

TELECOMMUNICATIONS LEASE AGREEMENT *BLA No. 75*

THIS LEASE made on this 30th day of March, 1999,

Between:

THE MANUFACTURERS LIFE INSURANCE COMPANY ("Landlord")

and

SERVICES CORP.
GROUP TELECOM NETWORKS INC. ("Tenant")

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WHEREAS:

The Landlord is the registered owner of land ("Lands") and buildings ("Buildings") situated in the City of Vancouver, in the province/state of British Columbia, located at the legal address 1095 West Pender Street, Vancouver, British Columbia, V6E 2M6

and:

The Tenant wishes to lease from the Landlord Point of Presence (POP) room in a portion of the Building in the P-4 level being approximately 100 square feet of rentable area in a room, as outlined in red on the attached Schedule "A" ("Premises"), for exclusive use by the Tenant for operation of the Tenant's telecommunications services in the Building;

WITNESSES, that in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. TERM

.1 The term ("Term") shall be for 5 (five) years commencing May 1, 1999 and terminating April 30, 2004.

2. RENT

.1 The Tenant shall pay to the Landlord an annual gross rent ("Gross Rent") of \$1,400.00/yr (ONE THOUSAND, FOUR HUNDRED Dollars), plus all applicable government taxes, annually in advance. The Gross Rent is based on an annual rental rate of **Fourteen Dollars (\$14.00)** per square foot.

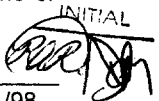
.2 The Tenant shall also be responsible for the cost of any electrical consumption payable in advance, as reasonably estimated by the Landlord.

.3 Any late payments will be charged a One Percent (1%) surcharge for each period of one month or less.

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3. TENANT'S WORK

- .1 The Tenant accepts the leased Premises in an "as is" condition
- .2 Subject to the Landlord's sole and absolute discretion, the Tenant shall have the Landlord's permission to:
 - .3 install communications lines and such equipment, apparatus, fixtures and attachments within the Premises ("Equipment") as may be necessary for its operations;
 - .4 perform all necessary excavation, drilling, cutting, digging or other undertakings required to install communications lines through the Lands and into the Building, including all filling, patching, paving and other undertakings as required to bury the communication lines and to return the Lands and the Building to the state and form in which they existed prior to the installation;
 - .5 access portions of the Building, including existing riser cables, main telecommunications room and raceways, as may be necessary to enable the Tenant to install, use and maintain Equipment, interior or exterior grounding, electric power and telecommunications lines, in order for the Tenant to provide telecommunications services;
 - .6 provide telecommunications services to other tenants of the Building;
 - .7 connect the Equipment to other tenants of the Building, subject to the Landlord's prior approval as to location of installations, such approval shall be in the Landlord's sole and absolute discretion;
 - .8 access the Premises and the Building during normal business hours, subject to security procedures as required by the Landlord. The Tenant may access the Premises outside normal business hours in emergency situations or for repair to the Equipment, providing the Tenant follows security procedures as determined by the Landlord. The Tenant shall be allowed to install a lock box on the entry door to the Premises;
 - .9 install all communication cable only re-using the existing cable routing and support cable tray system to the core, risers and closets in the building. If new risers or core drilling is required, the Tenant shall obtain prior approval from the Landlord in writing and such approval shall be at the Landlord's sole and absolute discretion.
 - .10 install any cables in the ceiling air plenums that shall meet fire and smoke criteria for "Category 5 FEP" type, that meet local building code, UL 1666 and NFPA 262 standards for limited combustion. Where cables are installed in risers, fire proofing shall be maintained at each floor penetration.
 - .11 submit detailed plans of the contemplated improvements and obtain approval of these plans from the Landlord, such approval shall be in the Landlord's sole and absolute discretion.
 - .12 provide any new or modified routing and riser plans, that will consistently identify on the plans all new and existing cables, by type and size, by number, by core, by floor, by zone or client room number.

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- .13 properly tag, number and uniquely identify at regular intervals and in each typical floor telecommunication closet and in the client space, as being this Tenant's service.
- .14 provide a cable log that shall show company name, all cables in the approved labeling format, date and signature of the person, responsible for the installation.
- .15 locate as-built routing and riser plans and signed cable log, meeting the above labeling criteria, in the Premises that are accessible to the Landlord. Alternately provide any update copy of such drawings and log to the Landlord.

4. TRADE FIXTURES

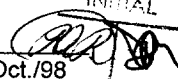
- .1 All equipment, as well as any air conditioning units, microwave dishes, communications lines, fiber optic cable, copper wire, the Tenant's conduit system provided by the Tenant in the Building, will be deemed "Trade Fixtures".
- .2 Trade Fixtures will be for the exclusive use of the Tenant and its customers and will remain the property of the Tenant and must be removed by the Tenant at the end of the Term.
- .3 All installations in the Building outside the Premises, excluding Trade Fixtures, become property of the Landlord at the end of the Term. However, the Landlord shall have the option to have the Tenant remove any, or all, conduit or cable as directed by the Landlord. The tenant shall also provide an update of the plans and the log to the Landlord of such removal work.

5. DEFAULT

- .1 In the event that the Tenant fails to perform its obligations as set out in this Lease, the Landlord shall provide written notice. The Tenant shall have 30 days from receipt of said notice, to remedy its breach.
- .2 Failing remedy by the Tenant, the Landlord, at their option and without prejudice to any other remedy available to the Landlord herein, may terminate the obligations of the Landlord herein, by giving written notice of termination.
- .3 Upon said termination the Tenant will remove all Trade Fixtures, repairing any damage caused by whatever cause, to the reasonable satisfaction of the Landlord.

6. LIABILITY & INSURANCE

- .1 The Tenant will hold the Landlord, its employees, agents and contractors, harmless in respect of:
- .2 all claims for bodily injury or death, property damage or other loss or damage arising from the conduct of any work or any act or omission of the Tenant or any assignee, sub-tenant, agent, employee, contractor, invitee or licensee of the Tenant, and in respect of all costs, expenses and liabilities incurred by the Landlord in connection with or arising out of all such claims, including the expenses of any action or proceeding pertaining thereto; and

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.3 any loss, cost (including, without limitation, lawyers' fees and disbursements on a solicitor and own client basis), expense or damage suffered by the Landlord arising from any breach by the Tenant of any of its covenants and obligations under this Lease.

.4 The Tenant shall carry not less than \$3,000,000 liability insurance and shall provide evidence of such insurance to Landlord.

7. SALE, CONVEYANCE AND ASSIGNMENT

.1 Nothing in this Lease shall restrict the right of the Landlord to sell, convey, assign, pledge or otherwise deal with the Building, subject only to the rights of the Tenant under the Lease.

.2 The Tenant may assign its rights or obligations in this Lease to any affiliate, provided such affiliate is of equal or greater financial covenant and the Tenant has notified the Landlord in writing.

.3 The Tenant shall not assign, sublease or part with possession of any of the Premises to any third party without the consent in writing of the Landlord, which consent may not be unreasonably withheld.

8. INTERFERENCE

.1 If the operation of the Tenants' Equipment is causing the electronic equipment of the Landlord or other tenants of the Building to function improperly, then the Landlord will immediately inform the Tenant of such and the Tenant will promptly rectify the situation.

.2 The Landlord agrees to notify the Tenant if at any time it becomes aware of any occurrence or event (including scheduled power outages) which results in or could be expected to result in, interference with the operation of the Tenant's Trade Fixtures and shall use its best efforts to notify the Tenant of such occurrence or event, in advance, where reasonable.

9. GOVERNMENT REGULATIONS

.1 This Lease shall comply with and conform to all laws, by-laws, legislative and regulatory requirements of any governmental authority relating to the business conducted on the Premises.

.2 Such governmental authorities shall include but not be limited to the City of Vancouver and the C.R.T.C.

.3 Should any provision of this Lease be not enforceable or illegal, it or they shall be considered separate and severable from the remaining provisions of this Lease and the remaining provisions shall remain in force and be binding upon the parties.

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.4 Notwithstanding the aforesaid, should a government decision, law, by-law or regulation, prohibit, or curtail the Tenant's commercial viability the Tenant may terminate this Agreement at any time by providing the Landlord with 180 days prior written notice, and remove all the Tenant's Trade Fixtures at the end of the revised term.

10. ENVIRONMENTAL

.1 The tenant shall:

.2 conduct and maintain its business and operations at the Landlord Premises so as to comply in all respects with common law and with all present and future applicable federal, provincial/state, local, municipal, governmental or quasi-governmental laws, by-laws, rules, regulations, licenses, orders, guidelines, directives, permits, decisions or requirements concerning occupational or public health and safety or the environmental and any other, injunction, judgment, declaration, notice or demand issued thereunder, ("Environmental Laws");

.3 not permit or suffer any substance which is hazardous or is prohibited, restricted, regulated or controlled under any Environmental Law to be present at, on, or in the Landlord or Tenant Premises, unless it has received the prior written consent of the Landlord, which consent may be arbitrarily withheld.


11. NOTICE

.1 Any notice required or permitted to be given hereunder or any tender or delivery of documents may be sufficiently given by personal delivery or, if other than the delivery of an original document, by facsimile transmission, to the Tenant or the Landlord at the following address:

Landlord:

Manulife Financial
Suite 250, 1095 West Pender Street
Vancouver, B.C. V6E 2M6

Tenant:

Corporate Secretary
Group Telecom Networks Inc. ^{SL} SERVICES CORP.
P.O. Box 40, Suite 300
840 Howe Street
Vancouver, B.C. V6C 2L2 

12. RENEWAL

.1 The Tenant shall have One (1) option to renew the Lease for a further term of Five (5) years, subject to and in accordance with the following terms and conditions:

.2 The option shall be to renew this Lease upon the same terms and conditions as are contained in the Lease, excepting the Gross Rent and excepting any other provisions applicable only to the initial Term. The Gross Rent shall be consistent with the then market rate charged to similar space in similar sized buildings in the vicinity of the Building. Should the Landlord and Tenant, both negotiating in good faith, fail to agree to the market rate prior to the date of October 31, 2003, this Lease will terminate without right of further renewal April 30, 2004.

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.3 The option shall be open for exercise by delivery to the Landlord of a letter of exercise. The option shall be exercised not less than Six (6) months nor more than Nine (9) months prior to the expiry of the Term and the Tenant shall have paid all the rents payable under the Lease and shall, at the time of exercise, not be in default (of which it has received notice) of any of the covenants and conditions to be observed and performed by the Tenant under the Lease.

13. ATTACHMENTS

.1 The Schedules referred to in this Lease and attached herewith are deemed to be incorporated herein and includes the following:

- .2 Schedule "A" - Plan of Premises
- .3 Building Rules & Regulations, Communication wiring

14. ACCEPTANCE

.1 This Lease constitutes the entire agreement between this Landlord and the Tenant and supersedes all prior arrangements and understandings whether written or oral relative to the subject matter thereof.

IN WITNESS WHEREOF:

the Landlord and the Tenant have executed this Telecommunications Lease as of this date.

THE MANUFACTURERS LIFE INSURANCE COMPANY

Per:

Title: Rebecca Dilsen

Date: May 25, 99

and:

GROUP TELECOM NETWORKS INC. SERVICES CORP.

Per:

Title:

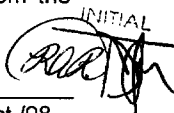
Date: May 3/99



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BUILDING RULES and REGULATIONS, COMMUNICATION WIRING

1. The Tenant must comply with all current National and Provincial Building and Fire Codes as well as any other relevant legislation dealing with the installation and operation of communication and data cables.
2. The Tenant shall be responsible for upgrading all installations in the building to meet all of the current code requirements as outlined in one above.
3. The Tenant must only use FT6 insulated wire in the building. This is cable insulated by 100% Fluorinated Ethylene Propylene (Teflon®). In those instances where the Tenant is unable to use FT6 wire the Tenant will request a variance from the Landlord, who is not obligated to grant it. Such variance will only be valid if provided in writing by the Property Manager for the property or a more senior member of the Landlord's operations team.
4. All access to building riser rooms and point of access in the main telephone room is to be controlled under Landlord security which procedures the Tenant shall follow at all times.
5. Existing cable shall be reused wherever possible providing it and its installation meets items 1, 2 and 3 above. If the cable does not meet these standards it is the Tenant's responsibility to remove the cable.
6. If any unused cable is encountered during any installation the Tenant shall be responsible for properly removing it unless given permission in writing not to do so by the Property Manager for the property or a more senior member of the Landlord's operations team.
7. If on inspection the Landlord finds any deviation from the standards outlined in this specification or any other specification that it may issue from time to time in addition to this, the Landlord shall notify the Tenant in writing of the default and the Tenant shall have 30 days to rectify such default. If the Tenant should fail to rectify the default within the 30 day period without having obtained prior written permission from the Landlord to exceed this time limit, then the Landlord may undertake the correction of the default at the Tenant expense.
8. The Tenant shall reimburse the Landlord for any and all expenses related to the contractors work and occupation of any space in the building, including but not limited to the cost of correcting Tenant defaults under this specification and the collection costs including all legal fees for obtaining reimbursement for work done by the Landlord either for or on behalf of the Tenant and for work done to correct Tenant defaults.
9. The Tenant shall leave all communication closets and the main telephone room clear of all equipment and unused material, including any scrape wire and shielding or other debris. The room will be in a clean, broom swept condition and all garbage and other materials and equipment removed from the building at the end of each day. The condition of the communication closet at the time of entry shall not relieve the Tenant from the obligation of ensuring that it is in a clean and broom swept condition and free of all garbage, materials and equipment on leaving the area.
10. The Tenant shall ensure that all fire stop is in place after leaving any communication closet. The conditions of the fire stop at the time of entry shall not relieve the Tenant from the obligation of ensuring that it is in place on leaving the area.

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11. No communication or switching equipment shall be located in the communication closets that is not related solely to the infrastructure wiring. This includes but is not limited to any Tenant or user equipment that serves only one user in the building.
12. Communication closets are not to be left open and unattended at any time.
13. The Tenant is to provide as built drawings of all installations in the building within 30 days of activation of the service or completion of the job, whichever comes first.
14. The Tenant shall notify the Landlord in writing of both the completion date of the project and the activation date of the service.
15. The Tenant shall be responsible for removing all wiring back to the communications closet for any customer it serves in the building at the time that customer discontinues or ceases to subscribe to the Tenants service or that portion of the customers system is no longer used.
16. The Tenant shall complete the building log on each access to the building, providing full information in a clear and legible fashion that is required by the log.
17. No coring or additional conduit or other wiring infrastructure is to be installed without the written approval of the Landlord.
18. All drawings must be submitted to the Landlord for approval and such approval granted in writing prior to commencement of any work.
19. All cables are to be tagged and labelled in every communication closet between the Point Of Presence (POP) and the Tenant Patch Panel (TPP). This is to include all cables run anywhere within the building envelope.
20. All tagging and labelling systems are to be consistent for all Tenant work regardless of when it is done and shall be approved by the Landlord. Should the Tenant change the system the Tenant shall be responsible for updating all old labels, tags, and drawings to confirm with the new system.
21. Should the Landlord institute a standard system of tagging and labelling the Tenant shall be responsible for adopting it and updating all labels, tags and drawings.
22. And such other rules and regulations as the Landlord shall make from time to time.

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