

THIS LICENCE made as of **December 12, 2000**

BETWEEN: **H.G.L. INVESTMENTS LIMITED**, having its registered office at 3000 Royal Centre, P.O. Box 11130, 1055 West Georgia Street, Vancouver, British Columbia, V6E 3R3

(the "Licensor")

AND: **GT GROUP TELECOM SERVICES CORP.**, having an office at P.O. Box 10082, Pacific Centre, 1000 - 700 West Georgia Street, Vancouver, British Columbia, V7B 1B6

(the "Licensee")

WHEREAS:

A. The Licensor is the owner of the lands and office building (the "Building") situate at **4940 No. 3 Rd., Richmond**, British Columbia;

B. The Licensee wishes to enter into this Licence with respect to a portion of the Building and the Licensor has agreed to grant this Licence to the Licensee on the terms and conditions contained herein;

IN CONSIDERATION OF the covenants and agreements in this Licence, the parties agree as follows:

1. **Schedules.** All schedules to this Licence are incorporated into and form a part of this Licence.
2. **Licence.** The Licensor hereby grants to the Licensee a non-exclusive licence to use a portion of the telephone room shown outlined in heavy black on Schedule "A" having an approximate area of **70.0 square feet** (the "Licensed Area") for the Term (as herein defined).
3. **Term.** The term (the "Term") will commence on **June 01, 2001** (the "Commencement Date") and be for a term of **Five (5) years**, subject to the termination provisions set forth in section 4 of this Licence.
4. **Rights of Termination.** Notwithstanding sections 2 and 3 of this Licence, each of the Licensor and the Licensee will have the right to terminate this Licence at any time upon 60 days' notice to the other party. In the event of termination of this Licence, the Licence Fee and Distribution Access Fee (both as defined herein) will be adjusted to and including the date of termination and thereafter neither party will have any obligation to the other party with respect to this Licence, except with respect to matters which arose prior to such date of termination, sections 14 and 21 herein.

5. **Licence Fee and Distribution Access Fee.** The Licensee will pay to the Licensor during the Term as follows:

- (a) **\$700.00, payable annually in advance on the Commencement Date and on each anniversary of such date (based on \$10.00 per square foot of Licensed Area) for the Licensed Area (the "Licence Fee"); and**
- (b) **\$1,414.13, payable annually in advance on the Commencement Date and on each anniversary of such date (based on \$0.015 per square foot of rentable area of the Building and 94,275 square feet of rentable area of the building) for the access rights granted in sections 8 and 9 herein (the "Distribution Access Fee"),**

plus any goods and services tax thereon payable at 200 Granville Street, 15th Floor, Vancouver, British Columbia, V6C 2R6 or at such other address as the Licensor may direct, in lawful money of Canada without any set-off or abatement.

6. **Electricity.** At the Licensor's request, the Licensee shall install and maintain at the Licensee's expense metering devices for checking the use of electricity in the Licensed Area.

7. **Option to Renew.** Provided that the Licensee duly and punctually observes the covenants, agreements and provisos in this Licence on the part of the Licensee to be observed and performed, the Licensee will have one option to renew this Licence for a term of **Five (5) years**. This option to renew may be exercised by the Licensee by delivering notice to the Licensor not later than 12 months and not earlier than 24 months prior to the commencement date of such renewal term. The renewal license will contain the same terms, covenants, agreements and provisos contained in this Licence except:

- (a) the Licence Fee and Distribution Access Fee, which will be the then fair market licence fee which could be reasonably obtained by the Licensor for the Licensed Area from a willing licensee dealing at arm's length with the Licensor, having regard to all relevant circumstances, including the size, location and condition of the Licensed Area, with no rent abatement or other inducements, provided that the annual Licence Fee payable during the renewal term will be not less than the annual Licence Fee payable during the last year of the Term or any renewal term, as the case may be. If the Licensor and the Licensee have not mutually agreed on the amount of the Licence Fee for the renewal term by three months prior to the commencement of such renewal term, then such Licence Fee will be decided by binding arbitration by a single arbitrator pursuant to the *Commercial Arbitration Act* (British Columbia), with the cost of such arbitration split equally between the Licensor and the Licensee; and
- (b) the Licensee will have no further option to renew the Licence after exercise of this option to renew.

Until the Licence Fee has been determined as provided herein, the Licensee will pay the Licence Fee requested by the Licensor and upon such determination, the Licensor and the Licensee will make the appropriate adjustments.

8. **Use.** The Licensee will use the Licensed Area for the purposes of providing telecommunication services to the tenants of the Building and in connection with such purpose may:

- (a) install, operate and maintain cabling, connections and ancillary equipment (the "Equipment") in the Licensed Area; and
- (b) install, operate, and maintain the Equipment within the premises of the tenants of the Building, subject to their consent and subject to the Landlord's prior approvals as to the location of such installations, such approval not to be unreasonably withheld.

9. **Access.** The Licensee may have the following access rights:

- (a) The Licensee may have access to the Licensed Area outside Normal Business Hours (as defined herein), subject to security procedures as determined by the Licensor, in situations of emergency or for the repair of the Equipment.
- (b) The Licensee may have access to such portions of the Building during Normal Business Hours or outside Normal Business Hours in accordance with section 9(a) as may be necessary to enable the Licensee to access the Licensed Area and to install and maintain the Equipment which service the other tenants in the Building. (Normal Business Hours means the hours between 8:00 a.m. and 6:00 p.m. on Mondays to Fridays, excluding statutory holidays).

The Licensee shall exercise its rights under this section in such a manner so as to not interfere with the rights of the other tenants in the Building without their consent and the use and enjoyment of their premises and, if the Licensor requires, the Licensee will exercise such rights under the supervision of the Licensor. Any additional cost due to the access rights of the Licensee outside Normal Business Hours will be at the cost of the Licensee, such cost to be determined by the Licensor.

10. **Rules and Regulations.** The Licensee will comply with all rules and regulations established by the Licensor including the rules and regulations set out in Schedule "B".

11. **Condition of Licensed Area.** The Licensed Area is licensed to the Licensee on an "as-is" basis and the Licensor makes no representation or warranties with respect to the condition or the suitability of the Licensed Area for the purposes of the Licensee.

12. **Licensee not to Cause Nuisance.** The Licensee will not do, suffer or permit any act or neglect which could in any manner directly or indirectly cause injury to the Licensed Area or to

the Building or to any fixtures or appurtenances thereof, or which could be or, subject to Section 9, become a nuisance or interference with the comfort of any of the occupants of the Building or which could, in the opinion of the Licensee, render the Building or any part thereof less desirable or injure the reputation thereof as a first class office building.

13. Construction and Alterations. The Licensee will not install, connect or alter the Equipment on the Licensed Area or within the Building without having received the prior written approval of the Licensor to the plans and specifications and any variations or amendments thereof, which approval will not be unreasonably withheld or delayed, and received all necessary approvals of any relevant statutory authority. The Licensor will be entitled to recover from the Licensee the cost of having the Licensor's telecommunications, mechanical, electrical or structural consultants and architects or engineers examine such plans and specifications, where appropriate. Any such installations, connections or alterations of the Equipment made by the Licensee without the prior written consent of the Licensor or which is not made in accordance with the drawings and specifications approved by the Licensor or its consultants will, if requested by the Licensor, be promptly removed by the Licensee at the Licensee's expense and the Licensed Area restored to its previous condition, failing such removal, the Licensor will be entitled to remove the same forthwith without notice at the Licensee's sole cost and expense. No installations, connections or alterations of the Equipment on the Licensed Area or within the Building will be permitted which, in the Licensor's opinion may weaken or endanger the structure or adversely affect the condition or operation of the Licensed Area of the Building or diminish the value thereof. Any installation, connection or alteration of Equipment on the Licensed Area or within the Building will be installed only in accordance with the approved plans and specifications and installed expeditiously, at the sole cost and expense of the Licensee, in a good and workmanlike manner.

14. Removal of Equipment. At the expiration of the Term or any renewal thereof, the Licensee may remove the Licensee's Equipment, at its sole cost and expense, and will restore the Licensed Area to the satisfaction of the Licensor, acting reasonably. In the event the Licensee does not remove the Equipment, the same will, within 30 days following the expiration of the Term or any renewal thereof, become the sole property of the Licensor or the Licensor, at its option, may enforce the removal of the improvements by the Licensee failing which the Licensor at the Licensee's cost may remove the Equipment without any liability for loss or damage.

15. Repair and Maintenance. The Licensee, at its sole cost and expense, will expeditiously and diligently repair and maintain the Licensed Area, the Equipment, and any improvements installed or constructed thereon as would a prudent licensee and will keep same in a clean, safe and tidy condition at all times, including, without limiting the generality of the foregoing, keeping the Licensed Area free of both debris and dust accumulation. The Licensee will use the Licensed Area in a prudent and careful manner.

16. Inspection. The Licensor, by its authorized representatives, may enter the Licensed Area at any time to inspect the Equipment and the Licensed Area and to determine whether the Licensee is complying with all of its obligations hereunder. The Licensee will repair according to notice.

17. **Builders' Liens.** The Licensee will not suffer or permit any liens under the *Builders Lien Act* to be registered against title to the Building by reason of labour, services or materials supplied to the Licensee. In the event that any lien is so filed, the Licensee will take immediate action to cause same to be removed.

18. **Compliance with Laws.** The Licensee, at its cost, will promptly comply with all applicable requirements of governmental or administrative authorities which relate, directly or indirectly, to the use, occupation, repair and maintenance of the Licensed Area by the Licensee including, without limitation, those relating to hazardous substances and other environmental matters. In particular, without limiting the generality of the foregoing, the Licensee will not bring any hazardous substances onto the Licensed Area and will not use the Licensed Area for the storage, treatment, handling or disposal of hazardous substances.

19. **Insurance.** The Licensee, at its cost, will obtain and keep in force:

- (a) "all risk" property insurance covering all of the Licensee's property in the Licensed Area, property for which the Licensee is legally liable and property installed by or on behalf of the Licensee in the Licensed Area, including the Equipment;
- (b) comprehensive general liability insurance (including legal liability insurance) against claims for personal injury, bodily injury, death or property damage occurring upon or in or about the Licensed Area, such coverage to include the activities and operations conducted by the Licensee and those for whom the Licensee is in law responsible. Such policies will be written on a comprehensive basis with inclusive limits of not less than \$3,000,000 per occurrence or such higher limit as the Licensor, acting reasonably, may require from time to time; and
- (c) any other form of insurance or such higher limits as the Licensor, acting reasonably, may require from time to time, in form, in amounts and for insurance risks against which a prudent licensee would insure.

The Licensee will effect all insurance policies with reputable insurers licensed to do business in British Columbia and upon terms and in amounts, as to deductibles and otherwise, reasonably satisfactory to the Licensor. The Licensee will deliver to the Licensor prior to the Commencement Date, and upon reasonable request from time to time, certificates of insurance (and upon request by the Licensor, copies of the insurance policies) and will deliver to the Licensor a certificate of renewal for each policy not less than 10 days prior to its respective expiry date. The Licensee will pay the premium for each policy. If the Licensee fails to purchase or keep in force such insurance, the Licensor may effect such insurance, at the cost of the Licensee. The Licensee will cause all insurance policies to contain an undertaking by the respective insurer to notify the Licensor at least 30 days prior to cancellation or prior to making any other change material to the Licensor's interest. The liability policy of the Licensee will

include the Licensor as an additional insured with a cross-liability and severability of interest clause. The Licensee will cause all insurance policies to contain a waiver of subrogation clause in favour of the Licensor and those for whom it is in law responsible.

20. **Assignment.** Subject to the following two exceptions, the Licensee 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 its rights and benefits under this Agreement (i) to a corporation which controls, is controlled by or is under common control with the Licensee provided the Licensee remains liable under this Agreement and the use of the licensed area does not change, and (ii) for security purposes, to Lucent Technologies Inc. and any other senior lender to the Licensee on terms which include the lender's right to receive notice of any default by the Licensee and a reasonable opportunity to cure any such default by the Licensee.

21. **Indemnity.** Notwithstanding any other terms, covenants and conditions contained in this Licence, the Licensee will indemnify and save harmless the Licensor and those for whom it is responsible in law from and against any and all liabilities, claims, suits, actions, damages and costs, including, without limitation, legal fees on a solicitor and own client basis, which the Licensor may incur or suffer or be put to, arising out of or in connection with any breach or non-performance of the obligations of the Licensee under this Licence, any loss or damage to property or personal injury or bodily injury, including death, of any person in the Licensed Area, any wrongful act or neglect of the Licensee and its invitees or those for whom it is responsible in law in or about the Licensed Area and the Building or arising out of or in connection with the use and occupation of the Licensed Area by the Licensee, its invitees or those for whom it is in law responsible. This indemnity will survive the expiration or earlier termination of this Licence.

22. **Non-liability of the Licensor.** The Licensor will not be liable or responsible in any way for any personal injury that may be sustained by the Licensee or any invitee of the Licensee or of any other person who may be upon the Licensed Area or the Building, or for any loss of or damage or injury to property belonging to or in the possession of the Licensee or any invitee of the Licensee or any other person or for any matter or thing of whatsoever nature or kind arising from or in connection with the Licensee's use and occupation of the Licensed Area or any improvements thereon or otherwise. The Licensee hereby waives all rights it may have at law or at equity to claim against the Licensor for damages or equitable relief of any nature or kind, including without limitation, any claim it may have for loss of business, in connection with or arising from the expiry or earlier termination of this Licence for any reason.

23. **Default.** If and whenever:

- (a) the Licensee becomes insolvent or bankrupt or a petition is filed for the reorganization of the Licensee under any provision of the *Bankruptcy and Insolvency Act* or any law of Canada or any province thereof or of the jurisdiction in which the Licensee is incorporated relating to bankruptcy or insolvency, then in force, or a receiver, guardian, trustee in bankruptcy or any other similar officer is

appointed to take charge of all or any substantial part of the Licensee's property by a court of competent jurisdiction;

- (b) the Licensee becomes insolvent or bankrupt or ceases to exist or any application or petition or certificate or order is made or granted for the winding up or dissolution of the Licensee, voluntarily or otherwise;
- (c) any goods and chattels on the Licensed Area are at any time seized or taken in execution or attachment; or
- (d) the Licensee defaults in observing or performing any of the terms and conditions set forth herein,

then the Licensor, at its option, may terminate this Licence with 10 day's notice to the Licensee.

24. **Licensor's right to remedy.** If the Licensee is in default of any of its obligations under this Licence, then the Licensor, without limiting any other remedy which it may have, will have the right to remedy any such default and for such purpose it may enter upon the Licensed Area and do such things as are necessary or desirable to cure any default, including the right to make repairs and to spend money. The Licensee will reimburse the Licensor promptly for all expenses incurred by the Licensor in remedying such default. The Licensor will have no obligation to remedy any default of the Licensee and will not incur any liability to the Licensee for any action or omission in the course of its remedying or attempting to remedy any such default.

25. **Relocation.** At any time throughout the Term or any renewal thereof, the Licensor, acting reasonably, may give notice to the Licensee that it will relocate the Licensed Area to an alternate location within the Building, provided that the size of the new area will be not less than the size of the then existing Licensed Area, unless otherwise agreed to by the Licensee. The Licensee shall pay the costs and expense of any such relocation.

26. **Subordination.** This Licence shall, at the request of the Landlord, be made subject and subordinate to all mortgages which now or hereafter during the term shall be recorded in the appropriate Land Titles Office as a mortgage against the land and Building. The Licensee shall execute promptly and in registrable form from time to time any assurance the Licensor may properly require to confirm this subordination with respect to any mortgage now or hereafter recorded. Whenever required by any mortgagee, the Licensee shall attorn to and become a licensee of such mortgagee or any purchaser from the mortgagee in the event of an exercise by the mortgagee of its power of sale in the mortgage set out, for the then unexpired residue of the term herein upon all of the terms and conditions hereof.

27. **Notices.** Any notice required or contemplated by any provision of this Licence which the Licensor or Licensee may desire to give to the other shall be sufficiently given by personal delivery or by registered letter, postage prepaid and mailed in one of Her Majesty's Post Offices in the City of Vancouver, in the Province of British Columbia, and addressed to the party to

whom such notice is to be given at the address of such party as given in this Licence or at such other address as either party may notify the other of in writing during the term hereof and any such notice shall be effective as of the day of such personal delivery or as of the day two (2) days following the date of such posting, as the case may be, except in the event of labour disputes or other disruptions affecting postal service occurring prior to the deemed receipt thereof in which case notice will not be deemed to have been received until actually received.

28. **Headings.** The captions or titles contained in this Licence are for ease of reference only and will not affect interpretation of this Licence.

29. **Nature of Licence.** The occupancy of the Licensed Area by the Licensee will, under all circumstances, be viewed as a licence only and will not create or be deemed to create any interest in land in the Licensed Area in the Licensee's favour.

30. **Waiver.** The waiver by the Licensor of any breach of a term, covenant or condition of this Licence will not be considered to be a waiver of any subsequent breach of the term, covenant or condition or another term, covenant or condition. No breach of a term, covenant or condition of this Licence will be considered to have been waived by the Licensor unless acknowledged by the Licensor in writing as waived.

31. **Time of the Essence.** Time will be of the essence of this Licence.

32. **Entire Agreement.** Except as expressly set out herein, there are no representations, warranties, conditions or collateral agreements between the Licensor and the Licensee and this Licence constitutes the whole of the agreement between such parties with respect to the Licensed Area.

33. **Gender.** Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders

34. **Governing Law.** This Licence Agreement is governed by and is to be enforced, construed and interpreted in accordance with the laws of British Columbia.

35. **Enuring Effect.** This Licence will enure to the benefit of and be binding upon the successors of each of the Licensor and the Licensee.

IN WITNESS WHEREOF the parties hereto have executed this Licence as of the date first above written.

GT GROUP TELECOM SERVICES CORP.

Authorized Signatory

H.G.L. INVESTMENTS LIMITED

SCHEDULE "A"

Attach diagram of Licensed Area shown outlined in heavy black.

SCHEDULE "B" - RULES AND REGULATIONS

1. The sidewalks, entrances, elevator, stairways and corridors shall not be obstructed by the Licensee or used by it for any other purpose than for ingress and egress to and from their respective offices, and the Licensee shall not place or allow to be placed in the hallways, corridors or stairways any waste paper, dust, garbage, refuse or anything whatever that shall tend to make them appear unclean, untidy or filthy.
2. The floors, skylights and windows that reflect or admit light into passageways or into any place in the said Building shall not be covered or obstructed by the Licensee, and no awnings shall be put over any windows without the written consent of the Licensor; the water closets and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes or other substance shall be thrown therein; any damage resulting to them from misuse shall be borne by the Licensee who so caused it.
3. A directory board will be maintained in the main lobby, and glass entrance doors to the Licensed Area will be lettered for the Licensee by the Licensor's agents, the cost of the lettering being charged to the Licensee by the sign painter. All lettering shall be of a standard type approved by the Licensor. No window lettering of any kind will be permitted.
4. If any sign, advertisement or notice shall be inscribed, painted or affixed by the Licensee on or to any part of the said Building whatever, then the Licensor or its agents shall be at liberty to enter on the Licensed Area and pull down and take away any such sign, advertisement or notice, and the expense thereof shall be payable by the Licensee.
5. The Licensee shall not do nor permit to be done in the Licensed Area anything that shall be deemed a nuisance, or bring or keep anything therein which will in any way increase the rate of fire insurance on the said Building or on property kept therein, or do or permit to be done anything which will conflict with the laws relating to fires or with the regulations of the Fire Department or with any insurance policy upon the said Building, or any part thereof, or which will conflict with any of the rules or ordinances of the Board of Health or with any statute or any municipal by-law.
6. No safes, heavy merchandise or anything liable to injure or destroy any part of the Building shall be taken into it without the consent of the Licensor, such consent not to be unreasonably withheld or delayed, and the Licensor shall in all cases retain the power to prescribe the weight and indicate the place where said iron safe is to stand, and the cost of repairing any and all damage done to the Building by taking in or putting out a safe or during the time it is in or on the Licensed Area, shall be paid for on demand by the Licensee who so causes it.

7. The Licensee shall not permit the introduction of any machine or mechanical device of a nature to occasion objectionable noise, odours or vibration or be injurious to the Licensed Area or Building.
8. The Licensee shall keep the Licensed Area in a good state of repair and cleanliness and shall not suffer any accumulation of useless property or rubbish therein.
9. The Licenser shall have the right to enter the Licensed Area at reasonable hours in the day to examine the same or to make such repairs and alterations as it shall deem necessary for the safety and preservation of the said Building, and also exhibit the Licensed Area to be let and put upon them their usual notice "For Rent."
10. Nothing shall be thrown by the Licensee, its clerks, or servants, out of the windows or doors or down the passages and skylights of the Building.
11. No birds or animals shall be kept in or about the Licensed Area, nor shall radios, recordings or the like or other musical instruments be played in the Building so as to annoy other occupants or the Licenser.
12. If the Licensee desires telegraph or telephone, call bell or other private signal connections, the Licenser reserves the right to direct the electricians or other workmen as to where and how the wires are to be introduced, and without such directions, no boring or cutting for wires shall take place. No other wires of any kind shall be introduced without the consent of the Licenser.
13. No one shall use the Licensed Area for sleeping apartments or residential purposes.
14. The Licensee and its employees shall not make or commit any improper noises in the Building or smoke tobacco in the elevators or corridors and stairwells or in any way interfere with or annoy other tenants or those having business with them.
15. All Licensees or other occupants of this Building must observe strict care not to allow their windows to be opened so as to admit rain or snow or so as to interfere with the heating or air conditioning of the Building. For any injury caused to the property or other tenants or to the property of the Licenser by such carelessness, the Licensees neglecting this rule will be responsible.
16. No additional lock shall be placed upon any door of the Building without the written consent of the Licenser, such consent not to be unreasonably withheld or delayed, which shall be endorsed hereon.
17. No inflammable oils or other inflammable, dangerous or explosive materials shall be kept or permitted to be kept in the Licensed Area.

18. The Licensor will have charge of all radiators and will give all information for the management of the same. The Licensor will not be responsible for damages if his directions are not followed, but the Licensee shall give to the Licensor prompt written notice of any accident to or defect in the water pipes or heating apparatus.
19. No bicycles or other vehicles shall be brought within the Building of which the Licensed Area form a part.
20. Nothing shall be placed on the outside of windows or projections of the Licensed Area.
21. Spikes, hooks, nails, screws or knobs shall not be put into the walls or woodwork unless approved by the Licensor.
22. No freight, furniture or packages will be received in the Building or carried up or down the passenger elevators except as may be permitted by the Licensor's agents. Shipping and receiving will be via the freight elevator between the hours of 10:00 a.m. and 2:00 p.m., Monday to Friday.
23. All glass, locks and trimmings in or upon the doors or windows of the Licensed Area shall be kept whole; whenever any part thereof shall become broken, the same shall be immediately replaced or repaired under the direction and to the satisfaction of the Licensor or its agents; and such replacements and repairs shall be paid for by the Licensee of the Licensed Area.
24. The Licensor shall not be liable for any damage to any property at any time on the Licensed Area nor for the theft of any of the said property nor shall it be liable for any escape or leakage of smoke, gas, water, rain or snow, howsoever caused, nor for any accident to the property of the said Licensee.
25. The Licensor may lock the entrance door at 6:00 p.m. each weekday evening and keep the same locked until 7:00 a.m. the next morning. During weekends and statutory holiday, the Licensor may keep the Building secured by keeping the entrance doors locked.
26. Canvassing, soliciting and peddling in the Building are prohibited and tenants shall cooperate to prevent the same.
27. The Licensor may publish from time to time emergency fire regulations and evacuation procedures in consultation with the applicable municipal authorities. The Licensee will appoint a Licensed Area warden (wardens for multi-floor users) who will be responsible for liaison with the Licensor in all emergency matters and who will be responsible for instructing employees of the Licensee in emergency matters.
28. The Licensor shall have the right to make such other and further reasonable rules and regulations as in its judgement may from time to time be helpful for the safety, care, cleanliness and appearance of the Licensed Area and the Building and for the preservation of good order therein and the same shall be kept and observed by the Licensee and those for whom the Licensee is at law responsible.