

Assignment of Rights

**Newfoundland Power Inc.
and
11003 Newfoundland Inc.**

**SECOND PARTIAL ASSIGNMENT AND ASSUMPTION OF
SUPPORT STRUCTURES PURCHASE AGREEMENT**

THIS ASSIGNMENT made this 25th day of July, 2001,

BETWEEN:

NEWFOUNDLAND POWER INC., a corporation incorporated
under the laws of the Province of Newfoundland,

(the "Assignor")

- and -

11003 NEWFOUNDLAND INC., a corporation incorporated under
the laws of the Province of Newfoundland,

(the "Assignee")

WHEREAS:

(A) pursuant to the Agreement, the Vendor has agreed to sell, assign and transfer to the Assignor and the Assignor has agreed to purchase from the Vendor, on the Closing Date but effective as of the Effective Date, all the right, title and interest of the Vendor in and to the Purchased Assets, on the terms, subject to the conditions and for and in consideration of the Purchase Price set forth in the Agreement;

(B) section 13.5 of the Agreement provides that the Assignor may assign its rights under the Agreement in whole or in part to an Affiliate of the Assignor at any time prior to the Closing Date provided that the Assignor shall remain bound by its obligations under the Agreement jointly and severally with such Affiliate;

(C) the Assignee is an Affiliate of the Assignor and the Assignor wishes to assign its rights under the Agreement to purchase all Non-Joint Use Poles in the Service Territory to the Assignee;

NOW THEREFORE THIS ASSIGNMENT WITNESSES that for and in consideration of the covenants, undertakings, promises and agreements set forth herein and the sum of \$1.00 paid by each party hereto to the other (the receipt and sufficiency of which are hereby acknowledged by each party):

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 In this Assignment, including in the recitals hereof and any schedules hereto, the following terms shall have the following meanings unless the context or subject matter is inconsistent therewith:

"Agreement" means the agreement entitled "Support Structures Purchase Agreement" dated as of January 1, 2001 made between the Vendor and the Assignor, as amended by an agreement entitled "Support Structures Purchase Agreement Amendment Agreement" dated as of April 19, 2001 made between the Vendor and the Assignor, as partially assigned to the Assignee by a Partial Assignment and Assumption Agreement dated as of April 30, 2001 and made between the Assignor and the Assignee and as the same may be from time to time further amended in writing between the Vendor and the Assignor;

"Assigned Interest" means all the rights, benefits, advantages, duties and obligations of the Assignor under the Agreement to purchase from the Vendor the Assigned Purchased Assets on the terms and subject to the conditions set forth in the Agreement;

"Assigned Purchased Assets" means all Non-Joint Use Poles which are situate within or relate to the Service Territory as of the Effective Date;

"Assignment" means this Second Partial Assignment and Assumption Agreement, as it may be amended or supplemented in writing from time to time or at any time between the parties hereto;

"Service Territory" means those areas of the island portion of the Province of Newfoundland in which the Assignor operates and distributes electrical service as of the Effective Date;

"Vendor" means Aliant Telecom Inc., a corporation amalgamated under the laws of Canada.

1.2 All other capitalized terms used in this Assignment which are defined in the Agreement and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

ARTICLE 2

ASSIGNMENT AND ASSUMPTION

2.1 For the consideration aforesaid, the Assignor hereby absolutely transfers, assigns and sets over the Assigned Interest to the Assignee, its successors and permitted assigns, as of and from the date of this Assignment, to have and to hold the Assigned Interest to the Assignee, its successors and permitted assigns, absolutely and forever.

2.2 The Assignee hereby accepts the absolute transfer, assignment and setting over by the Assignor of the Assigned Interest as of and from the date of this Assignment.

ARTICLE 3

ASSUMPTION AND INDEMNITY

3.1 The Assignee hereby assumes all of the covenants and obligations of the Assignor under the Agreement as they relate to the Assigned Purchased Assets as of and from the date of this Assignment and hereby covenants and agrees with the Assignor that the Assignee shall, from the date of this Assignment and at all times thereafter, be bound by and observe, perform and fulfill each and every covenant, agreement, term, obligation, condition and stipulation on the part of the Assignor contained in the Agreement as they relate to the Assigned Purchased Assets in the place and stead of the Assignor.

3.2 The Assignee shall indemnify and save the Assignor harmless from and against all liability, claims, actions, causes of action, suits, costs, charges, damages, expenses (including legal costs on a solicitor and client basis) and losses which the Assignor may sustain, suffer or incur or to which it may be exposed, on or at any time after the date of this Assignment, arising out of, in connection with or in respect of the Assigned Interest or arising out of, in connection with or in respect of any breach, or failure to perform, by the Assignee of any of its obligations set forth in this Assignment.

ARTICLE 4

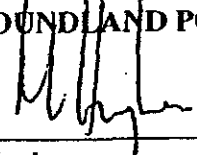
GENERAL PROVISIONS

4.1 This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

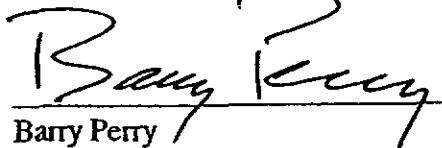
4.2 Each of the Assignor and the Assignee covenants to promptly do, execute, acknowledge and deliver all such further acts, assignments, deeds, documents, instruments and assurances as may be necessary or desirable to give effect to this Assignment.

IN WITNESS WHEREOF this Assignment has been executed by the parties hereto as of the day and year first before written.

NEWFOUNDLAND POWER INC.




Philip Hughes
President and Chief Executive Officer

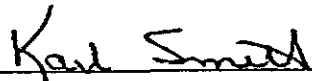


Barry Perry
Vice President, Finance and Chief Financial Officer

11003 NEWFOUNDLAND INC.



Philip Hughes
Vice President



Karl Smith
Vice President