

SPACE LICENSE AGREEMENT

THIS AGREEMENT made on the 29 day of MAY 1998

BETWEEN: NOVAM MANAGEMENT LTD.
STE. 480 789 WEST PENDER ST.
VANCOUVER, B.C.,
V6C 1H2

(hereinafter referred to as "THE LICENSOR")

OF THE FIRST PART

AND: GT GROUPTHECOM 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:

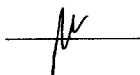
- A. THE LICENSOR has agreed to license certain space to GT Group Telecom Networks Inc., as approved by THE LICENSOR in attached Schedules, and/or Addendums, to GT Group Telecom Networks Inc., its successors and assigns to install, operate and maintain communications equipment, cabling, connections and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

688 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. GTN shall make good all damage and indemnify against all losses, costs and expenses relating to the installation, operation, or removal of such EQUIPMENT. 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 detailed 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.
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.

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

THE AUTHORIZED SIGNATURE OF:

NOVAM MANAGEMENT LTD ("THE LICENSOR")

(Authorized signature)

Date: MAY 29, 98

(name)

PRESIDENT
(title)

GT GROUP TELECOM NETWORKS INC, (GTN)

(Authorized signature) ("THE LICENSEE")

Date: MAY 29 1998

Dan Bouillet
Vice President Network Facilities

SPACE LICENCE AGREEMENT - SCHEDULE "A"
PERMANENT INSTALLATION
688 WEST HASTINGS ST. VANCOUVER BC

DESCRIPTION

Fiber Optic entry cable, up to and including demarcation point.

SPECIAL REQUIREMENTS

DIAGRAMS [TYPICAL], PHOTOGRAPHS, AND SCHEMATICS

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 NOVAM MGMT LTD and GT GROUP TELECOM NETWORKS INC and dated MAY 29, 1998.

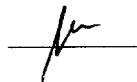
Building Owner or Property Manager

GT Group Telecom Networks Inc.

Name.

Signat.....

Date MAY 29, 1998



Date MAY 29 1998



SPACE LICENCE AGREEMENT - SCHEDULE "B"
TERM TEN [10] YEARS WITH ONE RENEWABLE 10 YR. OPTION
688 WEST HASTINGS ST., VANCOUVER, B.C.

DESCRIPTION

Cable and related hardware, as shown in a typical diagram from demarcation point, up to but not limited to riser cabinets, raceways, distribution boxes, horizontal distribution cable, rooftop access and roof top space.

SPECIAL REQUIREMENTS

DIAGRAMS [TYPICAL], PHOTOGRAPHS, AND SCHEMATICS

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.....and.....
dated.....

Building Owner or Property Manager

GT Group Telecom Networks Inc.

Name.

Signat.....

Date..... May 29, 1998



.....

Date..... May 29, 1998



SPACE LICENCE AGREEMENT - ADDENDUM ONE

688 WEST HASTINGS ST., VANCOUVER, B. C.

DESCRIPTION

ITEM 6 should be amended by adding the following;

"In case the Equipment causes interference with the equipment of tenants at the Site;

1.....The parties shall first work in good faith to attempt to remedy the problem.

2.....If the problem is not resolved to the point that tenants in the building can legitimately claim that they are unable to properly use their equipment, the Licensor shall be entitled to terminate the license, provided such termination does not cause the Licensee to be in default under contractual agreements, directly or indirectly with tenants at the Site.

FEE SCHEDULE
[Pursuant to Space/Licence Agreement]

PAGE 1 OF 2

688 WEST HASTINGS ST, Vancouver, B.C.

SCHEDULE "A"

Entrance cable to Demarcation point

Term;

No fixed term

Fees [one time]

NIL

SCHEDULE "B" [see note 1]

From demarcation point to riser system & horizontal distribution to tenants premises. Includes floor space for floor cabinet in main telephone room and rooftop access..

Term; note 2

10 years, renewable
with one 10 Yr.
renewable option

Fees [distribution] First Five [5] years.....\$567.00/yr*, Paid Annually
at Jan. 1 each yr., pro-rated
initial year. Payments to
commence at conclusion of
installation.

* Based on 56.7 k sq. ft. of typical commercial office space

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

..... **VANCOUVER** [.....]

[Pursuant to space/licence agreement]

NOTE 2

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 ten (10) 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". **Rates shall be reviewed at five [5] year intervals.** 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 or Rate Review Period 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.





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 give the Collateral Agent notice of any action by it to terminate any of the Assigned Agreements and will interrupt any action aiming towards the termination of the Assigned Agreements upon receipt of a notice by the Collateral Agent that it intends to remedy the breach or default or other cause of termination complained of in a manner and within a time acceptable by the undersigned, acting reasonably; (b) the Collateral Agent 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 June 23 1999, 1999.

Name

by: —

Name:

Title: President

Authorized Signing Officer

Schedule A

Addressee: **Tonko-Novam Management Ltd.
Suite 480, 789 West Pender Street
Vancouver, B.C.,
V6C 1H2**

Assigned Agreement:

Space License Agreement between GT Grouptelecom Networks Inc., a predecessor in name to GT Group Telecom Services Corp., and Tonko-Novam Management Ltd., as duly authorized agent of the owner, regarding 688 West Hastings Street, Vancouver, British Columbia, V6B 1P1, dated May 28, 1998.