeure shall include, without limitation, (i) explosions, fires, flood, earthquakes, catastrophic weather conditions or other elements of nature or acts of God, (ii) acts of war (declared or undeclared), acts of terrorism, insurrection, riots, civil disorders, rebellion or sabotage (iii) acts of federal, provincial or local governmental authorities or courts, (iv) failures or fluctuations in electrical power or third party supplied telecommunications service or equipment, (v) delays or failures caused by third-party non-performance (except that TELUS shall not be excused for delays caused by its Subcontractors or suppliers of TELUS relating to the Carrier Services or any other members of the TELUS Group unless the event or circumstance is an event of Force Majeure as to such Subcontractor or supplier), and (vi) strikes, lockouts, work slowdowns and other labour disputes involving TELUS, its Affiliates or any third party. Notwithstanding the foregoing, in no event will any failure to perform as a result of a Party’s lack of funds or financial ability or capacity to carry on business be deemed an event of Force Majeure.

“**GAAP**” has the meaning given to it in Section 1.5.

“**General Manager**” has the meaning given to it in Schedule F.

“**Governance Process**” means the process to manage, escalate and resolve issues and disputes as set out in Sections 10.1, 22.2 and Schedule F.

“**Governmental Authorities**” means any Canadian federal, provincial, municipal or local government, parliament, legislature or any regulatory authority, agency, commission or board of any government, parliament or legislature, or any court or, without limitation to the foregoing, any other law, regulation or rule-making entity, having jurisdiction in the relevant circumstances, and includes First Nations to the extent that they have jurisdiction and lawful authority under Canadian law.

“**GPS Entities**” has the meaning set out in the Telecommunications Services Master Agreement.

“**Highway Segments**” has the meaning given to it in Section 6.2(b).

“**ISP**” means a service provider who provides dial or broadband access capability to connect end users to the Internet via an Internet gateway or server.

“**Joint Executive Governance Committee**” means the Joint Executive Governance Committee created in accordance with the terms of the Telecommunications Services Master Agreement.

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“Key Role” means a key staff position as contemplated in Schedule F attached hereto which is critical to the satisfactory performance of the obligations hereunder as contemplated in Section 13.2.

“Losses” means the aggregate of any and all claims, proceedings, suits, actions, losses, damages, liabilities, assessments, levies, duties, fines, expenses, judgments, and costs (including legal fees and costs) excluding special, incidental, punitive, indirect or consequential damages in respect of the same.

“Lower Mainland” means the geographical area in British Columbia which consists of the following cities and municipalities; Vancouver, Burnaby, New Westminster, Coquitlam, Port Coquitlam, Port Moody, Richmond, Tsawassen, Surrey, Delta, West Vancouver, North Vancouver, Maple Ridge and Pitt Meadows.

“Ministry” means the Ministry of Labour, Citizens’ Services and Open Government of the Government of British Columbia.

“MWSA” means the prevailing TELUS Master Wholesale Services Agreement for Carrier Services attached hereto as Schedule C.

“New Coverage Sections” has the meaning given to it in Section 6.2(c).

“Party” has the meaning given to it on page 1 of this Agreement, and **“Parties”** has a similar meaning with respect to more than one Party as indicated on page 1 of this Agreement.

“Person” means any natural person, corporation, division of a corporation, partnership, joint venture (which includes a co-ownership), association, company, estate, unincorporated organization, society, trust, government, agency or Governmental Authority.

“Personal Information” means:

- (a) with respect to the Province, all information that:
 - (i) is about an identifiable individual or is defined or deemed as “personal information” pursuant to any laws or regulations related to privacy or data protection that are applicable to the Province (including, without limitation, any information that constitutes “personal information” as such term is defined, from time to time, pursuant to FOIPPA); and
 - (ii) is collected or created by TELUS as a result of this Agreement or any previous agreement between the Province and TELUS with the same subject matter as this Agreement; but
 - (iii) excluding any such information that, if Article 16 or Schedule I did not apply to it, would not be under the control of a “public body” within the meaning of FOIPPA; and

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- (b) all other information that is reasonably designated in writing in advance by the Province as “Personal Information” provided such designation is consistent with the general usage of such term including as expressed in federal or provincial privacy legislation.

“**Personnel**” has the meaning given to it in Section 13.1.

“**Privacy Obligations**” has the meaning given to it in Section 18.1.

“**Province**” has the meaning given to it on page 1 of this Agreement.

“**Province Data**” means all confidential information of the Province and all Personal Information of the Province.

“**Public Sector**” means governments including Canada and other provinces and territories of Canada, including such governments and their ministries and agents, local governments, authorities (such as transportation or health authorities) government owned or government controlled corporations, institutions, organizations, entities, school districts, universities, colleges and similar entities and bodies.

“**PUP Pricing**” means the provincial uniform pricing model as set out in Schedule D.

“**Records**” means books, records, reports, documents, maps, drawings, correspondence, system logs, system development records, accounts, invoices, backup data (including original source documents) and other similar documents, images, writings or information by any means whether graphic, electronic, audio, mechanical or otherwise including, without limitation, Province Data where applicable in the context.

“**Service Manager**” has the meaning set out in Schedule F.

“**Strategic Management Committee**” means the Strategic Management Committee created in accordance with the terms of the Telecommunications Services Master Agreement.

“**Subcontractor**” means any third party Person engaged by TELUS to perform any services on behalf of TELUS or to supply goods or services to TELUS in respect of or related to this Agreement.

“**Tariffs**” means the publication by TELUS of the terms, conditions and rates relating to its offering of services and facilities, as approved by the CRTC pursuant to Section 25 of the *Telecommunications Act* (Canada).

“**Telecommunications Services Master Agreement**” means the telecommunications services master agreement made July 29, 2011 between the Parties and certain Public Sector entities.

“**TELUS**” has the meaning given to it on page 1 of this Agreement.

“**TELUS Group**” has the meaning given to it in Section 12.2.

“Term” has the meaning given to it in Section 2.1.

“Treasury Board” has the meaning given to it in Section 24.1.

“Turn Down Option” has the meaning given to it in Section 4.3.

“Underlying Rights” means all underlying rights easements, permits and licenses, licences of occupation, rights-of-way, or other similar rights held, owned or acquired or to be held, owned or acquired, by TELUS pursuant to and as provided in this Agreement, with respect to the support structures (which includes, without limitation, towers, poles, braces, strands and underground ducts, conduits and pipes), land, or improvements thereto, where Work will be performed or located.

“UR Notice” has the meaning given to it in Section 7.2.

“Work” has the meaning given to it in Section 7.1.

SCHEDULE B COMMUNITIES

119 Connected Communities	30Mb/s Full Duplex Upgrade Available (Y/N)	100Mb/s Half Duplex Upgrade Available (Y/N)	E6 Communities (Y/N)	Active ISP Communities (Y/N)	TELUS DSL Communities (Y/N)
150 Mile House	Y	N	N	Y	Y
70 Mile House	N	N	N	Y	N
Ahousat	N	N	N	Y	N
Alexis Creek	Y	Y	N	Y	N
Alkali Lake	N	N	N	Y	N
Anahim Lake	Y	Y	N	Y	N
Baldonnel	Y	Y	N	N	N
Bamfield	N	N	Y	Y	N
Bear Lake	Y	Y	N	Y	N
Beaverdell	Y	Y	N	Y	N
Bella Bella	N	N	N	Y	N
Bella Coola	N	N	N	Y	N
Big Lake (Ranch)	N	N	N	Y	N
Blue River	Y	Y	N	Y	N
Boston Bar	Y	Y	N	Y	N
Bridge Lake	Y	Y	N	Y	N
Buick / Blueberry First Nation	Y	Y	N	Y	N
Burton	N	N	N	Y	N
Canal Flats	Y	Y	N	Y	N
Cape Mudge	Y	Y	N	Y	N
Celista	N	N	N	Y	N
Charlie Lake	N	N	N	N	N
Chilanko Forks	Y	Y	N	Y	N
Clearview (Flatrock)	Y	N	N	N	N
Clinton	Y	Y	N	Y	N
Coal Harbour	N	N	N	Y	N
Crawford Bay	Y	Y	N	Y	N
Danskin	Y	Y	N	Y	N
D'Arcy	Y	Y	N	Y	Y
Denman Island	N	N	N	Y	Y

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119 Connected Communities	30Mb/s Full Duplex Upgrade Available (Y/N)	100Mb/s Half Duplex Upgrade Available (Y/N)	E6 Communities (Y/N)	Active ISP Communities (Y/N)	TELUS DSL Communities (Y/N)
Dog Creek	N	N	N	Y	N
Dunster	Y	Y	N	N	N
Edgewood	N	N	N	Y	N
Farmington	Y	Y	N	N	N
Fauquier	N	N	N	Y	N
Field	N	N	N	Y	N
Forest Grove	Y	Y	N	Y	N
Fort Fraser	Y	Y	N	Y	N
Francois Lake	Y	Y	N	Y	N
Gillis Bay	N	N	N	Y	Y
Gitanyow (Kitwancool)	Y	Y	N	Y	N
Gitwangak (Kitwanga)	Y	Y	N	Y	N
Gold Bridge	N	N	Y	Y	N
Granisle	N	N	Y	Y	N
Grasmere	Y	N	N	Y	N
Grassy Plains	N	N	N	Y	N
Groundbirch	Y	Y	N	N	N
Hagensborg	N	N	N	Y	N
Hanceville	Y	Y	N	N	N
Hartley Bay	N	N	Y	Y	N
Hixon	Y	Y	N	Y	N
Hornby Island	N	N	N	Y	Y
Horsefly	N	N	N	Y	N
Jaffray	Y	Y	N	Y	N
Kettle Valley	Y	Y	N	Y	N
Kispiox	Y	Y	N	Y	N
Kitamaat Village	Y	Y	N	Y	N
Kitkatla	N	N	Y	Y	N
Klemtu (Kitasoo)	N	N	Y	Y	N
Kuper Island	N	N	N	Y	Y
Lac La Hache	Y	Y	N	Y	N
Lasqueti Island	N	N	N	Y	N
Lax Kw'alaams (Port Simpson)	N	N	Y	Y	N

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119 Connected Communities	30Mb/s Full Duplex Upgrade Available (Y/N)	100Mb/s Half Duplex Upgrade Available (Y/N)	E6 Communities (Y/N)	Active ISP Communities (Y/N)	TELUS DSL Communities (Y/N)
Likely	N	N	N	Y	N
Little Fort	Y	Y	N	Y	N
Lower Nicola	Y	Y	N	Y	Y
Lund	Y	Y	N	Y	N
Lytton	Y	Y	N	Y	N
Malakwa	Y	Y	N	Y	N
Mansons Landing	Y	Y	N	Y	N
Masset	N	N	N	Y	N
McLeese Lake	Y	Y	N	Y	N
Meadow Creek	Y	Y	N	Y	N
Moberly Lake	Y	Y	N	Y	N
Montrose	Y	Y	N	Y	Y
Morisetown	N	N	N	Y	N
Mount Currie	Y	Y	N	Y	Y
Nazko	Y	Y	N	Y	N
North Bend	Y	Y	N	Y	N
Parson	N	N	N	Y	N
Pinantan Lake	Y	Y	N	Y	N
Pinchi	Y	Y	N	Y	N
Port Clements	N	N	N	Y	N
Port Edward	N	N	N	Y	N
Port Renfrew	N	N	Y	Y	N
Prespatou	Y	Y	N	N	N
Queen Charlotte	N	N	N	Y	N
Riondel	Y	Y	N	Y	N
Riske Creek	Y	Y	N	Y	N
Rock Creek	Y	Y	N	N	N
Rose Prairie	Y	Y	N	N	N
Sandspit	N	N	N	Y	N
Savona	Y	Y	N	Y	Y
Sayward	N	N	Y	Y	N
Shalalth	Y	N	N	Y	N
Silverton	N	N	N	Y	N
Skidegate	N	N	N	Y	Y
Slocan	N	N	N	Y	Y
Sointula	N	N	N	Y	N

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119 Connected Communities	30Mb/s Full Duplex Upgrade Available (Y/N)	100Mb/s Half Duplex Upgrade Available (Y/N)	E6 Communities (Y/N)	Active ISP Communities (Y/N)	TELUS DSL Communities (Y/N)
South Hazelton	Y	Y	N	Y	N
Spences Bridge	Y	Y	N	Y	N
Stewart	N	N	N	Y	N
Tappen	N	N	N	Y	N
Tatla Lake	Y	Y	N	N	N
Thetis Island	Y	N	N	Y	Y
Tomslake	Y	Y	N	N	N
Topley	Y	N	N	Y	N
Vananda	N	N	Y	Y	N
Vavenby	Y	Y	N	Y	N
Wells	Y	Y	N	Y	N
Westwold	Y	Y	N	Y	N
Willow River	Y	Y	N	Y	Y
Wilson Creek	Y	Y	N	N	N
Winlaw	N	N	N	N	N
Woss	N	N	N	Y	N
Wynndel	Y	N	N	Y	N
Yahk	Y	Y	N	Y	N
Yale	Y	N	N	Y	N
Zeballos	N	N	Y	Y	N
Total	70	62	11	105	12

**SCHEDULE C
MASTER WHOLESALE SERVICES AGREEMENT**

Agreement No. _____



MASTER WHOLESALE SERVICES AGREEMENT

THIS MASTER WHOLESALE SERVICES AGREEMENT is made this _____ day of _____, 2011.

BETWEEN: [INSERT CUSTOMER NAME], a company incorporated under the laws of _____ and having its head office located at _____ (hereinafter referred to as "Customer").

AND: **TELUS Communications Company**, a general partnership having an office located at 3777 Kingsway, Burnaby, British Columbia, Canada, V5H 3Z7 (hereinafter referred to as "TELUS")

WHEREAS TELUS owns and operates telecommunications facilities and is a provider of a wide range of telecommunication transmission services;

AND WHEREAS the Customer wishes to purchase telecommunication transmission services from TELUS, and TELUS wishes to provide such services to Customer in accordance with the terms and conditions of this Agreement;

NOW THEREFORE AND IN CONSIDERATION of the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1.0 Composition of Agreement

1.1 This Agreement is composed of:

- (a) the document titled "Master Wholesale Services Agreement";
- (b) Schedule A: "General Terms of Service";
- (c) Schedule B: "Service Terms and Conditions";
- (d) Schedule C: "Charges";
- (e) Schedule D: "Interconnection Points"; and
- (f) all Service Orders issued and accepted hereunder.

1.2 The aforementioned documents are incorporated by reference into this document and make up the entire agreement (the "Agreement") between TELUS and Customer and replace any prior oral or written communications. In the event of a conflict or inconsistency between the terms in any documents making up this Agreement, the following order of precedence shall prevail (from highest priority to lowest): (a) the document titled Master Wholesale Services Agreement; (b) Schedule A: "General Terms of Service"; (c) Schedule B: "Service Terms and Conditions", Schedule C: "Charges" and Schedule D: "Interconnection Points", in equal priority; and (d) any agreements or documents to be delivered pursuant to the terms of this Agreement including, without limitation, Service Orders issued and accepted hereunder.

1.3 This Agreement shall apply to forborne or non-regulated Services only.

2.0 Term of Agreement

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- 2.1 This Agreement shall become effective on the date first above written (the "Effective Date") and, unless terminated earlier in accordance with the terms and conditions of this Agreement, shall continue in full force and effect for a period concluding upon the later of: (a) ___ months after the Effective Date; or (b) the expiration or termination or the last Service Term of the Service Orders issued and accepted hereunder ("Term"); provided that the parties may not issue or approve any new Service Orders upon or subsequent to the expiration of the period set forth in subsection 2.1(a) above.

3.0 Service Order Process

- 3.1 Customer may, from time to time, in its discretion, elect to purchase Services from TELUS by delivering a completed service order ("Service Order") to TELUS for approval detailing: (a) the Services that Customer wishes to purchase; (b) the Initial Service Term during which Customer agrees to purchase the Services; (c) the charges payable for such Services; and (d) any other information and details relating to the provision of the Services, such as installation, service implementation intervals and personnel allocation requirements. A Service Order submitted by Customer hereunder shall be in the form of TELUS' standard service order form in effect from time to time. Service Orders shall be transmitted and processed in accordance with TELUS' standard ordering procedures. The acceptance of any Service Order issued under this Agreement is subject to both credit approval and availability of the Services in question at the time Customer places such Service Order.

4.0 Notices

- 4.1 All notices, consents or other communications provided for under this Agreement shall be in writing and shall be deemed to be sufficiently given if delivered by overnight courier, in which case the notice shall be deemed to have been received two (2) business days after the sending thereof, or if delivered by hand to a representative of such party, in which case the notice shall be deemed to have been received on the date of delivery thereof, or if sent by telecopier to such party, in which case the notice shall be deemed to have been received on the business day (in the locality of the addressee) following the sending thereof (so long as it is received or reproduced at the address of the recipient on paper). Until notice of change of address has been given in the manner provided in this section, notices shall be addressed as follows:

(g) if to TELUS at,

TELUS Communications Company
TELUS Partner Solutions
5th Floor
2700 Matheson Boulevard
Mississauga, Ontario, Canada L4W 4V9
Attn: Vice President, Partner Solutions
Fax: (905) 804-6197

TELUS Communications Company
TELUS Partner Solutions
Floor 23
411 – 1 Street SE
Calgary, Alberta T2G 4Y5
Attn: Contract Administration Manager
Fax: (403) 263-8648

(b) if to Customer, at:

[INSERT CUSTOMER NAME]
[insert address]

Attn: [insert]
Fax: [insert]

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5.0 Execution of Agreement

Each of the parties has caused this Agreement to be signed by their respective authorized representatives.

TELUS Communications Company

[INSERT CUSTOMER NAME]

Per:

Name:

Title:

Date:

Per:

Name:

Title:

Date:



Schedule "A"

General Terms of Service

1.0 Definitions

In this Agreement:

- 1.1 "Affiliate" shall have the meaning ascribed to such term as defined in section 2 of the *Canada Business Corporations Act*, R.S., 1985, c. C-44, as amended.
- 1.2 "Agreement" has the meaning set forth in section 1.2 of the document titled the "Master Wholesale Services Agreement".
- 1.3 "Customer Equipment" shall mean equipment, hardware, software, systems, cabling and facilities provided by Customer (or any third party to which Customer resells the Service) and used in conjunction with the Service Facilities in order to obtain the Service.
- 1.4 "Customer Site" shall mean a Customer-designated site or termination point or a carrier-to-carrier network interface specified in a Service Order, and/or any third party termination point, to or at which the Service is to be provided.
- 1.5 "End User" shall mean any retail customer or end user of the telecommunications products and services of the Customer.
- 1.6 "Force Majeure" shall mean an event: (a) the cause of which is beyond the reasonable control of the party affected thereby and which could not reasonably have been foreseen and provided against, including, without limitation, acts of God, strikes, lock-outs or other labor or industrial disturbances, accidents, fires, explosions, weather conditions materially preventing or impairing work, inability to secure fuel, power, materials, contractors or labor, mechanical breakdown, failure of equipment or machinery, delays in transportation, wars, civil commotion, riot, sabotage, applicable legislation and regulations there under, interruptions by government or court orders and future orders (lawful or otherwise) of any regulatory body of competent jurisdiction but shall not include financial difficulty; and (b) which could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, work-around plans or other means or which, by the exercise of reasonable efforts such party is unable to overcome.
- 1.7 "Initial Service Term" means the initial period of time during which Customer agrees to purchase a Service, as specified in the applicable Service Order.
- 1.8 "Renewal Term" has the meaning ascribed to such term in Section 3.2.
- 1.9 "Services" shall mean the telecommunication services set forth in Schedule B.
- 1.10 "Service Facilities" shall mean the equipment, hardware, software, systems, cabling and facilities provided by TELUS at any Customer Site in order to provide the Services to the Customer.
- 1.11 "Service Levels" shall mean, for each Service, the service levels, if any, set forth in the applicable Service Terms and Conditions attached hereto.

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- 1.12 "Service Level Objectives" shall mean, for each Service, the service level objectives, if any, set forth in the applicable Service Terms and Conditions attached hereto.
- 1.13 "Service Term" shall mean the Initial Service Term during which a given Service is to be provided by TELUS to Customer and any Renewal Terms or monthly extensions to the Initial Service Term or any Renewal Term.
- 1.14 "Service Terms and Conditions" shall mean the service specific terms and conditions set forth in Schedule B upon which (in addition to the General Terms of Service set forth herein) TELUS is willing to provide a specific Service to the Customer.
- 1.15 "Tariffs" means the tariffs of TELUS Communications Inc., including national tariffs and special assembly tariffs, and the Terms of Service contained therein, all as approved by the CRTC, and as amended from time to time.

2.0 Services

- 2.1 TELUS will provide the Customer with the Services specified in each Service Order in accordance with the terms and conditions contained herein. All Services are subject to availability of applicable equipment, facilities and services.
- 2.2 Customer acknowledges that some of the Services referred to herein may be provided by an Affiliate of TELUS, as identified in the Service Terms and Conditions and, in such case, this Agreement shall be read as though such Affiliate were a party to this Agreement in the place and stead of TELUS, such that all of the benefits and obligations of TELUS pursuant to this Agreement, as they relate to Services provided by such Affiliate, shall instead be the benefits and obligations of such Affiliate, provided that such Affiliate agrees to adopt, comply with be bound by the terms of this Agreement as if such Agreement were made between such Affiliate and Customer. For greater certainty, TELUS represents and warrants to the Customer, for the purposes of this section 2.2, that it has the authority to act as agent on behalf of its Affiliates who provide Services referred to herein and to execute and deliver this Agreement on behalf of such Affiliates.
- 2.3 These General Terms of Service apply to all Services provided by TELUS to Customer pursuant to this Agreement.
- 2.4 Where a Service Order contains supplementary terms and conditions, such Service Order terms and conditions shall apply only to those Services to which the Service Order relates and shall be deemed to be supplemental to these General Terms of Service.
- 2.5 TELUS hereby grants to Customer the right to use and resell the Services to End Users in accordance with the provisions of this Agreement. No other use of the Services is permitted.
- 2.6 Title to, ownership of, and all intellectual property rights, in any facilities, equipment, software, systems, processes and documentation used to provide the Services to the Customer, including without limitation, the Service Facilities, shall be and remain with TELUS, or its suppliers and licensors. Unless expressly stated herein, this Agreement does not grant to the Customer any intellectual property or other rights or licenses in or to any such facilities, equipment, software, systems, processes or documentation or Service Facilities.
- 2.7 In reselling or distributing to End Users, the Services or any part thereof in accordance with the provisions of this Agreement, Customer agrees to sell and bill Services under Customer's own name, identity or trade-mark and Customer further agrees not to make reference to the TELUS name or trade-marks in association with the Services or authorize or permit any End User to make reference to the TELUS name or trade-marks without the prior written consent of TELUS. Customer shall have sole responsibility for communicating with its End Users in all matters pertaining to the Services, including without limitation, installation, operation and termination of any Customer services, dispute handling and resolution, and billing and collection matters. TELUS shall incur no obligation, nor shall it be deemed to have any obligation, to communicate with End Users for any reason or purpose. Each party shall, acting reasonably, cooperate with the other as necessary to address and resolve service-related issues and problems.
- 2.8 If a party wishes to make a change to the terms of a Service Order or any Services (each, a "Change"), the party shall request such Change in accordance with the procedure set out in this section 2.8. Without limiting the generality of the

foregoing, Changes which shall be requested in accordance with this section 2.8 include, without limitation: (a) Customer's request to expedite Service availability to a date that is materially earlier than agreed upon; (b) Service redesign or other significant and reasonably necessary activity, including those required as a result of a change in the information provided by Customer to TELUS; (c) Customer's request for use of routes or facilities other than those agreed upon for provision of the Service; (d) the upgrade of an existing Service to a greater bandwidth or capacity or different configuration; and (e) a change by either party to a network access point. A Change must be requested in writing by the relevant party, specifying the nature and details of the Change and the reasons why it is necessary or desirable. Within ten (10) business days (or such other period of time as reasonably agreed upon) following receipt by the relevant party of the notice referred to in the preceding sentence, TELUS shall deliver a detailed written description of: (i) the impact of the Change on the applicable Services, Service Order, Service Facilities, Customer Equipment and Customer Site, if any; (ii) the impact of the Change on the charges or fees payable under the applicable Service Order or Schedule; (iii) any additional charges that TELUS proposes to charge in order to implement the Change; and (iv) any other relevant details which shall enable Customer to assess the anticipated impact of the Change (the "Change Impact Statement"). Within five (5) business days (or such other period of time as reasonably agreed upon) of receiving the Change Impact Statement, Customer shall have the right to notify TELUS that it rejects or requires further information or clarification of the Change Impact Statement and TELUS shall, within five (5) business days (or such other period of time as reasonably agreed upon) of receiving such notice, send Customer an amended Change Impact Statement. The procedure set out in this section 2.8 shall apply to any such amended Change Impact Statement until it is accepted by Customer or until Customer advises TELUS that it rejects such Change. Upon written acceptance by Customer of the relevant Change Impact Statement, the Change and corresponding Change Impact Statement shall be deemed to be incorporated into the applicable Service Order or Schedule, as if this Service Order or Schedule, as the case may be, has been amended in accordance with section 15.3. No Change shall be effective unless or until Customer accepts the relevant Change Impact Statement in writing. The costs associated with preparing and delivering any Change Impact Statement shall be borne by the party who requested the Change.

- 2.8 (a) Prior to provision of the Services, TELUS shall conduct such acceptance tests as it considers to be appropriate ("Acceptance Tests"); and upon successful completion of such Acceptance Tests shall deliver to the Customer a ready for Service notification ("Notification").
- (b) Pursuant to the provisions of this Agreement, the Customer shall notify TELUS of any material defect, fault or impairment in the Service within seven (7) calendar days of delivery to it of a Notification, or shall be deemed to have accepted the Service on the date of delivery to it of the Notification.
- (c) In the event that the Customer notifies TELUS of a material defect, fault or impairment in Service in accordance with this section, TELUS shall, subject to subsection 2.8(d), use all reasonable endeavors to resolve such material defect, fault or impairment in Service and upon such resolution, TELUS shall conduct further Acceptance Tests and deliver to the Customer a further Notification in relation to that Service in accordance with this section 2.8.
- (d) Customer shall pay all reasonable costs incurred by TELUS in remedying any material defects, fault or impairment in Service identified above which are attributable to (i) the act or omission of the Customer or its employees, contractors or agents, (ii) the act or omission of the End User, or (iii) the failure or malfunction of Customer Equipment.
- 2.9 TELUS shall use commercially reasonable efforts to provide the Services in accordance with applicable Service Level Objectives, if any, which Service Level Objectives outline the processes under which, in the ordinary course of business, the Services will be provisioned and administered to Customer. Service Level Objectives are intended solely as guidelines, and failure to achieve the same shall not constitute a breach of this Agreement or any Service Order. In the event that TELUS fails to achieve a Service Level Objective, TELUS shall, upon request by Customer, investigate the failure and advise Customer of what actions, if any, TELUS will undertake to minimize such failures in the future. This constitutes Customer's sole recourse for any failure to achieve Service Level Objectives.
- 2.10 TELUS shall use commercially reasonable efforts to provide the Services in accordance with applicable Service Levels, if any. Failure to achieve a Service Level may result in an award of service level credits to the Customer in accordance with the applicable service level agreement; provided however, that service level credits may only be applied against the Service, under the specific Service Order which gave rise to the service level credit. Failure to attain any Service Levels, as stated herein, shall not constitute a breach of this Agreement or any Service Orders, and the award of service level credits will be Customer's sole remedy and TELUS' sole liability to the Customer for any such failure to attain Service Levels.

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- 2.11 TELUS shall not be responsible for any failure to achieve Service Levels:
- (h) caused or contributed to by any unlawful or improper use of any equipment, systems, cabling or facilities provided by TELUS at any Customer Site or third party termination point to or at which Service is to be provided;
 - (i) caused or contributed to by an act or omission of Customer or its End Users;
 - (j) caused or contributed to by capacity shortages;
 - (k) caused or contributed to by the failure or non-performance of any service, equipment or facility provided by Customer, its End Users or a connecting third party carrier including, without limitation, Customer Equipment;
 - (l) during periods of scheduled maintenance or repair by TELUS;
 - (m) during any period in which TELUS or its authorized agent or representative is not given access to a Customer Site; or
 - (n) resulting from any event of Force Majeure.

3.0 Term of Services

- 3.1 Each Service Order placed under this Agreement shall specify the Initial Service Term during which the Services are to be provided. The Initial Service Term for a given Service shall commence upon the acceptance of such Service in accordance with this Agreement and continue for the remainder of the Initial Service Term specified in the applicable Service Order unless terminated earlier in accordance with this Agreement.
- 3.2 Unless either party has provided the other party with notice of its intention not to renew a given Service Order, as provided for below, the Service Order in question shall automatically renew for successive ___ year renewal periods on the terms and conditions in effect at the time of the expiration of the then-current Service Term (each a "Renewal Term"); provided, however, that TELUS shall be entitled to change that portion of the charges comprising the monthly recurring charge for such Service as provided in Section 3.3 below. Either party may choose not to renew any Service Order issued under this Agreement at the expiry of the Initial Service Term or any Renewal Term by providing the other party with sixty (60) calendar days prior written notice of its intention not to renew prior to the expiration of the Initial Service Term or the then-current Renewal Term.
- 3.3 At the expiry of any Initial Service Term or Renewal Term for the Services, on such date, TELUS shall be entitled to change that portion of the charges comprising the monthly recurring charge(s) for such Service provided that it gives sixty (60) calendar days prior written notice of such change to Customer.

4.0 Obligations of Customer; Service Facilities

- 4.1 Customer shall obtain and continue in effect all approvals, consents, licenses, waivers, registrations or other permissions necessary to resell the Services and perform its obligations hereunder, and Customer shall notify TELUS in writing immediately of any termination, suspension or revocation of the same. In the event Customer fails to obtain or maintain the appropriate approvals, TELUS shall not be liable for any delay or failure to provide Services.
- 4.2 The Customer shall comply with any restrictions on use of the Services in this Agreement, and with any use policies or instructions communicated in writing to the Customer by TELUS, and the Customer shall not:
- (a) tamper with or change the Services or any Service Facilities;
 - (b) abuse the Services or use them in a manner that interferes with any Service Facilities, TELUS' network, or the use of TELUS services by other persons, or in a manner that avoids the payment of any charges; or
 - (c) use the Services in violation of any law.

Customer shall ensure that each End User to which it resells a Service shall comply with all of the obligations of Customer under this section to the extent that the obligations relate or could apply to such Service and/or its provision.

- 4.3 Customer shall be responsible for obtaining, installing, testing, operating and maintaining all Customer Equipment and communications services necessary for interconnection to TELUS' customer interface unit or such other service

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demarcation point, as agreed to by the parties ("Service Demarcation Point") at each Customer Site, or otherwise for use in conjunction with any of the Services. TELUS is not responsible for the installation, maintenance, compatibility or performance of any equipment or software not provided by or operated by or on behalf of TELUS including, without limitation, the Customer Equipment. If any Customer Equipment is believed by TELUS, acting reasonably, likely to cause hazard or service obstruction, Customer shall use commercially reasonable efforts to eliminate such likelihood at TELUS' reasonable request. Subject to the terms and conditions of this Agreement, in no event will the untimely installation or non-operation of Customer Equipment relieve Customer of its obligation to pay charges for the Services after Customer's acceptance or deemed acceptance of the Services.

- 4.4 TELUS shall be responsible for installing and maintaining the Service Facilities required to provide Services to the Service Demarcation Point, as agreed to by the parties, at each Customer Site; provided however, that Customer shall, at its own expense, be responsible for obtaining, at its sole cost, all necessary licenses, permits, or other registrations as may be required to permit TELUS to install and maintain the Service Facilities from the legal boundary of each Customer Site to the Service Demarcation Point including, but not limited to, all required rights-of-way, permissions and/or third party consents. The Customer shall be responsible for satisfying all requirements imposed by a building's design or by building management as it applies to the installation of the Services or the Service Facilities, including the payment of any additional fees, conduit installation, design submissions, and installation approvals.
- 4.5 The Customer shall, at its cost, prepare the Customer Site for the installation of the Services or any Service Facilities in accordance with TELUS' reasonable instructions. Customer shall notify TELUS of any existing technical or other facilities including, but not limited to, water and gas which could be damaged during the installation of the Service Components. Customer shall identify, monitor, remove, and dispose of any dangerous objects, hazardous materials and substances present at a Customer Site prior to any work being performed by TELUS at such Customer Site. Customer shall advise TELUS in writing of all health and safety at work rules and regulations and any other reasonable security requirements applicable at Customer Site. The Customer is responsible for any additional installation costs incurred by TELUS as a result of the Customer's failure to comply with such instructions or the foregoing obligations. Changes in the environment or location of any Service Facilities at the Customer Site will require the prior written consent of TELUS.
- 4.6 Customer is responsible for the care and protection of (but not the support and maintenance of), and is liable to TELUS for, all loss or damage, other than ordinary wear and tear, to any Service Facilities installed on a Customer Site. Any such Service Facilities are, and shall remain, the sole property of TELUS or its suppliers or licensors. The Customer grants TELUS access to each Customer Site to install and maintain the Services and Service Facilities. TELUS shall not be responsible for any delays, interruptions in the Services, damages or costs that may result if TELUS is unable to obtain access to a Customer Site.

5.0 Payment Terms

- 5.1 Customer shall pay to TELUS all charges specified herein and in each applicable Service Order and all applicable taxes, assessments or government charges relating to the Services in accordance with the terms and conditions contained in this Agreement.
- 5.2 Unless otherwise stated herein or in a Service Order, all charges will be billed monthly upon installation of applicable Services. Where such charges include fees payable on a monthly basis, any partial months shall be invoiced on a prorated basis.
- 5.3 All charges stated on each monthly invoice are due and payable to TELUS within thirty (30) calendar days of invoice date (the "Due Date") to the correspondence address for TELUS specified in this Agreement.
- 5.4 Customer shall have the right to dispute any recurring or non-recurring charges included in a TELUS invoice, which is issued hereunder, provided that all such disputes are raised in good faith with a *bona fide* basis in fact in accordance with the terms of this section. In the event that the dispute pertains to charges which the Customer has paid to TELUS, Customer shall have one hundred and twenty (120) calendar days from the date of receipt of the applicable invoice to provide TELUS with: (a) written notice of the dispute, and (b) Complete Documentation (defined below) regarding the dispute. In the event that the Customer does not provide TELUS with written notice of the dispute and Complete

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Documentation, within the above allotted time period, such charges and the applicable invoice shall be deemed correct. In the event that the dispute pertains to charges which the Customer has not paid to TELUS, Customer shall be entitled to withhold payment of such disputed charges, provided that Customer: (x) provides TELUS with (i) written notice of the dispute, and (ii) Complete Documentation regarding the dispute, on or before the applicable Due Date; and (y) pays all undisputed charges, under the disputed invoice, on or before the applicable Due Date. In the event that the Customer does not provide TELUS with written notice of the dispute and Complete Documentation prior to the applicable Due Date, the Customer shall not be entitled to withhold payment of the disputed charges. The Parties will promptly address and attempt to resolve any dispute under this section within sixty (60) calendar days after the date such dispute is brought to the attention of TELUS. If the dispute is resolved in favor of TELUS, Customer shall pay TELUS the disputed charges resolved in favor of TELUS together with interest calculated from the Due Date up to and including the date of payment. If the dispute is resolved in favor of Customer, and Customer has paid the disputed charges to TELUS on or before the Due Date, Customer will receive a credit for the disputed charges resolved in favor of Customer together with interest calculated from the Due Date up to and including the date of refund or credit. In the event TELUS has responded to Customer's dispute in writing and the Parties fail to mutually resolve or settle the dispute within such sixty (60) calendar day period, the Parties shall resolve such dispute in accordance with the dispute resolution process set forth in section 11.0 herein. For the purposes of this section, "Complete Documentation" means documentation and other detailed written support which identifies with specificity the basis and the charges which are subject to the *bona fide* dispute, and any amounts being withheld by Customer pending resolution of such *bona fide* dispute.

- 5.5 Interest on all charges or amounts overdue under this Agreement shall be paid at the simple interest rate of one and one half percent (1.5%) per month (eighteen percent (18%) per annum).
- 5.6 The charges specified in a Service Order are net of tax. Customer shall pay all taxes, assessments and government charges including but not limited to Goods and Services Tax and any other applicable tax in connection with the supply or use of the Services, except taxes on the income of TELUS.
- 5.7 Unless there has been Customer deception with regard to a charge, Customer is not responsible for paying a previously unbilled or under billed charge, except where:
- (o) in the case of a recurring or usage based charge, it is correctly billed within a period of one year from the date it was incurred; or
 - (p) in the case of any other charge, it is correctly billed within a period of one hundred and fifty (150) calendar days from the date it was incurred.
- 5.8 TELUS may make billing adjustments in respect of the charges for the Services, (a) in the case of a recurring or usage based charge, within one (1) year after the date it was incurred, and (b) in the case of any other charge, within one hundred and fifty (150) calendar days of the date it was incurred.
- 5.9 TELUS reserves the right to validate the creditworthiness of Customer through available verification procedures or sources and Customer hereby consents to TELUS obtaining credit information regarding the Customer, its owners and Affiliates at any time. If at any time Customer presents, in TELUS' sole discretion, an undue risk of non-payment, or if Customer fails to comply with the payment terms of this Agreement or any Service Order, TELUS may require a security deposit, guarantee letter of credit or other forms of security for payment. In determining whether a Customer presents an undue risk of nonpayment, TELUS may consider, but is not limited to, the following factors: (a) the Customer's payment history (if any) with TELUS or any other supplier; (b) the Customer's ability to demonstrate adequate ability to pay for the Service; (c) credit and related information provided by Customer; (d) credit and related information lawfully obtained from third parties or publicly available; (e) information relating to Customer's management, owners and Affiliates (if any); (f) Customer's monthly recurring charges exceeding Customer's established credit limit; or (g) any material adverse change in Customer's creditworthiness or financial position. A material adverse change in Customer's financial position shall include, but not be limited to: (i) a decrease in net worth or working capital of five percent (5%) or greater; or, (ii) negative net worth or working capital.
- 5.10 In the event of a failure by Customer to provide TELUS with a security deposit, guarantee, letter of credit or other form of security for payment satisfactory to TELUS within ten (10) days of TELUS' notice of demand for such assurance or payment security, then, in addition to any other remedies available to TELUS, TELUS shall have the option, in its sole discretion, to

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exercise one or more of the following remedies: (a) cause the start of any Service described in any previously executed Service Order to be delayed pending satisfactory reassurance; or (b) decline to accept any Service Order or other requests from Customer to provide Service; or (c) suspend or terminate all or any portion of the Service after giving Customer five (5) days prior written notice. If Customer provides satisfactory reassurance during the five (5) day notice period, TELUS will not suspend such Service.

- 5.11 In the event that Customer fails to make any payment of charges when due in accordance with the terms hereof, TELUS shall be entitled in addition to any remedy which it might have under this Agreement or otherwise at law or in equity, in its sole discretion, to set off any charges owed by Customer to TELUS hereunder (or under any other agreement between the parties) against: (a) any cash deposit, letter of credit or other form of security provided to TELUS hereunder; or (b) any payables or amounts owed by TELUS to Customer.

6.0 Interconnection

- 6.1 Subject to the establishment of one or more mutually agreed interconnection points ("Interconnection Points"), TELUS and Customer may interconnect their respective telecommunications systems, at Interconnection Points in order for TELUS to provide the Services, between points in Canada and points in Canada or the United States, in accordance with the applicable technical standards and performance standards set forth herein, and with the operating procedures mutually agreed upon and documented from time to time. A list of the Interconnection Points is provided in Schedule D, which is attached hereto and is made a part hereof and may be amended from time to time pursuant to section 15.3.

- 6.2 In order to maintain satisfactory routing within a flexible facility framework, the parties agree that the establishment of Interconnection Points shall require agreement by both parties and amendment to Schedule D. It is the objective of both parties that any cancellation of Interconnection Points, as provided for in Schedule D, shall be agreed upon by both parties and reflected in an amendment of Schedule D; however, if the parties fail to reach such agreement, either party may cancel an Interconnection Point provided in Schedule D, as amended from time to time, by a one (1) year written notification to the other party.

7.0 Representations and warranties

- 7.1 Each party hereby represents and warrants to and covenants with the other party that:
- (q) it has the corporate power and authority to enter into this Agreement and to perform its obligations under this Agreement;
 - (r) it has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement;
 - (s) this Agreement constitutes a valid and binding obligation on it enforceable against it in accordance with its terms;
 - (t) neither the execution nor the delivery of this Agreement by it, nor compliance with the terms, conditions and provisions thereof (i) conflicts with, or will conflict with, or results or will result in, any breach of, or constitute a default under any of the provisions of any material agreement or instrument to which it is a party, or (ii) will result in the contravention of any applicable law;
 - (u) it is conducting its material business and operations in compliance with all applicable laws.
- 7.2 TELUS represents and warrants to and covenants with Customer that all Services provided hereunder shall be designed, produced, installed, furnished and in all respects provided and maintained in conformance and compliance with applicable federal, provincial and local laws, administrative and regulatory requirements and requirements of any other authorities having jurisdiction over the subject matter of this Agreement and it shall be responsible for applying for, obtaining and maintaining all registrations and certifications which may be required by such authorities. TELUS further represents and warrants to and covenants with Customer that the Services: (a) shall comply with the terms and conditions of this Agreement and any accepted Service Orders, as applicable; (b) shall conform to and be provisioned in accordance with the description of the Services set forth in this Agreement (including its Schedules); and (c) shall be performed by qualified personnel in a professional manner and in accordance with reasonably applicable industry standards.

- 7.3 Customer represents and warrants to and covenants with TELUS that it shall not use the Services for any illegal, fraudulent or unlawful purpose and that all Services resold by Customer hereunder shall be resold in conformance and compliance with applicable federal, provincial and local laws, administrative and regulatory requirements and requirements of any other authorities having jurisdiction over the subject matter of this Agreement and it shall be responsible for applying for, obtaining and maintaining all registrations and certifications which may be required by such authorities. Customer further represents and warrants to and covenants with TELUS that it shall comply with any restrictions on use of the Services in this Agreement and with any use policies or instructions communicated in writing to Customer by TELUS and Customer shall not authorize, assist or permit any use of the Services by its End Users or any third party which is illegal, fraudulent or unlawful under applicable law or which otherwise is not in compliance with the any use policies or instructions communicated in writing to Customer by TELUS. Further, the Customer will not, nor will it authorize, assist or permit its End Users or any third party to tamper with, alter or change the Services or Service Facilities required to provide the Services, or otherwise abuse the Services in any manner that interferes with any Service Facilities, TELUS' network or the use of TELUS services by any other persons.
- 7.4 TELUS does not guarantee error-free or uninterrupted operation of the services. Except as expressly provided in this agreement, TELUS does not make and hereby disclaims any and all other representations or warranties, whether express or implied, including but not limited to any express or implied warranties of merchantability, durability and fitness for a particular purpose and the services are provided on an as is and as available basis.
- 8.0 Indemnities**
- 8.1 TELUS shall indemnify, defend and hold harmless Customer from and against any third party claims of infringement of any valid patent or copyright interests enforceable in Canada related to the Services or the Service Facilities. Notwithstanding the foregoing, TELUS shall be under no obligation to indemnify, defend or hold harmless the Customer to the extent that such infringement or third party claim arises out of or relates to: (a) modification of the Services or the Service Facilities, or any part thereof, by anyone other than TELUS or its authorized agents; (b) use of the Services or the Service Facilities, or any part thereof, by Customer, any End User or their respective employees, agents or contractors in combination with the Customer Equipment or any other devices, equipment, facilities, products, processes, systems or materials not provided by TELUS that have not been expressly approved in writing by TELUS; (c) use of the Services or Service Facilities in contravention of the terms and conditions of this Agreement; or (d) Internet information, data or other content accessed through the Services that is not provided by TELUS.
- 8.2 With respect to any pending or threatened claim, suit or other demand as to which TELUS is the indemnifying party pursuant to section 10.1, TELUS may in its sole discretion and at its own expense obtain for the Customer the right to continue using the Services or alternatively replace or modify the Services or the Service Facilities so that they are functionally equivalent but non-infringing. If achievement of the foregoing is not commercially reasonable, TELUS may terminate this Agreement, without liability of either party to the other, except for the Customer's obligation to pay for Services delivered prior to termination.
- 8.3 TELUS shall be excused from its obligations pursuant to section 10.1, if the Customer fails to (a) provide prompt written notice of the above claim to TELUS; (b) cooperate with all reasonable requests of TELUS, at TELUS' expense; and/or (c) surrender exclusive control to TELUS of the defense and/or settlement of such claim
- 8.4 Customer shall indemnify and hold harmless TELUS from and against any loss, damage, liability, claim, cost or expense (including reasonable legal fees and court costs) incurred or suffered by TELUS arising out of, based upon or attributable to any claims for damage to tangible property and/or personal injuries (including death) arising out of the negligence or willful act or omission of Customer.
- 8.5 Customer shall indemnify and hold harmless TELUS from and against any loss, damage, liability, claim, cost or expense (including reasonable legal fees and court costs) incurred or suffered by TELUS arising out of, based upon or attributable to any claims, demands, suits or actions which may be asserted by any third party against TELUS, arising out of or relating in any way to the use of the Services by the Customer, any End User or any person other than TELUS.

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9.0 Limitations of Liability

- 9.1 Except for the obligations of indemnity contained in this agreement, in no event will either party or its affiliates be liable to the other party for any damages for loss of profits or business, lost revenue or loss of or damage to data or failure to realize expected savings, or for any indirect, special, incidental, exemplary, punitive or consequential damages, whether based on breach of contract, tort (including negligence) or otherwise, whether or not that party has been advised of the possibility of such damages.
- 9.2 Except for the obligations of indemnity contained in this agreement, telus' total liability to the customer in connection with this agreement (including but not limited to liability related to any performance or failure to perform hereunder) will not, in the aggregate, exceed an amount equal to the total amount of the charges paid to telus for the services under this agreement, during the three (3) month period immediately preceding the day on which such liability arose.

10.0 Confidentiality

- 10.1 For the purposes of this Agreement, "Confidential Information" shall include, but is not limited to, the terms and condition of this Agreement, business information concerning a party and its clients, specifications, research, software, trade secrets, discoveries, ideas, know-how, designs, drawings, flow charts, data, computer programs, marketing plans, customer names and other technical, financial or business information which is disclosed, whether orally, visually or in a material form, to a party by another party in support of the activities provided for in this Agreement. Any information of third persons disclosed to a party by another party in the course of performing such activities shall be deemed to be the disclosing party's information and such information shall be governed by the terms of this Agreement. Each party acknowledges that the Confidential Information disclosed by a party is and shall remain the property of the party that disclosed the Confidential Information. All Confidential Information disclosed in tangible form shall be marked by the disclosing party with the word "Confidential" or otherwise identified by an appropriate stamp or legend indicating its confidential nature. All Confidential Information disclosed orally or visually and identified by the disclosing party as confidential when disclosed shall be confirmed by the disclosing party with a written summary of such information within thirty (30) calendar days following disclosure, and the written summary shall be marked by the disclosing party in the same manner described above.
- 10.2 The parties agree that they shall hold Confidential Information exchanged under this Agreement in confidence and shall use the same solely for the purpose of performing their obligations under this Agreement. The parties further agree that they shall not disclose any Confidential Information to anyone except those employees or contractors to whom such disclosure is necessary for the purposes authorized herein. In the event such Confidential Information must be disclosed by any party to third persons for the purpose of performing this Agreement, the disclosing party shall, prior to disclosure, obtain written consent from the party that disclosed the Confidential Information and obtain from the third person a written agreement regarding confidentiality of the Confidential Information, the terms of which shall be substantially the same as those contained herein. Notwithstanding the foregoing, a party may disclose Confidential Information to its professional advisors without the written consent of the disclosing party where, in the opinion of the receiving party, the advice of its professional advisors is necessary to accomplish the objectives of this Agreement. Each party shall use not less than the same degree of care to avoid disclosure of Confidential Information as it uses for its own confidential information of like importance and, in any event, shall use a reasonable degree of care.
- 10.3 This Agreement shall not apply to information: (a) previously known to a party free of any obligation to keep it confidential; (b) that has been or is subsequently made public by a party that owns that information or by a third party who is under no obligation of confidence to any party; (c) that is independently developed by a party or an affiliate without reference to or knowledge of the other party's Confidential Information; or, (d) that is disclosed with the prior approval of the owner of the information. Any combination of Confidential Information regarding, for example, products or features of technology, shall not be deemed to be within the foregoing exception merely because individual portions of such combination are disclosed or separately known in the public domain or known by the receiving party.

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- 10.4 If the Confidential Information is requested by a government agency, a party may disclose the Confidential Information of another, provided that the disclosing party has obtained protective arrangements reasonably satisfactory to the owner; provided further that if the governmental agency has jurisdiction to compel production of the Confidential Information and exercises that jurisdiction, the request shall be treated as a demand for discovery. Notwithstanding the foregoing, either party may reveal such Confidential Information as may be reasonably necessary to any regulatory authority having jurisdiction over it, or its affiliates, for the purpose of analyzing the regulatory implications and constraints that may apply to the business relationship and in order to obtain such regulatory approvals as may be required. If a party is involved in court proceedings and is subject to a legally enforceable demand for discovery of Confidential Information, that party shall give written notice to the owner of the Confidential Information prior to disclosing the Confidential Information, and shall cooperate in seeking such reasonable protective arrangements as may be requested by the owner. Nothing in this clause shall affect the right of any party to take such action, as it may deem advisable, including legal action, to protect its Confidential Information.
- 10.5 Each party acknowledges and agrees that any use or disclosure of Confidential Information of the other party in a manner inconsistent with the provisions of this Agreement may cause such other party harm which will not be compensated by monetary damages alone and, accordingly, each party will, in addition to other available legal or equitable remedies, be entitled to seek an immediate injunction restraining the other party from committing or continuing to commit a breach. A party need not show or prove any actual damage sustained by it and may avail itself of injunctive relief in addition to and without prejudice to any other remedies available to it.
- 10.6 Without limiting the generality of the foregoing, unless a customer provides express consent or disclosure is pursuant to a legal power, all information kept by TELUS regarding the Customer, other than the Customer's name, address and listed telephone number, is confidential and may not be disclosed by TELUS to anyone other than:
- (a) the Customer;
 - (b) a person who, in the reasonable judgment of TELUS, is seeking the information as an agent of the Customer;
 - (c) another telephone company, provided the information is required for the efficient and cost effective provision of telephone services and disclosure is made on a confidential basis with the information to be used only for that purpose;
 - (d) a company involved in supplying the customer with telephone or telephone directory related services, provided the information is required for that purpose and disclosure is made on a confidential basis with the information to be used only for that purpose;
 - (e) an agent retained by TELUS to evaluate the Customer's creditworthiness or in the collection of the Customer's account, provided the information is required for and is to be used for that purpose; or
 - (f) a public authority or agent of a public authority, if in the reasonable judgment of TELUS it appears that there is imminent danger to life or property which could be avoided or minimized by disclosure of the information.

Express consent may be taken to be given by the Customer where the Customer provides:

- (i) written consent;
- (ii) oral confirmation verified by an independent third party;
- (iii) electronic confirmation through the use of a toll-free number; or
- (iv) electronic confirmation via the Internet.

11.0 Dispute Resolution

- 11.1 The parties agree that during the Term of this Agreement, they will utilize commercially reasonable efforts to resolve any dispute that arises relating to the validity, construction, meaning, performance or effect of this Agreement or the rights and liabilities of the parties or any other matter arising out of or connected with this Agreement (each, a "Dispute"), promptly and in an amicable manner by negotiation.
- 11.2 Upon the written request of either party, a senior executive representative of each of the parties, or their respective designates (the "Management Committee"), shall meet for the purpose of endeavouring to resolve a Dispute. The Management Committee shall meet as soon as is reasonably possible after a Dispute is referred to it, giving due regard to the nature and impact of the issue under consideration.

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- 11.3 In the event that the Management Committee cannot resolve a Dispute within a time frame satisfactory to the party raising the Dispute, then, upon the mutual agreement of the parties, the Dispute may be referred to arbitration by a single arbitrator in accordance with the *Arbitration Act* (Alberta). If the parties are unable to agree, within three (3) business days, on a single arbitrator who will be named to resolve the dispute, either party may apply to the Court of Queen's Bench to appoint a single arbitrator who will be suitably qualified by education and professional experience to deal with the matters that are the subject of the arbitration. The arbitration will take place in Calgary, Alberta. The decision of the arbitrator shall be in writing, stating the reasons for the award, shall be final and binding on the parties to the arbitration and no appeal shall be taken from any decision of the arbitrator unless the decision contains an error of law, which results in a determination that is patently unreasonable.
- 11.4 In the event that the Management Committee cannot resolve a Dispute within a time frame satisfactory to the party raising the Dispute, and either of the parties declines to proceed to arbitration, then each party shall be free to pursue such other remedies as may be available to it at law or in equity.
- 11.5 Except where clearly prevented by the nature of the matter in dispute, both parties agree to continue performing their respective obligations under this Agreement while the dispute is being resolved or arbitrated unless and until such obligations are terminated or expire in accordance with the provisions hereof.
- 11.6 Nothing in this Dispute Resolution section will prevent either party from applying for or obtaining any interim, interlocutory or preliminary injunctive or declaratory relief or from bringing any claim for contribution or indemnity in the same Court in which a suit against the party is brought by any third person
- 12.0 Service Suspension**
- 12.1 If Customer fails to comply with any of its obligations under this Agreement including, without limitation, a failure to pay any undisputed charges when due, TELUS may suspend Services to Customer without liability if Customer fails to cure such breach within ten (10) calendar days after receiving notice thereof from TELUS. TELUS may continue a suspension of Services, for a failure to pay undisputed charges when due, until such time as Customer has paid in full all Charges then due, including any late fees as specified herein. Following such payment, TELUS shall reinstate the Services; provided however, that Customer shall pay to TELUS all reasonable costs and expenses incurred by TELUS in respect of the recommencement or re-installation of the Services.
- 12.2 TELUS may suspend any affected Services to Customer without liability:
- (v) immediately, without notice, if TELUS deems that such action is necessary to prevent or protect against fraud, to protect its personnel or agents, or otherwise prevent damage or degradation to TELUS' equipment, service facilities, network or services which may be caused by the Customer or anyone using the Customer's access;
 - (w) immediately, without notice, to comply with any law, regulation, court order or other governmental request or order which required immediate action;
 - (x) immediately, upon notice, for a violation of any use restrictions or policies set forth herein by the Customer or any End User if the Customer fails to remedy such violation within seventy-two (72) hours after receipt of notice from TELUS notifying the Customer of the violation and requiring that the violation be remedied within such seventy-two (72) hour period; or
 - (y) immediately, upon notice, for any other Customer or End User behaviour that in TELUS' sole discretion may be deemed to be illegal or to otherwise to protect TELUS from legal liability if the Customer fails to correct such behaviour within seventy-two (72) hours after receipt of notice from TELUS notifying the Customer of the behaviour and requiring that the behaviour be corrected within such seventy-two (72) hour period.

For greater certainty, TELUS acknowledges and agrees that it will use commercially reasonable efforts to limit any suspension of Services under section 12.2 to only those Services, or portion of Services, that in TELUS' reasonable discretion, require suspension in order to (a) address the damage or behaviour referred to above or to comply with any law, regulation, court order or other governmental request, as listed above, and (b) minimize the impact of such suspension on the overall provision of Services hereunder. The parties shall work together to restore Services as soon as possible after any suspension of Service pursuant to section 12.2; provided however, that (excluding subsection 12.2(b)) Customer shall pay all reasonable costs and expenses incurred by TELUS in the restoration of

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such Services in the event that the Services were suspended as a result or in connection with the breach of this Agreement by the Customer or any negligent or willful act or omission of the Customer.

12.3 Termination, restriction or suspension of Services, as set forth in this section, shall not affect Customer's obligation to pay for the Services rendered prior to the suspension. TELUS shall not be liable for any loss, damage or inconvenience suffered by Customer as a result of any termination, restriction or suspension pursuant to this section 12.0.

12.4 The rights of termination, restriction or suspension set forth in this section are in addition to any other remedies available to TELUS for such breach or default.

13.0 Termination

13.1 Each Service Order shall remain in effect for the Service Term specified therein unless renewed or terminated in accordance with the terms of this Agreement.

13.2 Either party may terminate this Agreement, and all Service Orders, immediately upon an occurrence of the following:

- (z) the other party becoming insolvent or bankrupt;
- (aa) the other party making an assignment for the benefit of creditors;
- (bb) the other party appointing a receiver or trustee in bankruptcy; or
- (cc) upon any proceeding in bankruptcy, receivership or liquidation being instituted against a party and continuing for thirty (30) calendar days without being dismissed.

13.3 Either party may terminate this Agreement if the other party is in breach of a material obligation under this Agreement or any Service Order, and fails to remedy same within thirty (30) calendar days after receipt of a written notice from the non-breaching party notifying the other party of the breach and requiring that the breach be remedied.

13.4 The Customer may terminate some or all of the Services or this Agreement at any time without cause by giving at least thirty (30) calendar days advance written notice to TELUS, and provided that, Customer pays TELUS all unpaid charges for such Services and any required termination charges.

13.5 If any Services or this Agreement are terminated prior to the end of the Term by either the Customer or TELUS, for any reason, the Customer shall pay TELUS all unpaid charges and, except for termination because of the material default of TELUS, the Customer shall also pay the termination charges specified in Schedule B, as liquidated damages.

13.6 Customer acknowledges that the above cancellation or termination charges are a pre-estimate of the damages that may be suffered by TELUS as a result of the termination of a Service Order and are not in any way a penalty.

13.7 TELUS shall have the right (consistent with or in response to any mandate promulgated by any applicable governmental authority), without incurring any liability to the Customer, to disconnect or terminate any affected forborne or non-regulated Service (or portion thereof), as the case may be, where:

- (a) TELUS is prohibited by governmental authority from furnishing that Service (or any portion thereof) on a forborne or non-regulated basis; or
- (b) any material rate, term or condition contained herein and relevant to that Service (or portion thereof, as applicable) is substantially changed by order of (i) the highest court of competent jurisdiction to adjudicate the matter, (ii) the CRTC, or (iii) any other government authority.

14.0 Applicable Regulations

14.1 The parties acknowledge and agree that the provision of non-forborne or regulated services, or any bundled services that include non-forborne or regulated services, are required to be provided, and shall only be provided, consistent with their Tariffs as approved by the CRTC and such Tariffs will, to the extent of any conflict or inconsistency, prevail over any provision of this Agreement.

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- 14.2 The parties acknowledge and agree that the charges for, availability of, and terms and conditions associated with the provision of non-tariffed services are in no way contingent or conditional on the Customer subscribing for the provision of any tariffed or tariffable services from TELUS or a TELUS Affiliate. Further, the parties acknowledge and agree that any terms and/or benefits that are conferred on the Customer as a result of this Agreement (other than terms and/or benefits that are set out in TELUS' tariffs) are in no way contingent or conditional on the Customer subscribing for the provision of any tariffed or tariffable services from TELUS or a TELUS Affiliate, and TELUS and the Customer confirm that any such terms and/or benefits conferred on the Customer as a result of this Agreement would have been available even if the tariffed or tariffable services were contracted for individually and separately from this Agreement.
- 14.3 As a condition of TELUS providing services to Customer for purposes of resale, unless the Customer is already subject to the confidentiality obligations of the CRTC, Customer shall abide by: (a) the confidentiality obligations approved in Telecom Decision CRTC 2003-33, Confidentiality provisions of Canadian carriers, as amended, including as amended in Telecom Decision CRTC 2003-33-1; (b) previous CRTC determinations regarding confidentiality obligations of Canadian Carriers, as amended; and (c) any future CRTC determinations regarding confidentiality obligations of Canadian Carriers, when abiding by such future obligations are determined by the CRTC to be a condition of TELUS providing such services for resale.
- 15.0 General Provisions**
- 15.1 The headings in this Agreement are solely for convenience of reference and do not affect the interpretation thereof or define, limit or construe the contents of any provision of this Agreement.
- 15.2 Nothing in this Agreement will be construed as establishing or implying any partnership between the parties and except as expressly set out in this Agreement nothing in this Agreement will be deemed to constitute either of the parties as the agent of the other party or authorize either party to incur any expenses on behalf of the other party or to commit the other party in any way whatsoever, without obtaining the other party's prior written consent.
- 15.3 This Agreement forms the entire agreement between the parties concerning the subject matter hereof and supersedes all prior written and oral agreements between the parties. Any modification of this Agreement shall not be valid unless reduced to writing and agreed to by both parties.
- 15.4 No remedy conferred upon or reserved in favour of a party shall exclude any other remedy herein or existing at law or in equity or by statute, but each shall be cumulative and in addition to every other remedy given hereunder or now hereafter existing.
- 15.5 Neither party may issue any press release or other public announcement concerning the existence of or the terms and conditions of this Agreement or TELUS' provision of Service hereunder without the prior express written consent of the other party.
- 15.6 Any provision of this Agreement, which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or enforceability without invalidating the remaining provisions or affecting the validity or unenforceability of such provision in any other jurisdiction.
- 15.7 This Agreement shall be binding upon and inure to the benefit of each party and their respective successors and permitted assigns. This Agreement shall not be assigned in whole or in part by either party without the prior written consent of the other party, provided that this Agreement may be assigned without consent, by TELUS to any Affiliate. Any permitted assignment requiring consent shall be conditional upon the assigning party providing to the other party a true copy of the assignment agreement, and an agreement and undertaking from the assignee to be directly bound by the provisions of this Agreement and not to further assign its rights hereunder without complying with the provisions herein contained.
- 15.8 Notwithstanding any other provision of this Agreement, if by reason of an event of Force Majeure, any party is wholly or partly unable to perform certain of its obligations under this Agreement, it shall be relieved of those obligations to the extent, and for the period, that it is affected by the event of Force Majeure, provided that the affected party gives the other party prompt notice of such inability and nature, cause and expected duration of the event of Force Majeure. The

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party affected by the event of Force Majeure shall use all reasonable efforts to remedy the situation and remove, so far as possible and with reasonable dispatch, the cause of its inability to perform, provided that there shall be no obligation on a party so affected to settle labor disputes or to test or to refrain from testing the validity of any order, regulation or law in any court having jurisdiction.

- 15.9 No indulgence or forbearance by any party hereunder shall be deemed to constitute a waiver of its rights to insist on performance in full and in a timely manner of all covenants of the other party hereunder and any such waiver, in order to be binding upon a party, must be express and in writing and signed by such party and then such waiver shall be effective only in the specific instance and for the purpose for which it is given. No waiver of any term, condition or covenant by any party shall be deemed to be a waiver by such party of its rights to require full and timely compliance with the same term, condition or covenant thereafter, or with any other term, covenant or condition of this Agreement at any time.
- 15.10 Customer authorizes TELUS, its subsidiaries and affiliates, and/or their respective agents to disclose, share and/or exchange information that they have about Customer for the purposes of assessing Customer's creditworthiness and /or marketing, promoting, selling or providing TELUS products and services, including products and services provided by third parties in association with TELUS.
- 15.11 The terms of this Agreement, which by their nature are intended to extend beyond the term of this Agreement, shall survive any termination or expiration of this Agreement.
- 15.12 Each party has full power and authority to enter into and perform this Agreement and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. Each party further acknowledges that it has read this Agreement, understands it, and agrees to be bound by it.
- 15.13 This Agreement may be executed in any number of counterparts, which may be exchanged by facsimile, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.
- 15.14 Each party shall bear its own costs incurred in connection with the preparation and negotiation of this Agreement. In the event it is necessary for a party to seek a determination or enforcement of its rights under this Agreement in any court of competent jurisdiction, the prevailing party shall be entitled to recover, in addition to any and all other remedies awarded by such court, its reasonable legal fees and court costs, including such fees and costs on appeal.
- 15.15 TELUS executes and delivers this Agreement on its own behalf and on behalf of its Affiliates. TELUS reserves the right to subcontract this Agreement, or any part of this Agreement, or any of its obligations under this Agreement without the prior written consent of Customer. The use of a subcontractor shall not relieve TELUS of its obligations under this Agreement. TELUS shall be wholly responsible for the acts and omissions of its subcontractors.
- 15.16 This Agreement shall be governed and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Venue and jurisdiction shall exclusively be in such Province.

Master Wholesale Services AgreementSchedule "B"Service Terms and Conditions for TELUS Carrier Wide Area Networking Services

The Service Terms and Conditions in this section apply only to the following services ("Carrier WAN Services"):

Service Category	Service Component
Carrier Network Interface Services	Carrier Network Interface Fast Ethernet - Fibre
Carrier WAN Access Services	Carrier WAN Ethernet - ADSL
	Carrier WAN Access - Ethernet HDX - Fibre
	Carrier WAN Access - Ethernet FDX - Fibre
	Carrier WAN Access - Fast Ethernet HDX - Fibre
	Carrier WAN Access - Fast Ethernet FDX - Fibre
Carrier WAN PVC Services	Carrier WAN UBR PVC
	Carrier WAN VBR PVC

Carrier WAN Services are provided by TELUS Communications Inc.. TELUS and the Customer agree that the Charges for the Carrier WAN Services are in no way contingent or conditional on the Customer subscribing for the provision of any regulated or tariffed service from TELUS or a TELUS affiliate.

The provision of the Carrier WAN Services will be subject to the following Tariffs:

None

Any applicable Tariffs not listed in the above paragraph will, notwithstanding such omission, apply to the provision of the above Services and such Tariffs will, in addition to those Tariffs listed above, to the extent of any conflict or inconsistency, prevail over any provision of this Agreement.

1. SERVICE DESCRIPTION

Carrier WAN Services are networking services, provisioned from the TELUS core network, used for interconnection of the Customer's network and geographically disparate end-customer LANs in a unique wide area network ("WAN") plan. At least one Service Component from each Service Category is required in the provisioning Carrier WAN Services. This identification of individual Service Components is provided for the Customer's benefit to clarify the pricing of Carrier WAN Services' options. For clarity, a Carrier Network Interface Service connects the Customer's network to the TELUS Network, a Carrier WAN Access Service connect the Customer LANs to the TELUS network, and Carrier WAN PVCs services logically interconnect Access Services and Network Interface Services TELUS' core network. Carrier WAN Services can only be used for re-sale purposes, specifically, to provide connectivity between a Customer POP and End-User Customer Sites, and/or an End-User Customer Site to another End-User Customer Site. It is prohibited under this Agreement to connect a Customer POP with another Customer POP using Carrier WAN Services. Availability of service at a particular location must be determined prior to issuing Service Order via TELUS' prescribed inquiry/service order process.

1.1 Carrier WAN Access – Fibre Services

Carrier WAN Access – Fibre Services are provisioned using a fibre service facility, and associated equipment, from a TELUS' point of presence to the Customer Site, terminating on a TELUS-provided Ethernet switch – the customer interface unit ("CIU"). The CIU will be equipped with one port for connection to the Customer's LAN equipment. All CIU will be configured for Transparent Bridging. The port type used for each Carrier WAN Access – Fibre Service is described in the following table:

CIU Port type	Carrier WAN Access Service
10BaseT-HDX	Ethernet HDX – Fibre
10BaseT-FDX	Ethernet FDX – Fibre
100BaseT-HDX	Fast Ethernet HDX – Fibre
100BaseT-FDX	Fast Ethernet FDX – Fibre

1.2 Carrier WAN Access Ethernet – ADSL Service

The Carrier WAN ADSL Access Service is a “rate adaptive” technology that is provisioned in-addition-to an already existing, TELUS provisioned, Customer purchased, voice communications line (Individual Business Lines (IBL) or “1B”). The Carrier WAN ADSL Access Service does not include the 1B charges. The CIU provisioned with this Service shall be a TELUS furnished ADSL Modem, with a single 10baseT-HDX Ethernet port facing the Customer LAN. Optionally, at the time of placing a Service Order, the Customer can select to provision their own ADSL Modem. All Customer-provided ADSL Modem models must be approved for network interoperability by TELUS prior to submitting an Service Order. The Customer is responsible for returning the TELUS furnished ADSL CIU to TELUS at the end of the applicable Service Term.

1.3 Carrier Network Interface Fast Ethernet - Fibre Service

The Carrier Network Interface Fast Ethernet - Fibre Service (“Fast Ethernet CNI”) is a TELUS-managed Ethernet service. The CIU provisioned with this Service shall be a TELUS-provided Ethernet switch with a single 100baseT-HDX Ethernet port facing the Customer. Carrier WAN Access traffic is delivered to the Customer in unique VLANs using 802.1q VLAN trunking on the Ethernet port. Each Carrier WAN PVC will be mapped to a VLAN on the Fast Ethernet CIU unless TELUS determines, at its own discretion, that TELUS’ core network cannot support the number of VLAN's requested. In that case, TELUS will group multiple PVC's in each VLAN. Where a Fast Ethernet CNI is used to exchange DSL VPOP traffic with the Customer, all DSL VPOP traffic will be aggregated into a single PVC, and delivered to the Customer on a single VLAN.

1.4 Carrier WAN PVC Services

UBR PVC's are sized according to the Access they are supporting, therefore, there is one PVC size per Access Type. VBR PVC's provide a higher grade of performance for applications requiring more sustained throughput as described in 2.3.4. All Carrier WAN PVCs are identified in terms of three criteria - the PVC Type, the PVC Distance Type and the PVC Capacity Type, as follows:

1.4.1 Carrier WAN PVC Type

Standard PVCs connect the Customer designated Carrier WAN Access Services with the Customer-designated Carrier Network Interface Services.

Inter-Site PVCs connect the Customer-designated Carrier WAN Access Services with other the Customer-designated Carrier WAN Access Services, provided that each of these Carrier WAN Access Services already employs the use of a Standard PVC

Redundant Paths provide back-up connectivity between the Customer-designated Carrier WAN Access Service, and the Customer-designated, secondary Carrier Network Interface. The secondary CNI Service must be unique of the CNI to which the initial Standard PVC is connected.

1.4.2 Carrier WAN PVC Distance Types

Metro PVCs are those PVCs provisioned between access points that are both within the same, TELUS-designated metropolitan serving area.

Regional PVCs are those PVCs provisioned between access points that are both within the same, TELUS designated, regional serving area (e.g. British Columbia/Alberta) - but are not within a TELUS designated metropolitan serving area. Regional serving areas coincide with Provincial boundaries – except in the case of British Columbia and Alberta, which are combined as a single Regional Serving Area.

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National PVCs are those PVCs provisioned within the TELUS National Serving Area (Canada) but not described earlier as either Metro or Regional.

1.4.3 Carrier WAN UBR PVC Capacity Types

ADSL UBR PVCs deliver core network connectivity between Carrier WAN ADSL Access Services and corresponding Carrier Network Interface Services. Core ATM capacity is provisioned asymmetrically – with “downstream” capacity of 6 Mbps, and “upstream” capacity of 1 Mbps.

Ethernet UBR PVCs deliver core network connectivity between Carrier WAN Ethernet Access Services and corresponding Carrier Network Interface Services. Core ATM capacity is provisioned symmetrically at 15 Mbps.

Fast Ethernet UBR PVCs deliver core network connectivity between Carrier WAN Fast Ethernet Access Services and corresponding Carrier Network Interface services. Core ATM capacity is provisioned symmetrically at 45 Mbps.

Summary of Carrier WAN UBR PVCs	Type	Distance	Capacity
	Standard	Metro	ADSL
	Inter-Site	Regional	Ethernet
	Redundant Path	National	Fast Ethernet

1.4.4 Carrier WAN VBR PVC Capacity Types

VBR PVC's are available in eight (8) PIR settings as described in the Edge Shaping column in the table below. The ATM Policing column describes the rate that traffic is policed on the ATM Network. VBR PVC's may not be available in all locations; an availability check will be performed in conjunction with the Access availability check.

Summary of Carrier WAN VBR PVCs	Type	Distance	Edge Shaping - PVC PIR (Mbps)	ATM Policing - PVC PIR (Mbps)
	Standard	Metro	0.79	1.152
			2.37	2.304
			3.70	3.70
	Inter-Site	Regional	5.00	Fiber : 6.00 ADSL downstream : 6.00 ADSL upstream : 1.00
			10.00	10.00
			14.00	15.00
	Redundant Path	National	20.00	20.00
			42.00	45.00

1.4.5 Multiple VLAN Option

Carrier WAN Access– Fibre Services support the option of using VLAN's to support PVC segregation across the ATM network, and into the CIU. The Access will be configured using 802.1q trunking, and TELUS will assign the request number of VLAN numbers up to a maximum of 5. There is an incremental Monthly Reoccurring charge, and a Non-Reoccurring Charge for each additional VLAN ordered (the first VLAN number is free of charge). These charges will be added to the relevant PVC line item on the Customer Bill. Note that 802.1q will not be used if the Customer only orders 1PVC, and VLAN numbering will not be relevant in this case.

2. DEMARCATION AND CIU LOCATION

Unless otherwise specified in specified in the Service Addendum attached to the relevant Service Order, the demarcation point for this Service shall be at the LAN interface port on the CIU within the Master Telephone Room nearest the Customer's Point-of-Presence (POP). Where fibre construction is required between the Master Telephone Room and the TELUS point of presence, TELUS will incur a maximum of \$20,000 to build. TELUS will charge the Customer and Customer shall pay to TELUS any and all additional costs, charges or expenses incurred by TELUS in respect of the completion of such fibre construction over and above the \$20,000 construction limit.

If otherwise specified, the CIU may be provisioned in a location other than this Master Telephone Room, provided that the Customer either: (a) supplies all necessary inside cabling and cross connection equipment required; or (b) notifies TELUS, in advance, of this requirement and accepts all exceptional charges as quoted by TELUS for such work. The Customer is

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responsible for securing rights-of-way and/or providing conduit access to the Master Telephone Room nearest the Customer's POP from the TELUS access point at the property line. In-building service facilities required to install the Service at the Customer location are to be provided by the Customer. The Customer is required to provide secure CPE with an appropriate interface connection to the TELUS CIU.

The Customer is required to notify the appropriate the Customer building management personnel of the installation plans to ensure there are no fees, restrictions or additional conditions that must be satisfied to deliver the Carrier WAN Service to the Customer location. Any such conditions, including access fees or restrictions levied by property management, are the responsibility of the Customer to satisfy. The Customer shall provide TELUS and its employees, contractors and agents physical access to the Customer's and the End-Users' premises or Customer Sites (including without limitation common areas), CPE, LAN facilities and resources as may be necessary for TELUS to perform its obligations hereunder. The Customer shall arrange such security clearances as may be required in order to provide such access. Any delays or impacts to the in-service date resulting from any such conditions are not the responsibility of TELUS, and the in-service date will be adjusted as required with no penalty to TELUS.

3. SERVICE LEVEL OBJECTIVES

The Carrier WAN services will be provisioned in accordance with the following Service Level Objectives ("SLOs"):

Service	Repair Coverage	Availability	Mean Time To Repair
Carrier Network Interfaces	24 x 7	99.7%/monthly	2 hours urban (4 hours other)
Carrier WAN Access Ethernet – ADSL	8 – 5, Everyday		24 hours
Carrier WAN Access Ethernet – Fibre	24 x 7		2 hours urban (4 hours other)
Carrier WAN Access Fast Ethernet – Fibre	24 x 7		2 hours urban (4 hours other)
Carrier WAN PVC Services	Consistent with relevant Access		2 hours

TELUS use commercially reasonable to provide the Carrier WAN Services in accordance with the SLOs. Notwithstanding anything to the contrary contained in this Agreement, failure of TELUS to provide the Carrier WAN Services in accordance with the above SLOs shall not constitute a default under this Agreement and TELUS shall not be liable to pay to the Customer any credits, penalties or damages for TELUS' failure to meet such SLOs; provided however, that in the event of a consistent failure to meet or achieve such SLOs, TELUS shall, upon request by the Customer, investigate the failure and advise the Customer of what actions, if any, TELUS will undertake to minimize such failures in the future.

4. OFF-NET SERVICES

TELUS may purchase services from a third-party supplier in order to provision Carrier WAN Services to the Customer. TELUS will advise the Customer, on a service-by-service basis, if the use of a third-party supplier will alter the service parameters or the Charges for Carrier WAN Services.

5. TERMINATION CHARGES

The termination charge payable by the Customer for termination of any Service Order for **Carrier Wan** Services prior to the end of an applicable Service Term is calculated as follows:

- all of the total fixed monthly Charges that would have been payable after the date of termination until the end of the Service Term (the "Total Remaining Charges") if the Carrier Wan Service is terminated prior to the installation of the last Customer Site on the applicable Service Order for which the Carrier Wan Service was to be installed;
- all Total Remaining Charges if the Carrier Wan Service is terminated during the first 12 months of the applicable Service Term; or
- 50% percent of the Total Remaining Charges if the Carrier Wan Service is terminated after the first 12 months of the applicable Service Term.

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In addition, Customer shall also be liable for and shall pay to TELUS all third party cancellation or termination charges or fees incurred by TELUS as a direct result of the termination by TELUS of any third party services procured or third party agreements entered into, in connection with the termination of any Carrier Wan Services. TELUS shall use commercially reasonable efforts to avoid or mitigate the imposition of such third party cancellation or termination charges or fees wherever possible.

SCHEDULE "C"

Carrier WAN Services Charges

Trouble Resolution Pricing

Troubles reported to TELUS Service Management Centre will be handled on the service provider's behalf, for a fixed charge of \$250. This charge will be waived if it is discovered that the trouble was caused by, or within, services under TELUS control. For troubles traced back to the Service Provider or End-Customer supplied infrastructure, the charge will be levied as a minimum charge, and additional charges will apply at a rate of \$250/hour + materials.

Master Wholesale Services Agreement

Schedule "B"

Service Terms and Conditions for Carrier Internet Flat Rate with Burstable

The Service Terms and Conditions in this sub-section apply only to the Carrier Internet – Flat Rate with Burstable ("CI Flat Rate w Burstable Service") specified in the Solution Details. CI Flat Rate w Burstable Service is provided by TELUS Services Inc.

A. Service Description and Demarcation:

CI Flat Rate w Burstable Service is an Internet transit service that provides access to the Internet via TELUS' AS852 Internet backbone, used in conjunction with one of the following TELUS access services "Access Service" or "TELUS Managed Enterprise Access Service"):

- A. Ethernet Routed – T1
- B. Ethernet HDX Routed - Fibre
- C. Ethernet FDX Routed – Fibre
- D. Fast Ethernet HDX Routed – Fibre
- E. Fast Ethernet FDX Routed – Fibre
- F. Premium Fast Ethernet HDX Routed - Fibre

The Service Demarcation is at the same point as the service demarcation for the associated TELUS Managed Enterprise Access Service. The Minimum Commitment selected by the Customer (and specified in the Solution Details) provides a fixed amount of access bandwidth for Internet traffic, but bursts of traffic to the maximum line speed of the associated TELUS Managed Enterprise Access Service ("Max. Burst Size") is also provided. The Max Burst Size does not guarantee the line speed at any time.

**CI Flat Rate w Burstable Service with:
Access Services A,b and C
(Ethernet HDX Routed – Fibre or Ethernet FDX Routed – Fibre)**

Minimum Commitment	Max. Burst Size
1 Mbps	10 Mbps

**CI Flat Rate w Burstable with
Access Service D and C
(Fast Ethernet HDX Routed – Fibre or Fast Ethernet FDX Routed – Fibre)**

Minimum Commitment	Max. Burst Size
2.5 Mbps	30 Mbps
5 Mbps	30 Mbps
10 Mbps	30 Mbps

**CI Flat Rate w Burstable with
Access Service F
(Premium Fast Ethernet HDX Routed - Fibre)**

Minimum Commitment	Max. Burst Size
2.5 Mbps	100 Mbps
5 Mbps	100 Mbps
10 Mbps	100 Mbps
20 Mbps	100 Mbps
30 Mbps	100 Mbps
40 Mbps	100 Mbps

50 Mbps	100 Mbps
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B. Charges:

In addition to the fixed monthly charges billed in advance, variable Internet usage charges apply for all usage in excess of the Minimum Commitment. The fixed monthly charge and charges for excess usage are set out in the Solution Details. All usage charges will be billed monthly, following the end of the month in which the usage occurred, based on the total gigabytes of traffic sent and received per individual Customer access. Usage for the Customer's traffic during the month is calculated using the following average sustained usage formula:

$$\text{Usage (Mbps)} = (((\text{Total GB sent AND received}) \times 1024 \times 8) / \text{total seconds in the month})$$

C. Customer Responsibilities:

The Customer must obtain a TELUS Managed Enterprise Access Service for use with CI Flat Rate w Burstable Service, which is charged separately. TELUS permits the Customer to resell CI Flat Rate w Burstable Service or access to CI Flat Rate w Burstable Service to third parties. The Customer is responsible and shall indemnify TELUS for, and save TELUS harmless from and against, all charges, losses, costs, liabilities and damages of any kind whatsoever related to such third party use of or access to CI Flat Rate w Burstable Service.

D. Service Level Agreements:

Service Level Agreements or Service Level Credits are not provided with CI Flat Rate with Burstable

E. Restrictions and Service Limitation

The Customer shall comply with TELUS' acceptable use policy and IP address policy, published at www.telus.com/aup ("AUP"). TELUS may change the AUP at any time, in its sole discretion, and publishing the changed AUP at www.telus.com will be sufficient notice of the changes to the Customer.

TELUS does not provide any guarantees for security of the Customer's network connected to the Internet. Customers are responsible to implement their own security policies, which may include TELUS firewall implementation.

**SCHEDULE D
PRICING**

Affordability Pricing Model - 3yr. contract term		
Carrier Internet Managed: Routed		
	Network capacity	Monthly Price
Population: 0 to 200	E10 FDX	\$225
	E30 FDX	\$700
	E100 HDX	\$1,200
Population: 201 to 500	E10 FDX	\$400
	E30 FDX	\$1,400
	E100 HDX	\$2,300
Population: 501 to 900	E10 FDX	\$600
	E30 FDX	\$2,100
	E100 HDX	\$3,400
Population: 901+	E10 FDX	\$800
	E30 FDX	\$2,100
	E100 HDX	\$3,400
Additional Internet (E10-2 Mbps included; E30- 6 Mbps included, E100-10Mbps included)	Flat Rate per Mbps	\$100
All upgrades are \$1,000 OTC		
Carrier WAN: Bridged		
	Network capacity	Monthly Price
Population: 0 to 200	E10 FDX	\$225
	E30 FDX	\$600
	E100 HDX	\$1,000
Population: 201 to 500	E10 FDX	\$400
	E30 FDX	\$1,100
	E100 HDX	\$1,900
Population: 501 to 900	E10 FDX	\$600
	E30 FDX	\$1,400
	E100 HDX	\$2,900
Population: 901+	E10 FDX	\$800
	E30 FDX	\$1,400

	E100 HDX	\$2,900
All usage is included		
All upgrades are \$1,000 OTC		
Provincial Uniform Pricing - 3yr. contract term		
Carrier Internet Managed: Routed		
	Monthly Price	One Time Charge
Ethernet (10Mbps; 10Mbps PVC) FDX	\$1,604	\$3,300
Fast Ethernet (100Mbps; 30Mbps PVC) FDX	\$2,100	\$3,300
Additional Internet	Flat Rate per Mbps	\$100
Carrier WAN Managed: Bridged		
	Monthly Price	One Time Charge
Ethernet (10Mbps; 10 Mbps PVC) FDX	\$950	\$2,000
Fast Ethernet (100Mbps; 30Mbps PVC) FDX	\$1,400	\$2,000
Additional Internet	Flat Rate per Mbps	\$100

**SCHEDULE E
HIGHWAY SEGMENT**

Highway		Highway Segments Location	
Number	Type	From	To
1	Primary	Choate	Yale
1	Primary	Yale	Hells Gate
1	Primary	Hells Gate	Boston Bar
1	Primary	Boston Bar	Lytton
1	Primary	Lytton	Spences Bridge
1	Primary	Spences Bridge	Spatsum
1	Primary	Spatsum	Cache Creek
1	Primary	Cache Creek	Walhachin
1	Primary	Sicamous	Malakwa
1	Primary	Malakwa	Revelstoke
1	Primary	Revelstoke	illecillewaet
1	Primary	illecillewaet	Rogers Pass
1	Primary	Rogers Pass	Donald
1	Primary	Golden	Field
1	Primary	Field	BC / Alberta Border
3	Primary	Hope	Sunshine Valley
3	Primary	Sunshine Valley	Manning Park
3	Primary	Manning Park	Princeton
3	Primary	Princeton	Hedley
3	Primary	Hedley	Keremeos
3	Primary	Cawston	Osoyoos
3	Primary	Osoyoos	Bridesville
3	Primary	Bridesville	Rock Creek
3	Primary	Rock Creek	Midway
3	Primary	Midway	Greenwood
3	Primary	Greenwood	Grand Forks
3	Primary	Christina Lake	Junction Hwy 3B
3	Primary	Junction Hwy 3B	Castlegar
3	Primary	Castlegar	Junction Hwy 3B
3	Primary	Junction Hwy 3B	Salmo
3	Primary	Salmo	Creston
3	Primary	Creston	McConnel
3	Primary	McConnel	Yahk
3	Primary	Yahk	Moyie

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3	Primary	Moyie	Cranbrook
3	Primary	Elko	Morrissey
3	Primary	Sparwood	BC / Alberta Border
5	Primary	Hope	Merritt
5	Primary	Clearwater	Vavenby
5	Primary	Vavenby	Avola
5	Primary	Avola	Blue River
5	Primary	Blue River	Albreda
5	Primary	Albreda	Valemount
16	Primary	Skidegate	Masset
16	Primary	Prince Rupert	Terrace
16	Primary	Terrace	Kitwanga (Jct Hwy 37)
16	Primary	Kitwanga (Jct Hwy 37)	Hazelton
16	Primary	Hazelton	Moricietown
16	Primary	Moricietown	Smithers
16	Primary	Smithers	Houston
16	Primary	Houston	Topley
16	Primary	Topley	Burns Lake
16	Primary	Fraser Lake	Vanderhoof
16	Primary	Prince George	McBride
16	Primary	Tete Jaune Cache (Jct Hwy 5)	BC / Alberta Border
19	Primary	Campbell River	Sayward
19	Primary	Sayward	Woss
19	Primary	Woss	Port McNeill
37	Primary	Kitimat	Lakeside
37	Primary	Kitwanga (Junction Hwy 16)	Jct Hwy 37A (Stewart)
37	Primary	Jct Hwy 37A (Stewart)	Iskut
37	Primary	Iskut	Dease Lake
37	Primary	Dease Lake	Boya Lake Park
37	Primary	Boya Lake Park	BC / Yukon Border
97	Primary	Swan Lake (Jct Hwy 97A)	Falkland
97	Primary	Falkland	Westwold
97	Primary	Westwold	Monte Lake
97	Primary	Monte Lake	Monte Creek (Jct Hwy 1)
97	Primary	Junction Hwy 99	Clinton
97	Primary	Clinton	70 Mile House

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97	Primary	70 Mile House	100 Mile House
97	Primary	100 Mile House	105 Mile House
97	Primary	108 Mile Ranch	Lac la Hache
97	Primary	Lac la Hache	141 Mile House
97	Primary	Williams Lake	McLeese Lake
97	Primary	McLeese Lake	Marguerite
97	Primary	Hixon	Stoner
97	Primary	Prince George (Jct Hwy 16)	Bear Lake
97	Primary	Bear Lake	McLeod Lake
97	Primary	McLeod Lake	Junction Hwy 39 (Mackenzie)
97	Primary	Junction Hwy 39 (Mackenzie)	Pine Pass
97	Primary	Pine Pass	Chetwynd (Jct Hwy 29)
97	Primary	Chetwynd (Jct Hwy 29)	Groundbirch
97	Primary	Wonowon	Bucking Horse River
97	Primary	Bucking Horse River	Prophet River
97	Primary	Prophet River	Fort Nelson
97	Primary	Fort Nelson	Toad River
97	Primary	Toad River	Liard River
97	Primary	Liard River	Lower Post (BC / Yukon Border)
97	Primary	Lower Post (BC / Yukon Border)	
97A	Primary	Mara	Sicamous
99	Primary	Pemberton	Lillooet
99	Primary	Lillooet	Jct Hwy 97
3A-1	Secondary	Keremeos	Kaleden
3A-2	Secondary	Willow Point	Balfour
3B	Secondary	Fruitvale	Junction Hwy 3
4	Secondary	Cameron Lake	Port Alberni
4	Secondary	Sproat Lake	Junction Tofino-Ucluelet Hwy
4	Secondary	Junction Tofino-Ucluelet Hwy	Tofino
5A-1	Secondary	Princeton (Jct Hwy 3)	Aspen Grove (Jct Hwy 97C)
5A-2	Secondary	Nicola	Stump Lake
5A-2	Secondary	Stump Lake	Roach Lake Rd.

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5A-2	Secondary	Roach Lake Rd.	Kamloops (Jct Hwy 1)
6	Secondary	Lumby	Cherryville
6	Secondary	Cherryville	Needles
6	Secondary	Needles	Fauquier
6	Secondary	Fauquier	Burton
6	Secondary	Burton	Nakusp
6	Secondary	Nakusp	Hills
6	Secondary	Hills	New Denver
6	Secondary	New Denver	Slocan
6	Secondary	Slocan	Winlaw
6	Secondary	Winlaw	Playmor Junction (Hwy 3)
6	Secondary	Nelson	Hall
6	Secondary	Hall	Ymir
6	Secondary	Ymir	Salmo
6	Secondary	Salmo	Jct Hwy 3
6	Secondary	Jct Hwy 3	Nelway
6	Secondary	Nelway	USA Border
7	Secondary	Mission	Harrison Mills
8	Secondary	Spences Bridge (Jct Hwy 1)	Dot
8	Secondary	Dot	Merritt
12	Secondary	Lytton (Jct Hwy 1)	Lillooet (Jct Hwy 99)
20	Secondary	Williams Lake (Jct Hwy 97)	Chimney Valley
20	Secondary	Chimney Valley	Riske Creek
20	Secondary	Riske Creek	Hanceville
20	Secondary	Hanceville	Alexis Creek
20	Secondary	Alexis Creek	Chilanko Forks
20	Secondary	Chilanko Forks	Tatla Lake
20	Secondary	Tatla Lake	Kleena Kleene
20	Secondary	Kleena Kleene	Nimpo Lake
20	Secondary	Nimpo Lake	Anahim Lake
20	Secondary	Anahim Lake	Stuie
20	Secondary	Stuie	Hagensborg
23	Secondary	Nakusp (Jct Hwy 6)	Halcyon Hot Springs
23	Secondary	Halcyon Hot Springs	Shelter Bay
23	Secondary	Shelter Bay	Revelstoke (Jct Hwy 1)

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23	Secondary	Revelstoke (Jct Hwy 1)	Mica Creek
24	Secondary	93 Mile House (Jct Hwy 97)	Lone Butte
24	Secondary	Lone Butte	Bridge Lake
24	Secondary	Bridge Lake	Little Fort (Jct Hwy 5)
33	Secondary	Kelowna (Jct Hwy 97)	Big White Rd.
33	Secondary	Big White Rd.	Carmi
33	Secondary	Carmi	Beaverdell
33	Secondary	Beaverdell	Westbridge
37A	Secondary	Stewart	Meziadin Lake (Jct Hwy 37)
39	Secondary	McLeod Lake (Jct Hwy 97)	MacKenzie
77	Secondary	Fort Nelson	Yukon Border
93	Secondary	Radium	BC / Alberta Border
95/95A	Secondary	Edgewater	Brisco
95/95A	Secondary	Brisco	Spillimacheen
95/95A	Secondary	Parson	Golden (Jct Hwy 1)

SCHEDULE F GOVERNANCE

Key Positions

During the Term, the Parties will assign individuals to certain key positions as follows:

- (a) The Province will appoint a contract manager (the “**Contract Manager**”) who will:
 - (i) be a senior executive of the Province who is ultimately responsible for this Agreement;
 - (ii) has sufficient authority to make binding decisions on behalf of the Province in accordance with this Agreement;
 - (iii) be familiar with this Agreement and related documentation, and will be responsible for the ongoing management thereof in accordance with his or her functional role;
 - (iv) be an important senior level point of contact between the Parties and shall meet or communicate as reasonably required to administer this Agreement;
 - (v) communicate regularly with the General Manager;
 - (vi) escalate any unresolved issues to the Strategic Management Committee; and
 - (vii) together with the General Manager will undertake a regular review of this Agreement to determine whether any mutually agreeable changes might better achieve this Agreement’s objectives and ensure this Agreement remains relevant to the stakeholders affected by its various provisions
- (b) TELUS will appoint the TELUS Ambassador and upon expiry of the TELUS Ambassador’s appointment a representative as general manager (the “**General Manager**”) who will:
 - (i) be a senior executive of TELUS who is ultimately responsible for this Agreement;
 - (ii) have sufficient authority to make binding decisions on behalf of TELUS in accordance with this Agreement;
 - (iii) be familiar with this Agreement and related documentation and responsible for the ongoing management thereof in accordance with his or her functional role;

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- (iv) be an important senior level point of contact between the Parties and shall meet or communicate as reasonably required to administer this Agreement;
- (v) communicate regularly with the Contract Manager and any other Province representatives;
- (vi) escalate any unresolved issues to the Strategic Management Committee; and
- (vii) together with the Contract Manager will undertake a regular review of this Agreement to determine whether any mutually agreeable changes might better achieve this Agreement's objectives and ensure this Agreement remains relevant to the stakeholders affected by its various provisions.

As of the Effective Date and subject to replacement or removal in accordance with the terms of this Agreement, Mr. Wilf Bangert, Executive Director Network BC, is hereby appointed by the Province as Contract Manager and the TELUS Ambassador is hereby appointed by TELUS as General Manager.

Key Roles

For the purposes of this Agreement the General Manager shall be deemed to be a Key Role.

Strategic Management Committee

The Contract Manager and General Manager shall be governed by and report to the Strategic Management Committee.

SCHEDULE G REPORTING

1.0 PURPOSE OF THIS SCHEDULE

This Schedule describes the plans, reports and certain other deliverables to be prepared or caused to be prepared by TELUS or the Province pursuant to this Agreement (as such plans, reports and other deliverables may be modified from time to time as described in Section 14.2 of this Agreement).

2.0 GUIDING PRINCIPLES

The Parties agree as follows:

- (a) The reporting and informational requirements set out in this Schedule are expected to evolve over the Term;
- (b) The reports to be prepared by TELUS pursuant to this Schedule are to enable the Province to manage and monitor effectively the performance by TELUS of its obligations under this Agreement;
- (c) Each Party shall provide to the other Party all plans, reports and other documents required pursuant to this Agreement, including without limitation pursuant to this Schedule, in the format and at the frequencies provided in this Schedule;
- (d) In general, the plans required to support the relationship between the Parties, including, without limitation, the objectives of the Parties set out in Section 1.11 of this Agreement, are to be collaboratively developed and enacted;
- (e) It is the intent of the Parties that the plans, reports and other deliverables to be provided pursuant to this Schedule are to be communicated accurately, openly and as frequently as required;
- (f) TELUS shall, subject to Article 18 of this Agreement, provide the Province with such information available to TELUS as may be reasonably requested by the Province in order to verify the accuracy of the plans, reports and other deliverables provided by TELUS to the Province pursuant to this Schedule; and
- (g) TELUS shall promptly correct any errors or inaccuracies in or with respect to such deliverables caused by TELUS.

REQUIRED REPORTS

The following tables describe the reports and other deliverables to be provided by each Party during the Term, unless otherwise agreed to by the Parties, other than such deliverables to be delivered on the Deal Effective Date. References to Sections in the far left column of each table are references to Sections of this Agreement. TELUS will prepare at its sole cost those reports identified below where TELUS has prime responsibility.

Reports

Report	Description	Prime Responsibility	Due Date / Frequency
Monthly Report	Report is as described in Section 14.3 of this Agreement	TELUS	Monthly
TELUS Ambassador	Report on activities as described in Section 5.14 of this Agreement	TELUS	Quarterly
Change Report	Report is as described in Section 14.4 of this Agreement	Either Party	As required
Government of BC Connecting Communities Status Spreadsheet	CO Live/ISP Information and network upgrade information (changes from “no” to “yes” status)	TELUS	As required to reflect changes
Social Benefits Report	Report on progress against Agreement objectives	General Manager and Contract Manager	Monthly
Cellular Build Target Report	Report describing status of cellular build activities	TELUS	Quarterly

Ad Hoc Reports

There may be ad hoc reports on demand from the Province. From time to time, the Province may request and TELUS shall prepare and deliver additional reports that the Province may identify to be generated by TELUS on an ad hoc basis. These reports shall be deemed to be Changes subject to Article 9 of this Agreement.

SCHEDULE H PRIVACY PROTECTION SCHEDULE

TELUS and the Province hereby acknowledge and agree that they do not expect any Provincial Personal Information to be disclosed, provided, or otherwise accessed by TELUS pursuant to the terms of this Agreement. Where, however, TELUS inadvertently or otherwise is provided or gains access to Province Personal Information, TELUS shall immediately return such information to the Province and if the Parties determine that Province Personal Information must be disclosed, provided or otherwise accessed by TELUS under this Agreement, then such Province Personal Information shall be held and used in accordance with the terms attached to this Schedule and TELUS agrees that the Province may amend such terms from time to time by a Change in accordance with Article 9 such that these terms accord with any change in applicable laws or a change to the Province's general approved privacy protection schedule.

1.0 DEFINITIONS

- (a) **"access"** means disclosure by the provision of access;
- (b) **"contact information"** means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual.

2.0 PURPOSE

2.1 The purpose of this Schedule is to:

- (a) enable the GPS Entities to comply with their statutory obligations under FOIPPA with respect to Personal Information; and
- (b) ensure that, as a service provider, TELUS is aware of and complies with its statutory obligations under FOIPPA with respect to Personal Information.

3.0 COLLECTION OF PERSONAL INFORMATION

3.1 Unless the Agreement otherwise specifies or the Province otherwise directs in writing, TELUS may only collect or create Personal Information that is necessary for the performance of TELUS's obligations, or the exercise of TELUS's rights, under the Agreement.

Unless the Agreement otherwise specifies or the Province otherwise directs in writing, TELUS must collect Personal Information directly from the individual the information is about.

3.2 Unless the Agreement otherwise specifies or the Province otherwise directs in writing, TELUS must tell an individual from whom TELUS collects Personal Information:

- (a) the purpose for collecting it;

- (b) the legal authority for collecting it; and
- (c) the title, business address and business telephone number of the person designated by the Province to answer questions about TELUS's collection of Personal Information.

4.0 ACCURACY OF PERSONAL INFORMATION

- 4.1 TELUS must make every reasonable effort to ensure the accuracy and completeness of any Personal Information to be used by TELUS or the Province to make a decision that directly affects the individual the information is about.

5.0 REQUESTS FOR ACCESS TO PERSONAL INFORMATION

- 5.1 If TELUS receives a request for access to Personal Information from a person other than the Province, TELUS must promptly advise the person to make the request to the Province unless the Agreement expressly requires TELUS to provide such access and, if the Province has advised TELUS of the name or title and contact information of an official of the Province to whom such requests are to be made, TELUS must also promptly provide that official's name or title and contact information to the person making the request.

6.0 CORRECTION OF PERSONAL INFORMATION

- 6.1 Within 5 business days of receiving a written direction from the Province to correct or annotate any Personal Information, TELUS must annotate or correct the information in accordance with the direction.
- 6.2 When issuing a written direction under Section 6.1, the GPS Entity must advise TELUS of the date the correction request to which the direction relates was received by the Province in order that TELUS may comply with Section 6.3.
- 6.3 Within 5 business days of correcting or annotating any Personal Information under Section 6.1, TELUS must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, TELUS disclosed the information being corrected or annotated.
- 6.4 If TELUS receives a request for correction of Personal Information from a person other than the Province, TELUS must promptly advise the person to make the request to the Province and, if the Province has advised TELUS of the name or title and contact information of an official of the Province to whom such requests are to be made, TELUS must also promptly provide that official's name or title and contact information to the person making the request.

7.0 PROTECTION OF PERSONAL INFORMATION

- 7.1 TELUS must protect Personal Information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

8.0 STORAGE AND ACCESS TO PERSONAL INFORMATION

- 8.1 Unless permitted pursuant to this Agreement or the Province otherwise directs in writing, TELUS must not store Personal Information outside Canada or permit access to Personal Information from outside Canada.

9.0 RETENTION OF PERSONAL INFORMATION

- 9.1 Unless the Agreement otherwise specifies, TELUS must retain Personal Information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

10.0 USE OF PERSONAL INFORMATION

- 10.1 Unless a GPS Entity otherwise directs in writing, TELUS may only use Personal Information if that use is for the performance of TELUS' obligations, or the exercise of TELUS' rights, under the Agreement.

11.0 DISCLOSURE OF PERSONAL INFORMATION

- 11.1 Unless the Province otherwise directs in writing, TELUS may only disclose Personal Information inside Canada to any person other than the Province if the disclosure is for the performance of TELUS' obligations, or the exercise of TELUS' rights, under the Agreement.
- 11.2 Unless the Agreement otherwise specifies or the Province otherwise directs in writing, TELUS must not disclose Personal Information outside Canada.

12.0 NOTICE OF FOREIGN DEMANDS FOR DISCLOSURE

- 12.1 In addition to any obligation TELUS may have to provide the notification contemplated by Section 30.2 of FOIPPA, if in relation to Personal Information in its custody or under its control TELUS:
- (a) receives a foreign demand for disclosure;
 - (b) receives a request to disclose, produce or provide access that TELUS knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or
 - (c) has reason to suspect that an unauthorized disclosure of Personal Information has occurred in response to a foreign demand for disclosure

TELUS must immediately notify the Province and, in so doing, provide the information described in Section 30.2(3) of FOIPPA. In this Section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of Personal Information" will bear the same meanings as in Section 30.2 of FOIPPA.

13.0 NOTICE OF UNAUTHORIZED DISCLOSURE

- 13.1 In addition to any obligation TELUS may have to provide the notification contemplated by Section 30.5 of FOIPPA, if TELUS knows that there has been an unauthorized disclosure of Personal Information in its custody or under its control, TELUS must immediately notify the Province. In this Section, the phrase "unauthorized disclosure of Personal Information" will bear the same meaning as in Section 30.5 of FOIPPA.

14.0 INSPECTION OF PERSONAL INFORMATION

- 14.1 In addition to any other rights of inspection the Province may have under the Agreement or under Applicable Laws, the Province may, at any reasonable time and on reasonable notice to TELUS, enter on TELUS's premises to inspect any Personal Information in the possession of TELUS or any of TELUS's information management policies or practices relevant to its management of Personal Information or its compliance with this Schedule and TELUS must permit, and provide reasonable assistance to, any such inspection.

15.0 COMPLIANCE WITH FOIPPA AND DIRECTIONS

- 15.1 TELUS must in relation to Personal Information comply with:
- (a) the requirements of FOIPPA applicable to TELUS as a service provider, including any applicable order of the commissioner under FOIPPA; and
 - (b) any direction given by the Province under this Schedule.
- 15.2 TELUS acknowledges that it is familiar with the requirements of FOIPPA governing Personal Information that are applicable to it as a service provider.

16.0 NOTICE OF NON-COMPLIANCE

- 16.1 If for any reason TELUS does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, TELUS must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

17.0 TERMINATION OF AGREEMENT

- 17.1 In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by TELUS, terminate the

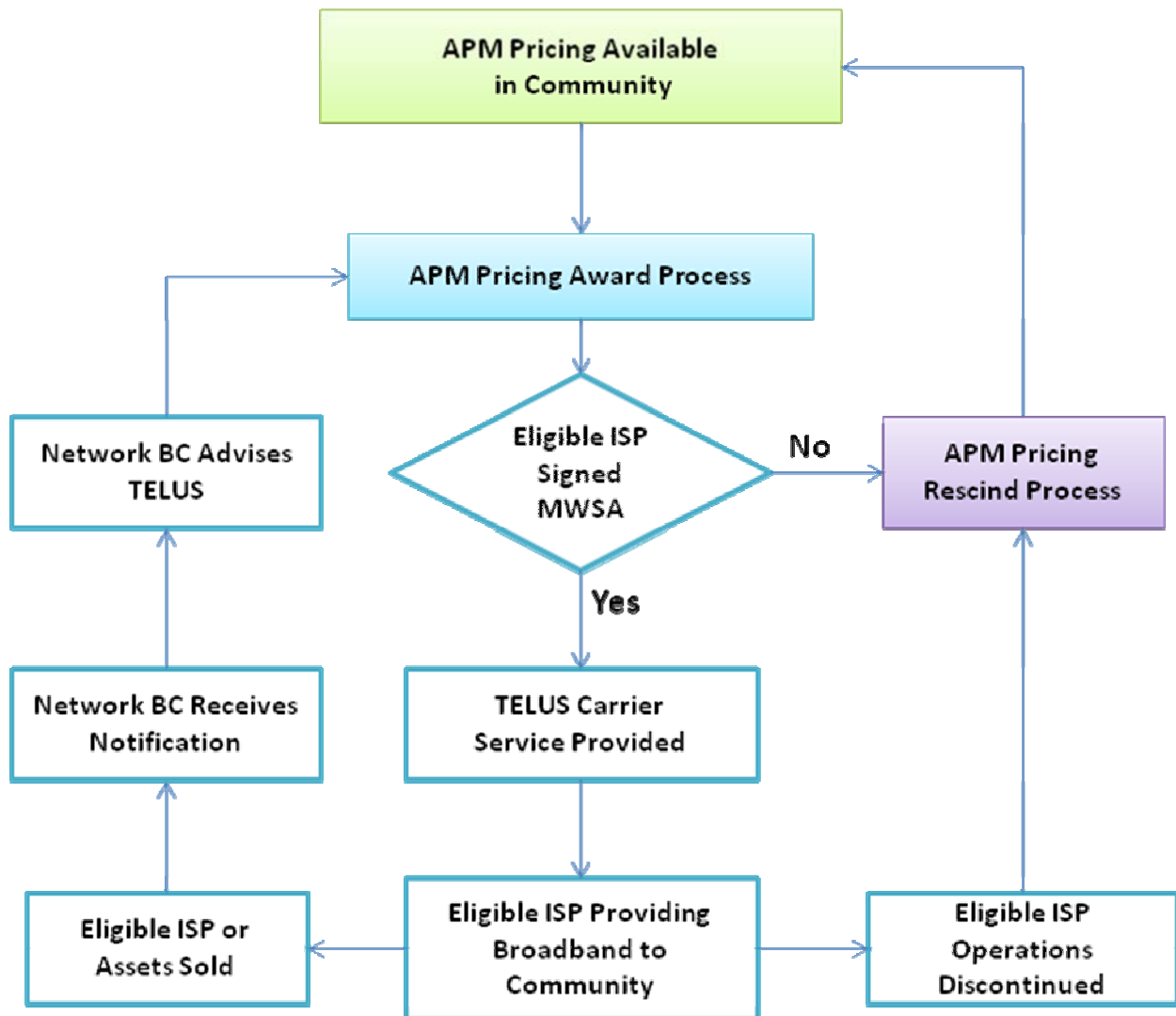
Agreement by giving written notice of such termination to TELUS, upon any failure of TELUS to comply with this Schedule in a material respect.

18.0 INTERPRETATION

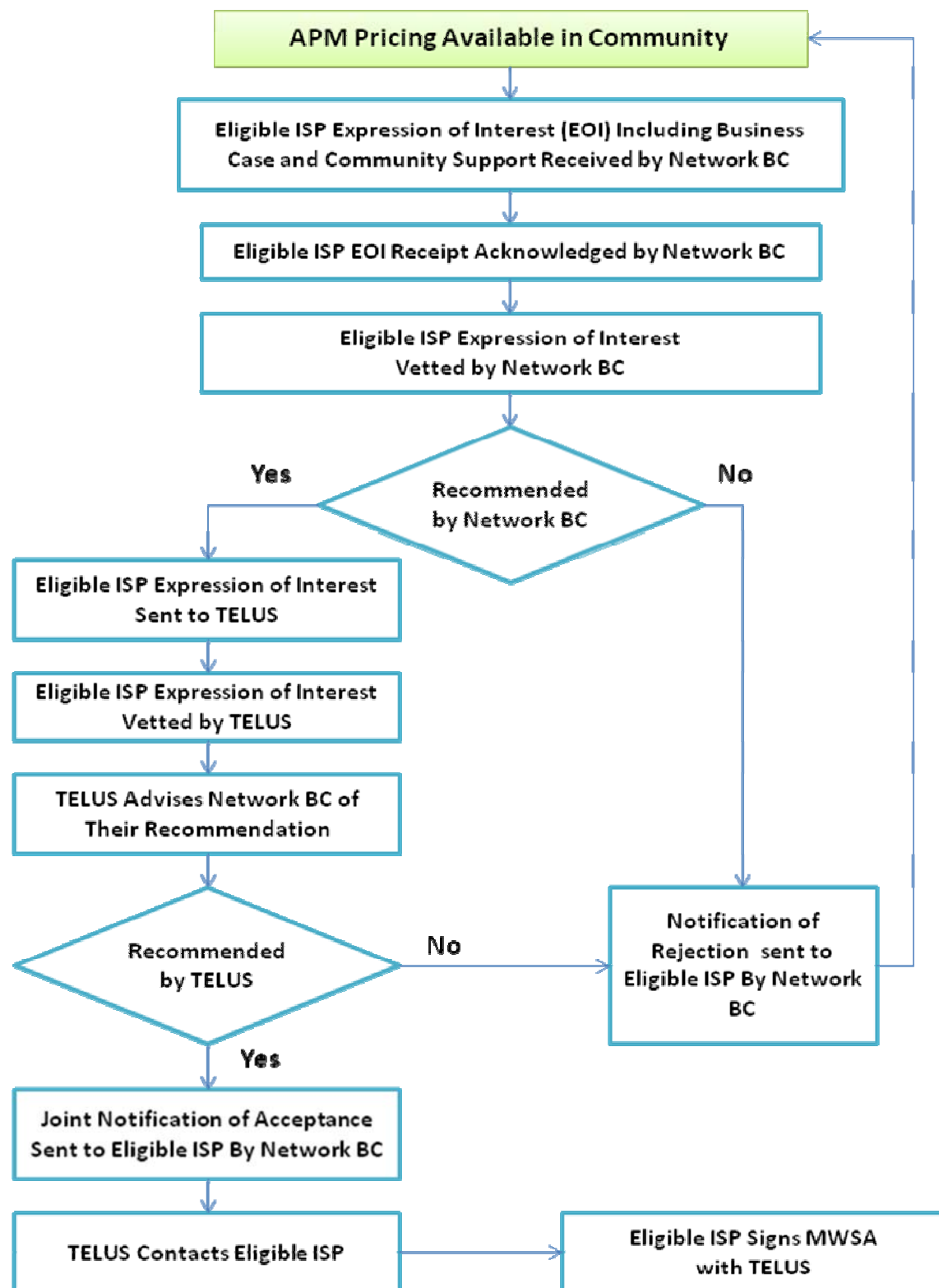
- 18.1 In this Schedule, references to Sections by number are to Sections of this Schedule unless otherwise specified in this Schedule.
- 18.2 Any reference to “TELUS” in this Schedule includes any member of TELUS Group or any Subcontractor or agent retained by TELUS to perform obligations under the Agreement and TELUS must ensure that any such Subcontractors and agents comply with this Schedule.
- 18.3 The obligations of TELUS in this Schedule will survive the termination of the Agreement.
- 18.4 If a provision of the Agreement (including any direction given by the Province under this Schedule) conflicts with a requirement of FOIPPA or an applicable order of the commissioner under FOIPPA, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.
- 18.5 TELUS must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to Section 18.6, the law of any jurisdiction outside Canada.
- 18.6 Nothing in this Schedule requires TELUS to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with FOIPPA.

**SCHEDULE I
APM PRICE SELECTION PROCESS**

Eligible ISP Selection Process for APM Pricing



APM Pricing Award Process



APM Pricing Rescind Process

