

SPACE LICENSE AGREEMENT

THIS AGREEMENT made on the 23 day of SEPTEMBER 19 98

BETWEEN: NICKLOW WEST HOLDINGS LTD
404 - 1199 WEST HASTINGS ST
VANCOUVER, B.C., V 6E 3T5

(hereinafter referred to as "THE LICENSOR")

OF THE FIRST PART

AND: GT GROUPTELECOM NETWORKS INC.
1000-701 West Georgia Street
P.O. Box 10143, Pacific Centre
Vancouver, B.C.
V7Y 1C6

(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., 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 :

1199 WEST HASTINGS 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 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 telecommunication 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 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. 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 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.
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 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 or transferred ownership as per the provisions of this agreement.

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

THE AUTHORIZED SIGNATURE OF:

WICKLOW WEST HOLDINGS LTD ("THE LICENSOR")
MANAGER PROPERTY OPERATIONS
 (Authorized signature)

Date: 23 SEPTEMBER 1998

(name)

(title)

GT GROUP TELECOM NETWORKS INC (GTN)

 ("THE LICENSEE")
 (Authorized signature)

Date: SEPT / 24 / 98

Vice President Network Facilities

SPACE LICENCE AGREEMENT - SCHEDULE "A"
PERMANENT INSTALLATION
1199 WEST HASTINGS ST., VANCOUVER, B.C.

DESCRIPTION

Fiber Optic entry cable, up to and including demarcation rack, which may require approximately ten sq. feet of floor space in a room designated by Licensor, as well as approximately twelve sq. ft of wall space for cable maintenance loop cabinet.

SPECIAL REQUIREMENTS

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

ACKNOWLEDGEMENTS

The following authorized signatories acknowledge and permit the presence of GT Group Telecom Networks Inc. personnel and equipment on the site and accept this schedule as an extension of and subordinate to the Space Licence Agreement between MICKLAW WEST HOLDINGS LTD AND GT GROUP TELECOM NETWORKS INC. DATED SEPT. 23, 98

Building Owner or Property Manager

GT Group Telecom Networks Inc.

Name

Signature

Date

23 SEPTEMBER 1998

Date

SEP 24 1998



FEE SCHEDULE
[Pursuant to Space/Licence Agreement]

1199 WEST HASTINGS 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 floor space approximately 100 Sq. Ft for floor cabinet in main telephone room or room designated.

Term; note 2

12 years, with renewable options. Payments commence when installation work beyond demarcation point [Sched. A] begins.

Fees ..First Twelve [12] years.....\$ 400.00/yr., Paid Annually at Jan. 1 each yr., pro-rated initial year.

Fees [special]

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

\$25.00/Mo.

NOTE 1

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



NOTE 2

OPTION TO RENEW

If the Licensee regularly pays said fees and performs the covenants herein, the Licensor shall grant renewal leases for terms of twelve [12] 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. 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

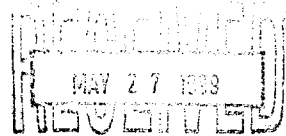
[b] if the parties are unable to agree as to an arbitrator pursuant to clause [a] of this paragraph, then such Fair Market Rent shall be determined by a single arbitrator in accordance with the provisions if the commercial Arbitration Act S.B.C. 1986, c.3 and amendments thereto or legislation in substitution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



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

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

BLA 34



May 20, 1999

Via Fax: 604-689-5455
(original with enclosure,
to follow via mail)

Wicklow West Holdings Ltd.
404 - 1199 W. Hastings Street
Vancouver, BC
V6E 3T5

Attention: Jim Goodwin

Dear Mr. Goodwin:

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

General Counsel 

Encl.

c.c. Clive Boomer