

LICENSE AGREEMENT

900 W Hastings.
BLA NO-60

THIS AGREEMENT is made the 29th day of March, 1999,

between CANACEMAL INVESTMENT INC.
Suite 308, 900 West Hastings Street
Vancouver, B.C.
V6C 1E6

(hereinafter called the "Licensor")

and GT GROUPTÉLECOM SERVICES CORP.
Suite 300, 840 Howe Street
P.O. Box 40
Vancouver, B.C.
V6Z 2L2

(hereinafter called the "GT")

WHEREAS:

- A. GT has requested the Licensor's permission to install telecommunications equipment at the Licensor's property at 900 West Hastings Street, Vancouver, B.C. (the "Building") for the purpose of providing telecommunication services to the Building's tenants;
- B. The Licensor has agreed to grant GT permission to install telecommunications equipment at the Building on the terms and conditions contained in this agreement as well as the schedules, fee schedules and/or addenda attached hereto (collectively called the "Agreement").

NOW, THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants, promises and agreements herein contained, the Licensor and GT agree as follows:

- 1. The Licensor hereby grants a license to GT to the areas identified on Schedule "A" attached hereto (the "License"), for the purpose of installing, operating and maintaining its fibre optic cabling and telecommunication equipment (hereinafter collectively called the "Equipment"). GT will pay to Licensor such fees and other compensation as set out on Schedule "B".
- 2. GT acknowledges and agrees that this License shall be non-exclusive, and that the Licensor may grant licenses to any other parties for access to any part of the Building for the purpose of providing telecommunication services.
- 3. GT will not install any additional telecommunication equipment or cabling ("additional installations"), and shall not access any other parts of the Building other than those areas identified on Schedule "A", without the prior written approval of the Licensor, which approval shall not be unreasonably withheld.

B/A

Any such additional installations in the Building by GT shall be subject to the Licensor's prior written approval for each specific additional installation, and shall be upon the following terms and conditions:

- (a) any additional cabling shall be installed from the designated room on the 2nd floor and follow the existing telephone riser closets to the particular floor to which GT will provide telecommunication services; and
 - (b) no additional equipment, other than the cabling, conduits and small junction boxes, will be installed in any telephone riser closets or in any of the common areas. Any such additional equipment shall be installed within the particular tenant's leased premises, unless otherwise agreed to; and
 - (c) all terms and conditions of this Agreement shall apply to such additional installations; and
 - (d) prior to any additional installations being carried out, GT and the Licensor will agree to all specific terms of such additional installation, and will enter into a written addendum to this Agreement confirming such additional installation and the particular details thereof.
4. Upon the expiration or earlier termination of this Agreement, GT shall remove all Equipment (except conduits) installed pursuant to this Agreement or any amendments thereto. GT shall make good all damage and indemnify the Licensor against all losses, costs and expenses relating to the installation, operation or removal of the Equipment. If the Equipment is not removed by GT as herein provided, the Licensor will have the right to assume ownership of the Equipment without any payment therefor, or, alternatively, the Licensor may remove and dispose of such Equipment at GT's expense.
 5. During regular business hours, and upon providing prior notice to the Licensor's building manager, GT will have free and reasonable access to the identified areas of the Building for the purpose of installing, operating and maintaining its Equipment. After normal business hours, such access shall be with the prior approval of the Licensor, such approval not to be unreasonably withheld, and upon GT reimbursing the Licensor for all reasonable costs incurred by the Licensor in providing after hours access to GT.
 6. GT agrees that the installation, operation and maintenance of the Equipment by GT and/or its contractors shall comply with all applicable laws, codes and regulations. All workmanship shall be to industry standards. All installations shall be subject to Licensor's prior written approval.
 7. GT will at all times during the term of this Agreement keep the Equipment in good repair, and will comply with all relevant laws.
 8. GT will ensure that the Equipment or the installation, operation and location of the Equipment, will not at any time interfere with the operations or renovations of the Building.
 9. Should any interference develop at any time between the installations of other users of the Building and those of GT, GT agrees 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.
 10. During all times that GT's cabling and equipment is present in the Building, GT will maintain comprehensive general liability insurance coverage for the Equipment and the operation of the Equipment in such amounts and with such policies as is reasonable in the circumstances.

Such policies shall include the Licensor as additional named insured. GT will provide written proof of such insurance coverage to the Licensor.

11. GT will pay any and all costs, expenses, taxes, fees, levies and any other costs related to the installation, operation and maintenance of the Equipment. GT agrees to promptly reimburse the Licensor if the Licensor incurs any costs as a result of the Equipment or this License.
12. This License shall be for a period of 10 years commencing April 1, 1999 (the "Term").
13. Provided that GT is not in default of any of the terms of this License, and upon GT providing written to the Licensor not less than six (6) months prior to the expiration of the Term, GT shall have the option to renew this License for one (1) further period of five (5) years (the "Renewal Term") at the same terms and conditions as set out in this License, except for the License Fee and any other rents, fees, and compensation paid by GT. The License Fee and other fees, rents and compensation payable by GT to the Licensor during the Renewal Term shall be as mutually agreed to by GT and Licensor based on fair market value for similar access and opportunities, but shall not be less than \$2,000.00 per annum. If, ninety (90) days prior to the expiration of the Term, the Licensor and GT fail to agree on the License Fee and other fees, rents and compensation for the Renewal Term, these shall be as determined by a single arbitrator in accordance with the *Commercial Arbitration Act* of B.C.
14. If GT fails to comply with all terms and conditions of this Agreement, and if GT fails to rectify or remedy such default(s) within 30 days from receiving notice from the Licensor, then the Licensor has the right to terminate this Agreement upon providing written notice to GT. If so, the Licensor shall not be responsible to GT for any compensation, expenses or damages as a result of such termination.
15. In the event of any breach of this License, the party not in breach shall give the party in breach written notice both describing the breach and setting a reasonably time in which it must be cured. If a resolution is not achieved within thirty days from receipt of the written notice, then a party may move for mandatory, binding arbitration pursuant to the *Commercial Arbitration Act* of B.C.
16. The Licensor and GT acknowledge and agree that this Agreement constitutes the granting of a license and does not constitute or contain any lease of property.
17. This document contains all agreements between the Licensor and GT, whether express or implied. There are no other agreements, verbal or written, between the parties.
18. GT shall not register this Agreement or its interest in the License on title. The Licensor shall not be obligated to deliver or execute this Agreement or any other agreements in registerable format.
19. GT shall not assign its interest in this Agreement without the prior written consent of the Licensor, which consent shall not be unreasonably withheld.
20. Should at any time during the term of this agreement GT feel that the terms and conditions of his Agreement or the technologies of GT are not economically viable, then GT may terminate this Agreement upon 60 days written notice to the Licensor. In such case, GT will continue to be responsible for all of its obligations under this agreement until GT has removed the Equipment and restores the premises or transferred ownership as per the provisions of this Agreement.

21. 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.

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

Licensor:

CANACEMAL INVESTMENT INC.

Per:

Name and Title

Property Manager

The Corporate Seal of
GT GROUP TELECOM SERVICES CORP.
was hereunto affixed in the presence of:

Authorized Signatory

Name and Title

[Handwritten signature]

SCHEDULE B
TERMS AND FEE SCHEDULE

Initial Installation:

The terms of the initial installation will be as follows:

Area of License: Entrance cable (via BC Hydro duct) to the demarkation point located in main electrical room in the basement level as approved by the Licensor.
From the demarkation point, GT's cabling will follow the route indicated on the Schedule A attached hereto to the designated room on second floor.
The installation of cabling and Equipment to be as approved by Licensor.
All cabling to be in conduits. There shall be no exposed wiring.

Term: Ten (10) years commencing April 1, 1999.

Renewal Option: One (1) five (5) year option.

License Fees: For the first five (5) years of the Term: the License Fee shall be \$1,200.00 per year, payable annually on January 1st of each year. For the second five (5) years of the Term, the License Fee shall be \$1,600.00 per year, payable annually on January 1st of each year. The first year's License Fee shall be prorated and paid on April 1, 1999.
During the Renewal Term, the License Fee shall be as mutually agreed to by GT and Licensor, but shall not less than \$2,000.00 per annum.

Utilities: In addition to the License Fee set out above, GT shall pay the Licensor for electricity consumed by GT's Equipment. Such utilities shall be charged at a rate of \$50.00 per month for each 15 amp. circuit connected to GT's Equipment. This fee for electrical utility is subject to adjustment during the Term or the Renewal Term if the BC Hydro rates for electricity change.

Additional Installations:

The terms of any future additional installation(s) will be as follows:

Area of License: From the designated room on second floor via the telephone riser closets to the leased premises of the specific Building tenant to whom GT wishes to provide communication services.

Term and Options: To be determined, but not exceeding the Term of the initial installation as noted above (and any renewals thereof)

License Fees: Vertical access fees to be as agreed by GT and Licensor.

Utilities: GT shall pay the Licensor for utilities consumed by GT's Equipment. Such utilities shall be charged at a cost of \$50.00 per month for each additional 15 amp. circuit connected to GT's Equipment.