

SPACE LICENSE AGREEMENT

THIS AGREEMENT made on the 7th day of December 2000

BETWEEN: DUNSMUIR & HORNBY LTD.
Suite 550-800 W. Pender St.
Vancouver, B.C.
V6C 2V6

(hereinafter referred to as "THE LICENSOR")
OF THE FIRST PART

AND: GT GROUP TELECOM SERVICES CORP.
1100-700 West Georgia Street
Vancouver, BC
V7Y 1B6

(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, it's 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:

580 Hornby St., VANCOUVER, B.C.
(hereinafter referred to as 'THE SITE')

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

1. THE LICENSOR hereby grants a license to GT for ten years commencing January 01, 2001, for certain areas (the 'Premises') 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 telecommunications services. The term of this Agreement may be renewed in accordance with Note 2, Option to Renew attached hereto as the Fee Schedule.
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 expense 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, acting reasonably, has approved those plans. GT shall pay to The Licensor the fees set out in the Fee Schedule attached hereto.
4. GT will have free and reasonable access to THE SITE and the PREMISES during normal business hours provided that the building manager has received reasonable prior notice thereof. After normal business hours, access to The SITE will only be with the prior approval of THE LICENSOR, such approval not be unreasonably withheld or delayed, unless emergency access is required, whereupon such approval shall not be required and immediate access will be granted.
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 operations and location of the EQUIPMENT prohibit the normal operations or renovations of THE SITE.
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.
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.
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 ensures to the benefit of and is binding on the parties to the Agreement and their respective heirs, executors, administrators and permitted assigns.
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 for mandatory, binding arbitration pursuant to the Commercial Arbitration Act of B.C.
12. Should at any time during the term of this Agreement GT feel that the terms and conditions of this Agreement or the technologies of GT are not economically viable, GT may terminate this Agreement upon Sixty (60) days written notice to the LICENSOR. All obligations save for continued license fee will remain until GT has removed The EQUIPMENT and restored the PREMISES or transferred ownership as per the provisions of this Agreement.
13. The LICENSOR may assign this agreement at any time and shall be relieved of all obligations to GT under this Agreement, provided the LICENSOR ensures that the assignee receives actual notice of this agreement. GT shall not assign this Agreement or sublet or license all or part of the PREMISES (a "transfer") without the prior written approval of the Licensor, acting reasonably. Notwithstanding the foregoing, GT may effect a transfer to a corporate affiliate, its senior lenders or their collateral agents or a purchaser of a material portion of its business. GT shall ensure that the LICENSOR is informed of a transfer and except for a transfer to a purchaser, shall remain liable under this Agreement.

IN WITNESS WHEREOF the parties here to have executed this Agreement as of the day, month and year first written.

THE AUTHORIZED SIGNATURE OF:

DUNSMUIR & HORNBY LTD. ("THE LICENSOR")

Date: 12/20/00

(Name)

ASSET MANAGER

(Title)

GT GROUP TELECOM SERVICES CORP. (GT) ("THE LICENSEE")

Authorized Signatory

Jan. 12, 2001

Date:

(Name)

VP & GM Pacific Region

(Title)

FEE SCHEDULE (PAGE 1 OF 2)
(Pursuant to Space/Licence Agreement)
580 HORNBY ST., VANCOUVER, B.C.

SCHEDULE "A"

Entrance cable to Demarcation point

Term:

No fixed term

Fees:

Nil

SCHEDULE "B" (see note 1)

From demarcation point to riser system & horizontal distribution to tenants premises. Includes space for floor cabinet in main telephone room, or room designated, if available. Includes access to roof and the right to install antenna(s). Antenna deployment can be temporary until such time as Fiber Optic cable is installed.

Term: note 2

10 years, plus 2

Renewable 5 Year Terms

Fees: First Five (5) years

*\$1,400.00/yr., Paid Annually at
January 1st each year; pro-rated
initial year. Rates shall be
reviewed at 5 year intervals.*

Fees (special)

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

To be determined.

NOTE: 1

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

FEE SCHEDULE (Page 2 of 2)
580 HORNBY ST., VANCOUVER, B.C.

NOTE: 2

OPTION TO RENEW:

If GT regularly pays said fees and performs the covenants herein, the Licensor shall grant two (2) five (5) year renewal terms upon receipt of twelve (12) months' notice prior to the expiration of the current term. The renewal term will be upon the same terms and conditions contained herein, save as to fees in Schedule "B". Fees for said renewal terms shall be agreed upon between the parties and shall be based on the fair market fees for similar access and opportunities. 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 fees with respect to the premises or facilities. If, however, the parties have not agreed as to the amount of fees by the sixtieth [60th] day prior to the commencement of the renewal term, or Rate Review date, then the fees 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 fees shall be determined by a single arbitrator in accordance with the provisions of the commercial Arbitration Act S.B.C. 1986, c.3 and amendments thereto or legislation in substitution therefore.
