

POINT OF PRESENCE LICENCE AGREEMENT

THIS AGREEMENT made as of the 5 day of Nov., 1999.

B E T W E E N:

Reliance Holdings Ltd

(the "Licensor")

AND:

GT GROUP TELECOM SERVICES CORP.

(the "Licensee")

WHEREAS:

(A) the Licensor is the owner of certain lands and buildings municipally known as **1190 Melville Street** (the "Building") and more particularly described in Schedule "A" attached hereto;

(B) the Licensee has requested the Licensor's permission to access, construct, install, operate, maintain, repair, service, upgrade, replace, modify and remove in the risers, utility corridors and at various other locations in the Building the POP Equipment (as defined below), being fibre optic cable and related materials for the provision of telecommunication services to the tenants of the Building, and on occasion, subject to the Licensor's prior approval, to tenants of other buildings.

(C) the Licensor has agreed to permit the Licensee to access, install and maintain the POP Equipment in the Licensed Area subject to the terms and conditions hereinafter stated;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and the respective covenants and agreements herein contained, the parties hereto covenant and agree as follows:

PART 1

DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Agreement and the recitals hereto, unless the context otherwise requires, the following terms shall have the meanings hereinafter set forth:

"Building" has the meaning assigned to it in Recital (A).



"Business Taxes" means all taxes, rates, duties, levies, assessments and licence fees that are levied, rated, charged or assessed with respect to any and every business carried on by the Licensee in the Licensed Area.

"Commencement Date" has the meaning assigned to it in Section 2.1.

"Customers" means tenants of the Licensor occupying premises in the Building.

"Fair Market Value" has the meaning assigned to it in Section 3.3.


"Fee" has the meaning assigned to it in Section 3.1.

"GST" means the Goods and Services Tax as levied and assessed under lawful authority by the Federal Government of Canada.

"Lands" means those lands owned by the Licensor as described in Schedule "A".

"Licence" means the licence granted by the Licensor to the Licensee pursuant to this Agreement and all instruments supplemental hereto or in amendment or confirmation hereof.

"Licensed Area" means that portion of the Building, the location, dimensions and/or area of which are as shown on Schedule "B" and are defined for the exclusive use of the Licensee.

AND OUTLINE IN ROOMS


"Plans" has the meaning assigned to it in Section 5.1.

"POP Equipment" means the equipment, cables, apparatus, fixtures and ancillary attachments for the Telecommunication of Signals from sources in a single building to a Trunk Line and from a Trunk Line to those sources.

"Realty Taxes" means all real property taxes or charges (including local improvement and commercial concentration taxes) from time to time imposed in respect of all or any part of the Building or the Licensed Area by a taxing authority, and any other amount that may be imposed instead of or in addition to them, whether against the Licensor, the Licensee, and whether or not similar, in existence at the Commencement Date or within the contemplation of the parties.

"Signals" means signs, signals, writing, images, sounds or intelligence of any nature including, without limitation, telephone, audio and television.

"Telecommunication" means any transmission, emission or reception of Signals by wire, visual, fibre optic or other system, Including, but not limited to, wireless services.

"Term" has the meaning assigned to it in Section 2.1.

"Trunk Line" means the wires and cables of whatever kind including, without limitation, fibre optic cables.

"Uses" means the use of the Licensed Area and other parts of the Building for the purposes permitted pursuant to Part 4.



"Work" has the meaning assigned to it in Section 5.5.

Interpretation

1.2 For the purposes of this Agreement, except as otherwise expressly provided:

- (a) **"this Agreement"** means this Agreement, including the schedules hereto, and not any particular part, section or other portion hereof, and includes any agreement, document or instrument entered into, made or delivered pursuant to the terms hereof, as the same may, from time to time, be supplemented or amended and in effect;
- (b) all references in this Agreement to a designated "part", "section", "subsection" or other subdivision or to a schedule are references to the designated part, section, subsection or other subdivision of, or schedule to, this Agreement;
- (c) the words "hereof", "herein", "hereto" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular part, section, subsection or other subdivision or schedule unless the context or subject matter otherwise requires;
- (d) the division of this Agreement into parts, sections and other portions and the insertion of headings are for convenience of reference only and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (e) unless otherwise provided herein, all references to currency in this Agreement are to lawful money of Canada and all amounts to be calculated or paid pursuant to this Agreement are to be calculated in lawful money of Canada;
- (f) a reference to a statute in this Agreement includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations;
- (g) the singular of any term includes the plural, and vice versa, and the use of any term is generally applicable to any gender and, where applicable, a body corporate, firm or other entity, and the word "or" is not exclusive and the word "including" is not limiting whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto;
- (h) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and
- (i) all references to "approval", "authorization" or "consent" in this Agreement means written approval, authorization or consent.



Schedules

1.3 Attached to and forming part of this Agreement are the following Schedules:

Schedule "A" -	Description of Lands and Building
Schedule "B" -	Description of Licensed Area

PART 2

GRANT OF LICENCE

Licence and Term

2.1 The Licensor hereby licences to the Licensee the Licensed Area for a term (the "Term") of 12 (Twelve) years, subject to extension pursuant to Section 2.2, commencing on Dec 1 1999 (The "Commencement Date").

Options to Renew

2.2 Provided the Licensee is not in default at the time of renewal, the Licensee shall have the option to renew the Term of the Licence for two (2) consecutive 12 (Twelve) year periods, by notice in writing to the Licensor, given at least six (6) months and not more than twelve (12) months prior to the expiration of the Term or renewal period (as the case may be).

Scope of License

2.3 The License shall entitle the Licensee:

- (a) to access, install and maintain the POP Equipment in the Licensed Area in order to service Customers in the building and subject to the Licensor's prior approval, such approval not to be unreasonably withheld or delayed, to service customers in other buildings, whether or not the other buildings are owned or managed by the Licensor.
- (b) to use the Licensed Area to house the POP Equipment subject to the Licensor's prior written approval of the size, location, layout and other specifications of the Licensed Area;
- (c) to connect the POP Equipment within the Licensed Area to electrical power sources within the Building and to connect to adequate grounding, including the use of the Building's ground at the Licensee's sole cost at locations approved by the Licensor in its sole discretion, acting reasonably;
- (d) subject to the Licensor's security requirements for the Building and the quiet enjoyment of Customers to permit the Licensee, its employees and duly authorized contractors, reasonable access to the Building along with the right to perform installation and subsequent service, testing repairs, connects and/or disconnects on the POP Equipment for the benefit of the Customers, as may be reasonably required from time to time. The Licensor shall use reasonable efforts to prevent any interruption or interference with all or any part of the

telecommunication services provided by the Licensee but the Licensor shall not be liable for interruption or cessation of such services due to the failure of utilities servicing the Building; and

- (e) to have reasonable access to, and use of, the riser closets, chases, available conduits, pedways, and above ceiling common areas, as may be approved for use by the Licensor from time to time, acting reasonably;

or as more particularly provided in Part 4 provided that the Licensee does not affect the operation, aesthetics or structure of the Building or impair existing telecommunication or other utility services supplied to other tenants and occupants of the Building[s] in the reasonable opinion of the Licensor,.

PART 3

LICENCE FEE

Fee

3.1 The Licensee shall pay to the Licensor an annual fee (the "Fee") of **Five Hundred Dollars (\$500.00)** (plus GST) paid annually in advance on the Commencement Date and thereafter on the first day of each year during the Term.

Fee Review

3.2 The Fee will be reviewed and may be adjusted, commencing on the 4th anniversary of the Term, as mutually agreed by the Licensor and Licensee, both acting reasonably and in good faith, to an amount equivalent to the Fair Market Rate.

Fair Market Rate

3.3 For the purposes of Section 3.2, "Fair Market Rate" means an amount equal to the then prevailing rate for similar access in comparable buildings with a similar use located in the city where the Building is located during the year of the Term or any renewal period (the "**Determination Year**") immediately preceding the year for which the Fee is to be determined by reference to the Fair Market Rate. The Fair Market Rate shall be determined as mutually agreed between the Licensor and the Licensee. In the event that the Licensor and Licensee are unable to agree upon the Fair Market Rate by the date which is three (3) months prior to the expiration of the Determination Year, then the Fair Market Rate shall be determined by arbitration in accordance with the applicable arbitration legislation in the province in which the Building is located, prior to the expiry of the Determination Year. For the purposes of any arbitration respecting the Fair Market Rate, each of the Licensor and the Licensee will submit to the arbitrator its estimate as to the then prevailing rate for similar access in comparable buildings with similar use located in the city where the Building is located and the arbitrator shall select either the rate submitted by the Licensor or the rate submitted by the Licensee, which shall be deemed to be the Fair Market Rate and shall be final and binding on the parties. The costs of the arbitration will be borne solely by the party whose submitted rate is not selected by the arbitrator.



PART 4

USE OF LICENSED AREA

Permitted Uses

4.1 The Licensor grants permission to the Licensee and the Licensee shall have, during the Term and any renewal thereof, a right in the nature of a non-exclusive licence, as approved in advance by the Licensor as required in this Licensee Agreement and subject as hereinafter provided:

- (a) to exclusively install and maintain POP Equipment in the Licensed Area;
- (b) to cause to be made at its own expense all improvements reasonably required for the use of the POP Equipment for Telecommunication to and from Customers and such improvements may include, but shall not be limited to:
 - (i) heating, air conditioning, ventilation, subject to the following limitations, walls and electrical wiring in conduits and lines for Telecommunication in conduit

(i a) The Licensee's responsibility for air conditioning shall not be increased if other tenants or service providers sharing the same Licensed Area shall cause the temperature or humidity to be in excess of that which should be attained via the implementation of any work by the Licensee in order to have a maximum ambient temperature of twenty-five [25] degrees Celsius. The Licensee's expense relative to any air conditioning concerns shall be limited to the capital expense of labour and material only, and shall not be subject to any recurring operating charges or costs.

- (ii) laying down and constructing below grade level conduits for wires and cables of all kinds including, without limitation, fibre optic cables in the Building, provided that Licensee completes this work in such a manner so as not to cause a nuisance or a disturbance to other occupants of the Building,

subject to the Licensor's security procedures, to have access to the Licensed Area, 24 hours a day 7 days a week and such other rights as are necessary for the installation, operation and maintenance of POP Equipment over those portions of the Building which are from time to time designated by the Licensor as being available for common access and egress for occupants of the Building such as driveways, walkways, hallways and exits and entrances. Access keys and combinations shall be provided by the Licensor to the Licensee at the Licensee's expense if and when the same are necessary and the Licensee shall return them to the Licensor at the end of the Term or any renewal thereof;



- (c) to use the Licensed Area including the POP Equipment only for the purpose of Telecommunication of Signals to and from the Customers at their respective premises in the Building;[s] provided that as incidental thereto, the Licensed Area may be used for the Licensee's "ring technology" as a back-up or support system for the POP Equipment in the Building and similar equipment in other buildings in the event of an interruption in services in one or more such buildings; and
- (d) to protect against damage to the POP Equipment and other improvements permitted under this Section 4.1 in such manner as the Licensor may reasonably require;

all at the sole cost and expense of the Licensee. The location and installation of POP Equipment and other improvements shall be subject to such conditions and covenants as the Licensor requires pursuant to Part 5. The Licensor shall have the reasonable right and with justifiable frequency during the Term or any renewal thereof to require the Licensee to relocate its POP Equipment to another location within the Building, and at the Licensee's expense. Such new location shall then be the Licensed Area. This new Licensed Area shall contain at least as much area as the original Licensed Area, and shall also, in the Licensee's judgement, acting reasonably, be suitable for the Licensee's operations, including, but not limited to, mechanical provisioning. The Licensor shall allow Licensee to perform a standard cut-over procedure, if required by said relocation, which will insure that the relocated equipment is operational for service prior to discontinuing service from the old service location. The Licensor acknowledges that maintaining services to the customers is of a paramount nature, and the Licensor agrees to co-operate fully and on a timely basis with the Licensee in the event of a relocation. The Licensor agrees that a request by the Licensor for the relocation of the Licensee in order to accommodate the needs of a competitor of the Licensee will be deemed to be unreasonable. In event of such a request, the Licensor agrees to provide the Licensee with no less than 120 days' written notice. The Licensee acknowledges that this Licensee Agreement does not grant the Licensee exclusive right to offer Telecommunications in the Building.

Licensor's Alteration

4.2 Notwithstanding anything contained in this Agreement, the Licensor shall have the right at any time to make any changes in, additions to or relocations of any part of the Building and to grant, modify or terminate easements and any other agreements pertaining to the use and maintenance of all or any part of Building or Lands and to close all or any part of the Lands or Building to such extent as the Licensor considers reasonably necessary to make changes or additions to the pipes, conduits, utilities and any other building services in the Building (including the Licensed Area) which serve any part of the Building and, in so doing, the Licensor shall have the right to enter upon the Licensed Area. The Licensor shall not be liable for any damage caused to the Licensee's property, except by reason of the gross negligence or wilful acts of the Licensor or those for whom the Licensor is in law responsible. No claim for compensation shall be made by the Licensee by reason of any inconvenience, nuisance or, discomfort arising from the work done by the Licensor pursuant to the provisions herein, such work to be done as expeditiously as is reasonably possible.



Restoration

4.3 At the end of the Term or any renewal thereof or upon early termination of this Agreement, the Licensee will promptly and to the extent requested by the Licensor restore the Building to its condition prior to the installation of the POP Equipment and other improvements made under Section 4.1 and will remove the POP Equipment (including, without limitation, conduits, wires and cables installed by the Licensee) from the Building within sixty (60) days.

PART 5

INSTALLATIONS, REPAIRS AND MAINTENANCE

Approval of Installation

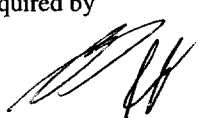
5.1 Prior to the commencement of the installation or construction of the POP Equipment on, at, or in the Building, the Licensee shall first obtain the written approval of the Licensor of the plans, specifications, working drawings, blueprints, schedules and similar renderings for the construction and installation of the POP Equipment at or in the Building and the interconnection of the POP Equipment with the electrical, structural, communication and mechanical systems of the Building (the "Plans") as provided herein.

Review of Plans

5.2 Upon the execution of this Agreement and from time to time, the Licensee shall submit the Plans to the Licensor for its approval. The Licensor's review of the Plans will be completed within a reasonable period after receipt of same from the Licensee. The Plans will show, in detail satisfactory to the Licensor, acting reasonably, design, colour, construction and installation of the POP Equipment in the Building and the interconnection of the equipment with the electrical, structural, communication and mechanical systems of the Building. The Licensor, acting reasonably, shall have the discretion to require changes and revisions in and to the Plans and the Licensee shall promptly and with the due diligence give effect to any such changes or revisions. The Licensee shall be responsible and shall reimburse the Licensor for all reasonable costs associated with or arising from review of the Plans as provided herein.

Construction and Installation

5.3 When the Licensor has given its written approval of the Plans, the Licensee shall, at its sole risk, cost and expense commence and diligently proceed with and complete the installation, construction and interconnection of the POP Equipment in strict accordance with the Plans as approved, and to the reasonable satisfaction of the Licensor and including all work or construction which is necessary for the proper installation, construction and interconnection of the POP Equipment for the use provided herein. All construction, alteration, maintenance, repair, replacement, installation and removal of the POP Equipment shall be carried out in a good workmanlike manner, shall comply with all applicable laws, regulations, by-laws, orders, rules and ordinances of any competent authority, and shall be performed only by persons approved by the Licensor, such approval not to be unreasonably withheld or delayed. The Licensee shall, at the request and direction of the Licensor, restore the Building to its former condition if any such work or construction has not been approved by the Licensor as required by Section 5.2 herein.



Repairs and Maintenance

5.4 The Licensee covenants and agrees that it shall, at its own expense, keep the Licensed Area and the POP Equipment in a safe and properly maintained condition and, should the Licensee fail to do so, the Licensor may effect such repairs provided it gives the Licensee ten (10) days written notice of its intention to do so. In order to preserve or protect life or property or other emergency situations, the Licensor may immediately repair the Licensed Area and the POP Equipment. All costs and expenses incurred by the Licensor for such repairs shall be for the account of the Licensee and shall be payable by the Licensee thirty (30) days from receipt of an invoice for the same from the Licensor.

No Interference with the Licensor and Building Tenants

5.5 The Licensee, its employees, agents, invitees and contractors shall co-ordinate all construction, installation, maintenance, alteration replacement or removal of the POP Equipment (the "Work") at, on or near the Building with the similar activities of the Licensor or others, as may be necessary and as directed by the Licensor. All Work shall be performed in a manner that will not interfere or conflict with any activity of the Licensor or of any tenant or other licensee of the Building. The Licensee, its employees, agents, invitees and contractors shall not endanger any other work or facility at or near the Building or forming part of the Building by altering, cutting, digging or otherwise. The cost of repairing or replacing any altered or endangered work or facility caused by the Licensee, its employees, agents, invitees and contractors shall be borne by the Licensee.

Liens

5.6 The Licensee shall promptly pay all charges incurred by or on behalf of the Licensee for any work, materials or services furnished or supplied to the Licensee, its agents, employees and contractors in respect of the Work or the purchase, installation, construction, repair, maintenance, operation, interconnection, alteration, replacement and removal of the POP Equipment or the Building as the case may be. If any lien is filed or registered against the Lands or the Building or any part thereof as a result of any work done or materials furnished or supplied for the account of the Licensee, its employees, agents and contractors whether used or specifically prepared for use in respect of the Building or any part thereof or otherwise, the Licensee shall promptly cause any such lien to be discharged forthwith or commence legal proceedings to have the said lien vacated or cancelled and, if the Licensee fails to do so, then, in addition to any other right or remedy the Licensor may have, the Licensor may, but shall not be obligated to, discharge the lien and shall then charge the Licensee the cost of discharging the lien plus an administration fee equal to fifteen percent (15%) of the cost of discharging the lien provided that the Licensor first gives the Licensee ten (10) days written notice of its intention to discharge the lien.

Damage to Site and Building

5.7 The Licensee shall, at its sole cost and expense, have all damage howsoever caused to the Building by the POP Equipment or the Work repaired forthwith.

PART 6

LICENSEE'S COVENANTS

Fee

6.1 The Licensee will pay the Fee throughout the Term and any renewal thereof.

Taxes

6.2 The Licensee will pay Realty Taxes, Business Taxes and GST and any taxes imposed upon the Licensor by reason of the Licensee's use of the Licensed Area or the exercise of its rights hereunder. The Licensor shall have the right to allocate a portion of such Realty Taxes to the Licensee based on the then current established principles of assessment used by the relevant authorities, all as determined by the Licensor, acting reasonably.

Construction

6.3 All construction and maintenance of POP Equipment will be carried out by the Licensee at its own expense and upon termination of this Agreement the Licensee shall be entitled to and shall remove same at its own expense.

Electricity

The Licensee shall be responsible for the payment of its own electrical consumption based on the Licensee's sustained load. To this effect, the Licensee shall pay to the Licensor an annual fee (the "Fee") of **Three hundred (\$300.00)** plus GST, paid annually in advance on the Commencement Date and thereafter on the first day of each year during the Term. The Licensee may install a meter or meters at its own expense to record its power consumption, if the Licensor, acting reasonably, determines that the Licensee's electrical consumption is sufficient to warrant the installation of such meter or meters.

Indemnity

6.5 The Licensee shall indemnify and save harmless the Licensor against all actions, suits, claims, damages, costs and liabilities arising out of or as a result of:

- (a) any breach, violation or non-performance of the terms, covenants and obligations on the part of the Licensee set out in this Agreement,
- (b) any damage to the Licensed Area caused by the Licensee's use of the Licensed Area, the exercise by the Licensee of the rights granted to it by the Licensor or any acts or omissions by the Licensee, its servants, agents, employees or contractors, or those for whom it is in law responsible, or by the failure of any or all of the POP Equipment, or
- (c) any injury to or death of any person resulting from the use of the Licensed Area, the exercise by the Licensee of the rights granted to it by the Licensor or any acts or omissions by the Licensee, its servants, agents, employees or contractors, or those for whom in law it is responsible.



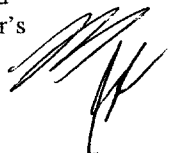
Insurance

6.6 The Licensee shall, throughout the Term and any renewal thereof, adhere to the following insurance requirements:

- (a) the Licensee shall at all times during the Term and any renewals thereof maintain an insurance policy covering all of its undertaking and in particular, public liability and property damage insurance coverage in an amount not less than Five Million Dollars (\$5,000,000), for each occurrence involving bodily injury, death or property damage, personal injury liability, products liability, contractual liability, contingent liability, and non-owned automobile liability, such policy to be written on a comprehensive basis. Upon request, the Licensee shall provide a certificate that such insurance is in force;
- (b) the Licensee's insurance coverage shall include all risks direct damage insurance, covering the POP Equipment and all of the Licensee's chattels in an amount equal to the full replacement value thereof;
- (c) each insurance policy referred to herein shall add the Licensor and any mortgagee of the Licensor as additional insureds, as their respective interests may appear and shall contain as appropriate:
 - (i) a severability of interests and a cross liability clause;
 - (ii) a waiver of subrogation in favour of the Licensor and those for whom in law it is responsible;
 - (iii) a clause stating that the Licensee's insurance policy will be considered as primary insurance and not as excess to any other insurance that may be available to the Licensor; and
- (d) the Licensee shall provide certificates of insurance to the Licensor within thirty [30] days of the Commencement Date. All insurance policies shall contain an undertaking by the Licensee's insurer to give the Licensor not less than ten (10) day's prior written notice of any material change to the prejudice of the Licensor in terms, cancellation or termination of any such insurance policy.

Occupational Health and Safety

6.7 The Licensee will comply with the provisions of all occupational health and safety legislation applicable in the jurisdiction in which the Building is located. The Licensee acknowledges that it is solely responsible as employer for the health and safety of all of its employees and workers, as well as for the continuing safe conditions in the Licensed Area and on the Lands to the extent it has access thereto for the purposes of installing and maintaining the POP Equipment. The Licensee shall comply with and shall require all of its employees and workers to comply with the provisions of all applicable laws, statutes, rules, regulations, notices and orders including but not limited to all federal, provincial and local laws, statutes, rules, regulations, notices, orders and amendments respecting occupational health and safety, the environment, worker's compensation and the safe condition of the Licensed Area and the Lands.



Non-liability for Loss, Injury or Damage

6.8 The Licensee acknowledges and agrees that, save and except for gross negligence or wilful acts or omissions by the Licensor and those for whom the Licensor is in law responsible, the Licensor shall not be liable for (i) any loss or damage to any property of the Licensee or others including any injury or damage to persons or property resulting from power interruption, fire, explosion, steam, water, rain, snow or gas which may leak into or issue or flow from any part of the Building or from the water, steam or drainage pipes or plumbing works of the Building or from any other place or quarter, and (ii) any damage caused by or attributable to the condition or arrangement of any electric or other wiring; and (iii) any damage caused by or anything done or omitted to be done by any other tenant of the Building; and (iv) any claim or demand in connection with any injury, loss or damage to the Licensee, its agents, invitees or sublicensees or to the property of the Licensee, its agents, invitees or sub-licensees where such injury, loss or damage arises out of the security services in force or lack thereof in the Building from time to time; and (v) any indirect or consequential damages suffered by the Licensee.

PART 7

LICENSOR'S COVENANTS

Cooperation

7.1 The Licensor covenants and agrees that, at the request of the Licensee and at the Licensee's cost, the Licensor will cooperate with the Licensee in obtaining all necessary consents, permits and licenses of the municipality in which the Building is located and any other governmental authorities having jurisdiction with respect to the construction, operation, maintenance, repair and replacement of POP Equipment and will, without restricting the foregoing, execute all necessary authorizations to enable the Licensee to obtain building permits and to obtain any information acceptable to the Licensor, acting reasonably, with respect to the Licensed Area or the Building which the Licensee may require from any such authorities and to enable the Licensee, at the Licensee's cost, to obtain plans and drawings from the municipality, or any architect or engineer. The Licensee will provide copies of all such consents, permits and licenses to the Licensor when obtained.

Sale of Building

7.2 The Licensor covenants and agrees that if, at any time during the Term or any renewal thereof, the Licensor disposes of its interest in the Building, in whole or in part, the Licensor will cause the acquiror thereof to acknowledge and agree to be bound by the terms of this Agreement.

PART 8

TERMINATION OF LICENCE

Interference with Signals

8.1 If operations of any nature or kind whatsoever, including any third party's Telecommunication operations or equipment, interfere in any manner with the signals transmitted or received by POP Equipment or should the construction or operation of POP Equipment, in the opinion of the Licensee, be or become commercially impractical, or

impossible, by reasons including, but not limited to government decision[s], law, by-law or regulation, the Licensee may terminate this Licence by giving thirty (30) days' written notice to the Licensor. In the event of such termination, any prepaid Fee and GST shall be adjusted on a per diem basis to the date of termination. The Licensee shall not be required to appeal any decision or contest or apply for variance or amendment of any law, by-law or regulation, but may in its own discretion do so and the Licensor shall on the reasonable request of the Licensee and at the Licensee's cost cooperate with the Licensee and execute all necessary authorizations or consents. Should the operation of the Licensee's POP Equipment cause any interference with or disruption to any equipment or system of the Building or of any of its occupants, the Licensee shall immediately upon notification from the Licensor in writing, act immediately to determine the cause of the interference, and should the Licensee be without prior rights, shall cause the interference or disruption to cease, provided however that the Licensee shall not be considered in default unless it has failed to resolve the material interference or disruption within ten (10) days after receipt of the said notice from the Licensor. and provided that the interference is determined to be attributable to the Licensee's equipment and that the Licensee is without prior rights. Should it not be commercially practical to cure and further prevent such interference or disruption, then the Licensee shall have the right to terminate this Licence by giving thirty (30) days' written notice to the Licensor. In the event of such termination any prepaid Fee and GST shall be adjusted on a per diem basis to the date of termination.

Damage and Destruction

8.2 In the event that POP Equipment is destroyed or damaged in such a manner that it would not be possible for the Licensee to carry out the Uses, the Licensee may repair or rebuild, or the Licensee may terminate this Licence by giving thirty (30) days' written notice to the Licensor. In the event of such termination, any prepaid Fee and GST shall be adjusted on a per diem basis to the date of termination.

8.3 THE LICENSOR MAY TERMINATE THIS AGREEMENT WITHOUT CHARGE IF PART 9 THE LICENSEE CANNOT PROVIDE A FIBER OPTIC INSTALLATION WITHIN ONE YEAR OF THE DEFAULT COMMENCEMENT DATE

Default

9.1 If and whenever the Fee or any part thereof shall be unpaid for thirty [30] following notice in writing of such a default by the Licensor or in the case of the breach or non-performance of any of the covenants or agreements herein contained on the part of the Licensee, where at least thirty [30] days' notice specifying the nature of such breach has been given by the Licensor to the Licensee and the Licensee has failed to cure such breach, then and in either such case it shall be lawful for the Licensor at any time thereafter to terminate the Licence and re-enter the Licensed Area or any part thereof in the name of the whole, and the same to have again, repossess and enjoy. Notwithstanding the foregoing, the Licensee shall not be in default if, by reason of the nature of the breach, it cannot be cured within thirty [30] days, so long as the Licensee shall have commenced to cure such breach and shall be diligently and continuously pursuing the same with all reasonable effort.



PART 10

ASSIGNMENT, LICENSING AND FINANCING

Assignment Requiring Consent

10.1 Except as provided in Section 10.2, the Licensee shall not assign this Licence or sublicense all or part of the Licensed Area without the written consent of the Licensor being first had and obtained. The following terms and conditions shall apply in respect of a consent given by the Licensor to an assignment to which this Section 10.1 applies:

- (a) the assignee will execute an agreement directly with the Licensor agreeing to be bound by this Licence as if the assignee had originally executed this Licence as Licensee;
- (b) the consent by the Licensor shall not constitute a waiver of the requirement for consent to subsequent assignments; and
- (c) any request for consent shall be in writing, and the Licensee shall furnish to the Licensor all information available to the Licensee and requested by the Licensor as to the responsibility, reputation, financial standing and business of the proposed assignee.

Assignment not Requiring Consent

10.2 The Licensee may, without the consent of, but upon prior written notice to, the Licensor, assign its rights and obligations under this Licence or sub-licence all or part of the Licensed Area to:

- (a) *a purchaser of all or substantially all of the Licensee's assets.*
- (b) *to a corporation which controls, is controlled by, or is under common control with GT provided GT remains liable under this Agreement and the use of the licensed site does not change, and*
- (c) *for security purposes, to Lucent Technologies Inc. and any other senior lender to GT on terms which include the lender's right to receive notice of any default by GT and a reasonable opportunity to cure any such default by GT.*

Or this collateral agent
AK

Change of Control

10.3 A change of control of the Licensee shall not be considered an assignment of the Licence or this Agreement.

Licensee's Financing

10.4 The Licensee may, without the consent of, but on prior written notice to, the Licensor, grant a security interest by way of a mortgage, charge, general security agreement or otherwise over the Licence or the POP Equipment or other movable installations made by Licensee (but not covering any part of the Building or any leasehold improvements) to a lender. The Licensee will not cause or permit such charge or any notice thereof to be registered at any land registry

AK

office or against title to the Building or the Lands, it being acknowledged and agreed that the License does not convey a leasehold interest in favour of the Licensee nor any mortgagee, if applicable.

PART 11
GENERAL PROVISIONS

Notice

11.1 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 Licensee at the following address:

GT Group Telecom Services Corp.
700 West Georgia Street, 10th Floor,
Vancouver, British Columbia
V7Y 1B6
Attention: _____
Fax No. (604) 484 1100

and to the Licensor at the following address:

Attention: _____
Fax No. _____

Any notice given by personal delivery or by facsimile transmission shall be in writing and deemed received on the date of delivery or transmission as the case may be. The Licensor and Licensee may change their respective addresses by notice in writing to each other.

Remedies

11.2 In addition to and not in substitution for any other rights or remedies the Licensor may have in law or in equity:

- (a) subject to Part 9, the Licensor may terminate this License by written notice if the Licensee is in default hereunder or becomes bankrupt or insolvent; and
- (b) the Licensor may remedy any default of the Licensee and the Licensee will pay on demand all costs incurred by the Licensor in so doing.

Entire Agreement

11.3 This Agreement constitutes the entire agreement of the parties and supersedes all prior agreements and understandings whether written or oral respecting the subject matter hereof. Except as otherwise specifically set forth in this Agreement neither party makes any



representation or warranty express or implied, statutory or otherwise to the other. This Agreement may not be amended or modified except by a written instrument executed by both parties.

Amendment or Waiver

11.4 No provision of this Agreement shall be deemed amended or waived by a course of conduct unless such amendment or waiver is in writing signed by the parties and stating specifically that it was intended to modify this Agreement.

Successors and Assigns

11.5 This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

Governing Law

11.6 This Licence shall be governed by the laws of the jurisdiction in which the Building is situate.

Nature of Interest

11.7 The rights granted to the Licensee herein are by way of a non-exclusive licence only and shall not under any circumstances whatsoever constitute a right by the Licensee to have obtained or claimed exclusive possession of any part of the Lands or the Building, excepting the Licenced Area, and the Licence shall not constitute nor be interpreted to be either a partnership agreement, employment agreement, lease or joint venture agreement made between the parties.



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

RELIANCE HOLDINGS LTD.

By: [Signature]
Name: _____
Title: General Manager.

And: _____
Name: _____
Title: _____

GT GROUP TELECOM SERVICES CORP.

Per: _____
Name: _____
Title: General Counsel

Per: _____
Name: _____
Title: _____

SCHEDULE "A"

Description of Lands and Building

SCHEDULE "B"

The Licensed Area

Plan to be attached showing the Licensed Area, being a portion of the Building, or the Lands adjacent, as the case may be, and indicating the dimensions of same.

