

SPACE LICENSE AGREEMENT

THIS AGREEMENT made on the 17th day of December, 1998

BETWEEN: **DUNSMUIR & HORNBY LTD.**
550-880 West Pender Street
Vancouver, B.C.
V6C 2V6

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

AND: **GT GROUP TELECOM NETWORKS INC.**
840 Howe Street, 3rd Floor
P.O. Box 40
Vancouver, B.C.
V6Z 2L2

(hereinafter referred to as "GTN")
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 Networks Inc., 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 :

885 DUNSMUIR 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 **GTN** 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 telecommunications services.
2. On termination of this Agreement, **GTN** will remove all **EQUIPMENT** and cabling installed pursuant to this Agreement, save that in Schedule A, **GTN** 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. **GTN** will not at any time install additional **EQUIPMENT** until it has provided a set of plans, and **THE LICENSOR** has approved those plans.
4. **GTN** will have free and reasonable access to **THE SITE** 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.
5. **GTN** 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**.
6. Should interference develop at any time between the installations of other users of **THE SITE** and those of **GTN**, **GTN** 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 **GTN** be at fault and without prior rights.



7. *GTN 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, **GTN** will provide **THE LICENSOR** with proof of such insurance.*
8. ***GTN** 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 enures 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 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 Sixty (60) days written notice to the Licensor. All obligations save for continued license will remain until the Licensee has removed the **EQUIPMENT** and restored the premises or transferred ownership as per the provisions of this Agreement.*

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

Handwritten signature and initials, possibly "AB" and "A", in black ink.

THE AUTHORIZED SIGNATURE OF :

DUNSMUIR & HORNBY LTD. ("THE LICENSOR")

(Authorized Signatory)

Date: December 17/98

(Name) ASST. VICE PRESIDENT
(Title)

GT GROUP TELECOM NETWORKS INC. (GTN) ("THE LICENSE")

Authorized Signatory

DECEMBER 15 / 98
Date:

(Name) V.P. NETWORK FACILITIES.
(Title)

FEE SCHEDULE(Page 1 of 2)
(Pursuant to Space/License Agreement)
885 DUNSMUIR STREET, 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, with 2
Renewable 5 Year
Terms.

Fees: First Five (5) years

\$2,500.00/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)
885 DUNSMUIR ST., VANCOUVER, B.C.

NOTE: 2

OPTION TO RENEW:

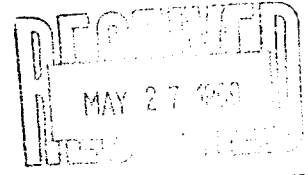
If the Licensee regularly pays said fees and performs the covenants herein, the Licensor shall grant renewal leases for two (2) five (5) year terms upon twelve (12) months' notice prior to the expiration of the Term. The renewal term will be upon the same terms and conditions contained herein, save as 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. 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 [60th] 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 of the commercial Arbitration Act S.B.C. 1986, c.3 and amendments thereto or legislation in substitution thereof.

GT Group Telecom Inc.
840 Howe Street, 3rd floor
PO Box 40
Vancouver BC V6Z 2L2

Telephone (604) 688-3010
Facsimile (604) 688-3011
Toll Free 1-877-484-8181
e-mail info@gt.ca
website www.gt.ca



May 20, 1999

Via Fax: 604-683-2158
(original with enclosure,
to follow via mail)

West Pender Property Group
Ste. 550 - 800 W. Pender St.
Vancouver, BC
V6C 2V6

Attention: Anna Middlemiss

Dear Ms. Middlemiss:

Re: Notice of Collateral Assignment

As Group Telecom continues its rapid growth, we are undertaking a series of vendor financing, one of which requires that we make a Collateral Assignment of certain Agreements to Montreal Trust Company. Accordingly, I enclose a Notice of Collateral Assignment, together with a Consent and Acknowledgement for execution by your company.

A representative of Group Telecom, Mr. Clive Boomer, will be in touch with you shortly by telephone to discuss this matter in case you have any questions concerning the proposed Assignment. I am also available to discuss this matter should you so wish. My direct line is (604) 717-1008.

As there is some degree of urgency attached to this matter, from our perspective at least, I would appreciate it very much if you would have an authorized representative of your company date and sign the Consent where indicated and return it to our offices, by fax (604-688-3011), marked to my attention. Please forward the executed original document to our offices by mail.

Thank you for your anticipated assistance respecting this matter.

Yours sincerely,

Group Telecom

Per

Encl.

c.c. Clive Boomer

NOTICE OF COLLATERAL ASSIGNMENT

TO: The Person(s) Named in Schedule A

RE: Assigned Agreement(s) Referred to in Schedule A

GT Group Telecom Services Corp. ("GT Services") has agreed to grant a security interest (the "**Security Interests**") in favour of Montreal Trust Company of Canada, as Collateral Agent, (the "**Collateral Agent**") in all present and after-acquired property, assets and undertaking of GT Services as security for the obligations of GT Services for credit and loans advanced pursuant to a Credit Agreement among GT Services, GT Group Telecom Inc., Lucent Technologies Inc., as Administrative Agent and a Lender, such other Lenders as may become parties thereto and the Collateral Agent. The collateral subject to such Security Interests includes or will include all right, title and interest of GT Services in, to and arising under the agreement(s) referred to in Schedule A (the "**Assigned Agreements**"). Any notices to the Collateral Agent should be addressed to it as follows: Montreal Trust Company of Canada, Corporate Trust Services, 151 Front Street West, Suite 605, Toronto, Ontario M5J 2N1, Attention: Manager, Corporate Trust (Telecopy No.: (416) 981-9777).

The purpose of this Notice is to advise you of the granting of the Security Interests and resulting collateral assignment in favour of the Collateral Agent of GT Services' rights and interests in and arising under the Assigned Agreements, and to request your consent for the benefit of the Collateral Agent in the terms set out below.

Dated this 20th day of May, 1999.

GT GROUP TELECOM SERVICES CORP.

by: _

CONSENT

TO: Montreal Trust Company of Canada, as Collateral Agent and secured party for and on behalf of itself and certain other secured parties (collectively, the "Secured Parties"), and to its successors and assigns as Collateral Agent in respect of the Security Interests (the "Collateral Agent")

AND TO: GT Group Telecom Services Corp.

For and in consideration of the sum of \$10 and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by the undersigned), the undersigned consents to the granting of the Security Interests and to the collateral assignment of the Assigned Agreements to the Collateral Agent as described in the above Notice, and further agrees that: (a) the undersigned will not terminate any of the Assigned Agreements without first giving the Collateral Agent a reasonable opportunity to remedy the breach or default or other cause of termination complained of; (b) the Collateral Agent's is not obligated to remedy any breach or default or otherwise put the Assigned Agreements into good standing; and (c) the undersigned consents to the exercise of by the Collateral Agent of any of GT Services' rights under any one or more of such Assigned Agreements.

Dated May 27, 1999.

Name:

by: _____

Name:

Title: Asst. Vice President

Authorized Signing Officer

Schedule A

Addressee: • Dunsmuir & Hornby Ltd.

Assigned Agreements:

1. Space License Agreement between GT Grouptelecom Networks Inc., a predecessor in name to GT Group Telecom Services Corp., and Dunsmuir & Hornby Ltd., regarding 885 Dunsmuir Street, Vancouver, British Columbia, dated December 17, 1998.