

BUILDING LICENSE AGREEMENT

THIS AGREEMENT made on the 30 day of September 19 99

BETWEEN:

1851 Holdings Ltd.  
c/o CB Richard Ellis Property Mgt. Services.  
#800-1040 West Georgia Street.  
Vancouver, B.C. V6E 4H1

(Hereinafter referred to as "THE LICENSOR")

OF THE FIRST PART

AND:

GT GROUP TELECOM SERVICES CORPORATION  
 P.O. Box 40  
 Suite 300-840 Howe St.,  
 Vancouver, B.C.  
 V6Z 2L2

(Hereinafter referred to as "GT")

OF THE SECOND PART

**WHEREAS:**

- A. THE LICENSOR has agreed to license certain space, as approved by THE LICENSOR in attached Schedules and/or Addendum, to GT Group Telecom Services Corporation, its successors and assigns to install, operate and maintain communications equipment, cabling, connections and associated hardware on a non exclusive basis, in or on the buildings and lands at :

**1112 WEST PENDER ST., VANCOUVER, B.C.**

(Hereinafter referred to as "THE SITE").

NOW THIS AGREEMENT WITNESSETH that in consideration of the mutual promises herein contained, the parties agree each with the other as follows:

1. THE LICENSOR hereby grants a license to GT for certain areas in and on THE SITE designated for the purpose of installing, operating and maintaining cabling, connections and ancillary equipment (hereinafter referred to as the "EQUIPMENT") so as to provide telecommunication services.
2. On termination of this agreement, GT will remove all EQUIPMENT and cabling installed pursuant to this agreement, save that in Schedule A. GT shall make good all damage and indemnify against all losses, costs and expenses relating to the installation, operation, or removal of such EQUIPMENT. Upon mutual agreement, THE LICENSOR will have the right to assume ownership of the EQUIPMENT and cabling, or portions thereof, without payment.

3. GT will not at any time install additional EQUIPMENT until it has provided a set of plans, and THE LICENSOR has approved those plans.
4. GT will have free and reasonable access to THE SITE during normal business hours provided that the building manager has received prior notice thereof. After normal business hours, access to THE SITE will only be with the prior approval of THE LICENSOR, such approval not to be unreasonably withheld or delayed. *GT shall at all times will comply with the Licensor's standard security policy and GT shall at its own expense pay for any charges associated with after hours access.*
5. GT will at all times during the term of this agreement, keep the EQUIPMENT in good repair and will comply with all relevant laws and will, at their cost, ensure that at no time does the EQUIPMENT or the operation and location of the EQUIPMENT prohibit the normal operations or renovations of THE SITE. *It is agreed that the Licensor shall define what normal operations are.*
6. Should interference develop at any time between the installations of other users of THE SITE and those of GT, GT shall promptly agree to cooperate in determining the cause of such interference and shall take immediate steps to resolve the interference at its own expense should GT be at fault and without prior rights. *It is agreed that any expenses incurred in the resolution of interference problems shall be borne solely and equally by the suppliers of the equipment, acting reasonably, and that no charges for such resolution shall be borne by the Licensor.*
7. GT will maintain liability insurance on terms and in amounts sufficient to insure against, and save harmless THE LICENSOR from, any claims for damages due to damage to property or injury to persons (including death) arising out of the installation, maintenance and operation of the EQUIPMENT. Upon request, GT will provide THE LICENSOR with proof of such insurance.
8. GT will pay all costs, taxes and other levies related to the installation, maintenance, operation and relocation of the EQUIPMENT. . The Licensor shall not unreasonably request that the Equipment be relocated, but if it must be relocated, the Licensor agrees to provide space mutually suitable and of no less dimensions than the original Equipment space. For this purpose, a request by the Licensor for relocation to accommodate a competitor of the Licensee is agreed to be unreasonable. GT shall at its own cost and expense remove all of the Equipment from THE SITE at the expiration or earlier termination of this Agreement, and shall make good any damage caused to THE SITE as a result of the installation or removal thereof.
9. Each of the parties hereto acknowledge and agree that this agreement constitutes the giving of a license and does not constitute or contain any lease of property.
10. This Agreement enures to the benefit of and is binding on the parties to the Agreement and their respective heirs, executors, administrators and permitted assigns. Subject to the following two exceptions, GT agrees that it will not assign its rights under this agreement to any third party without the prior written consent of the Licensor, such consent not to be unreasonably withheld, delayed, or conditioned, provided that GT may, with notice to the Licensor but without need for the Licensor's consent, assign it's rights and benefits under this Agreement [1] to a corporation which controls, is controlled by, or is under common control with GT provided GT remains liable under this Agreement and the use of the licensed site does not change, and [2] for security purposes, to Lucent Technologies Inc. and any other senior lender to GT on terms which include the lender's right to receive notice of any default by GT and a reasonable opportunity to cure any such default by GT.
11. In the event of any breach of this Agreement the party not in breach shall give the party in breach written notice both describing the breach and setting a reasonable time within which it must be cured. If a resolution is not achieved within thirty days from the receipt of the written notice, then a party may move

Corany (then) agents

for mandatory, binding arbitration pursuant to the Commercial Arbitration Act of B.C. *Notwithstanding, should the Licensee cause a disturbance that is not resolved to the satisfaction of the Licensor, acting reasonably, within sixty [60] days after written notice by the Licensor, the Licensor shall have the option of terminating this agreement*

12. Should at any time during the term of this agreement the Licensee feel that the terms and conditions of this agreement or the technologies of the Licensee are not economically viable, the Licensee may terminate this agreement upon 60 day notice to the Licensor. All obligations save for continued license fees will remain until the Licensee has removed the Equipment and restored the premises *to pre-license conditions* or transferred ownership as per the provisions of this agreement.
13. Time shall be of the essence of this Agreement.
14. Except for the payment of money and unless dealt with elsewhere in this Agreement, neither party shall be liable to the other for any delays or failure to perform resulting directly from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, act of God, strike or labour dispute, war or other violence, or any law, order or requirement of any Governmental Entity. Where applicable, performance time shall be considered extended for a period of time equivalent to the time lost because of any such delay.

15. Should the Landlord and/or Licensor find this agreement conflicts with or does not benefit the Landlord and/or Licensor's objectives, The Landlord and/or Licensor may terminate this agreement upon 60 days notice to the Licensee. Re-license conditions must prevail, at the expense of the licensee, before the Licensee vacates

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the day, month and year first above written.

THE AUTHORIZED SIGNATURE OF:

1851 Holdings Ltd. ("THE LICENSOR")

(Authorized signature) for and on behalf of 1851 Holdings Ltd.

Date: 9/30/99

(name)

(title)

GT GROUP TELECOM SERVICES CORP. (GT)

(Authorized signature)  ("THE LICENSEE")

Date: 5/10/99

(title)

*Prior to vacating,  
Licensee shall, at  
its own cost,  
remove ~~its~~ the  
Equipment and  
restore the  
premises to  
their original  
condition.*

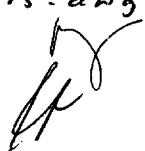
**BUILDING LICENCE AGREEMENT - SCHEDULE "A"**  
**1112 WEST PENDER ST., VANCOUVER, BC**

**DESCRIPTION**

Fiber Optic entry cable, up to and including demarcation rack, which includes wall space as shown on attached drawing, subject to the Licensors prior approval of available wall space.

*Attached drawing refers to sketch #19990915.dwg.*

**SPECIAL REQUIREMENTS**



**DIAGRAMS [TYPICAL], PHOTOGRAPHS, AND SCHEMATICS [Attach]**

**ACKNOWLEDGEMENTS**

The following authorized signatories acknowledge and permit the presence of GT Group Telecom Services Corporation personnel and equipment on the site and accept this schedule as an extension of and subordinate to the Building License Agreement between ..... and GT Group Telecom Services Corporation, dated .....

**Building Owner or Property Manager**

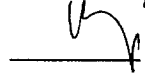
**GT Group Telecom Services Corporation.**



Name:

*for*  
Signature

Date..... *9/30/99* .....



Date..... *OCT 5, 99* .....



**BUILDING LICENCE AGREEMENT - SCHEDULE "B"**  
**TERM TEN [10] YEARS WITH ONE RENEWABLE\* 5 YR. OPTION**  
**1112 WEST PENDER ST., VANCOUVER, B.C.**

**DESCRIPTION**

Cable and related hardware from demarcation rack, access to riser cabinets, *riser cable*, raceways, distribution boxes, horizontal distribution cable, rooftop access and roof top space.

**SPECIAL REQUIREMENTS**

**DIAGRAMS [TYPICAL], PHOTOGRAPHS, AND SCHEMATICS [attach]**

**ACKNOWLEDGEMENTS**

The following authorized signatories acknowledge and permit the presence of GT Group Telecom Services Corp. personnel and equipment on the site and accept this schedule as an extension of and subordinate to the Building Licence Agreement between.....and GT Group Telecom Service Corp., dated.....

**\*OPTION TO RENEW**

The Licensor shall grant a renewal lease, at the option of the Licensee for a term of five [5] years upon twelve (12) months' notice prior to the expiration of the term. The renewal term will be upon the same terms and conditions contained herein save for the fees, ***such fees shall not be less than \$1200 per annum and*** shall be agreed upon by the parties at least twelve [12] months prior to the expiry of the first term. Any differences that may arise between the parties relative to the renewal of the agreement, that cannot be settled between the parties, shall be settled by a single arbitrator in accordance with the provisions if the commercial Arbitration Act S.B.C. 1986, c.3 and amendments thereto or legislation in substitution therefore.

**Building Owner or Property Manager**

**GT Group Telecom Services Corp.**

Name

Signature

Date.....9/20/99.....

Date.....Oct 5, 99.....

**GROSS FEE SCHEDULE [See Note 1]**  
[Pursuant to Building Licence Agreement]  
**1112 WEST PENDER ST., VANCOUVER, B.C.**

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**SCHEDULE "A"**

Entrance cable to Demarcation point  
Term;

No fixed term

**SCHEDULE "B" [see note 2]**

From demarcation point to riser system & horizontal  
distribution to tenants premises. Includes wall space per attached drawing in main  
telephone room.

Term; [see note 3]

10 years, with  
renewable 5 Yr. Term

Fees *First Three [3] years*.....\$1200.00/yr., Paid Annually.

Payments commence when  
Work on Schedule B begins

*Rates to be reviewed at three and seven years from commencement date.*

*Commencement date is October 1, 1999.*

Fees [special]

e.g. Power i.e. 20 Amp. circuit

\$25/Mo.

**NOTE 1**

All fees paid for use of space shall be considered "gross"  
and shall not be subject to additional annual operating  
increases. Fees shall only be increased with the requirement  
for additional space or increased services. [eg. More electrical  
Power] or at the conclusion of a rate review period.

**NOTE 2**

Schedule "B" concerns the expansion of cable facilities beyond  
The Demarcation point necessary to provide service to tenants.

**NOTE 3**

*Rates shall be reviewed at three [3] and seven [7] year intervals from  
commencement date. The fee shall be increased to*

*the current market fee effective on the 37<sup>th</sup> month  
and 85<sup>th</sup> month respectively. The fee shall not be  
less than \$1200.00 per annum at any time during  
the term of this agreement.*

**FEE SCHEDULE**

**PAGE 2 OF 2**

**1112 WEST PENDER ST., VANCOUVER, B.C.**

**[Pursuant to Building Licence Agreement]**

**NOTE 3**

**OPTION TO RENEW**

If the Licensee regularly pays said fees and performs the covenants herein, the Licensor shall grant renewal leases for **one** term of **five [5]** years upon twelve (12) months' notice prior to the expiration of the term. The renewal term will be upon the same terms and conditions contained herein, save as to fees in Schedule "B". Rents for said renewal term shall be agreed upon between the parties and shall be based on the fair market rental for similar access and opportunities, **but shall not be less than the original \$1200 per annum**. The parties shall commence making bona fide efforts twelve (12) months prior to the commencement date of the Renewal Term as to the Fair Market Rent with respect to the leased premises or facilities. If, however, the parties have not agreed as to the amount of rent by the sixtieth [60<sup>th</sup>] day prior to the commencement of the Renewal Term, or Rate Review date, then the rent shall be determined either;

[a] by an arbitrator mutually agreed upon by the parties who shall be a person currently active in the Province of British Columbia as an accredited Real Estate appraiser having not less than five years experience as an appraiser; or

[b] if the parties are unable to agree as to an arbitrator pursuant to clause [a] of this paragraph, then such Fair Market Rent shall be determined by a single arbitrator in accordance with the provisions if the commercial Arbitration Act S.B.C. 1986, c.3 and amendments thereto or legislation in substitution therefore.

**GT Group Telecom Services Corp.**  
a Subsidiary of GT Group Telecom Inc.  
PO Box 10082, Pacific Centre  
1000-700 West Georgia Street  
Vancouver, BC V7Y 1B6

Telephone (604) 484-1000  
Facsimile (604) 484-1100  
Toll Free 1-877-484-2131  
e-mail info@gt.ca  
website www.gt.ca

**group telecom**

COMPLETELY CONNECTED

November 25, 1999

1851 HOLDINGS LTD. ("Owner")  
c/o CB Richard Ellis Property Management Services  
#800-1040 West Georgia Street  
Vancouver, British Columbia, V6E 4H1

**Re: The Building License Agreement dated September 30, 1999 between "Owner" and GT Group Telecom Services Corp. ("GT")**

We hereby notify you in accordance with Section 10 of the above referenced agreement that we have assigned our rights and obligations for the following address made under this agreement as collateral security to Montreal Trust Company of Canada as collateral agent for our lender, Lucent Technologies Inc.:

• **1112 West Pender Street** **Vancouver British Columbia**

Yours truly,

GT GROUP TELECOM SERVICES CORP.

Per: \_\_\_\_\_  
Authorized Signatory

**VIA REGISTERED MAIL**