

THIS LEASE made effective as of the 1<sup>st</sup> day of February, 2000.

BETWEEN:

HOOPP REALTY INC. of c/o Tonko Development Corp., as Agent, Suite 600, 999 - 8<sup>th</sup> Street SW, Calgary, Alberta T2R 1J5 (the "Landlord")

AND:

GT GROUP TELECOM SERVICES CORP., having an office at Suite 700, 20 Bay St., Toronto, Ontario, M5J 2N8 (the "Tenant")

A. The Landlord is the registered owner of those lands legally described below, on which is located a building with an address of 525 - 3<sup>rd</sup> Avenue SW, Calgary, Alberta (the "Building");

B. The Landlord has agreed to lease to the Tenant and the Tenant has agreed to lease from the Landlord certain premises located in the Building for the purposes of operating a telecommunications point of presence facility;

In consideration of the rents, covenants and agreements contained in this Lease, the parties agree as follows:

1. **Basic Terms**

.01	Area of Demised Premises:	Wall Mount
.02	Basic Rent:	\$1,200.00 per annum, plus all applicable taxes
.03	Permitted Use:	Telecommunications Equipment housing and storage
.04	Term:	Three (3) years commencing on <del>January</del> <sup>February</sup> 1, 2000 (the "Commencement Date") to and including the 31 <sup>st</sup> day of <del>January</del> <sup>February</sup> , 2003.

The foregoing Basic Terms are agreed to by the Landlord and the Tenant and any reference in this Lease to any one of the same refers to the terms defined above.

1.1 **Demise and Term**

The Landlord does hereby lease to the Tenant the Demised Premises to have and to hold for and during the Term.

2. **Renewal Option**

If the Tenant is not in default at the expiry of the Term and has delivered a written request for renewal to the Landlord not less than six (6) months before the expiration of the Term, the Landlord shall renew this Lease at the expiration of the Term for one additional term of Two (2) years pursuant to the same terms and conditions as set out herein with the exception of rent which shall be at a rental rate equivalent to the prevailing market rent for similar installations.

3. **Rent**

The Tenant shall pay to the Landlord the amount of Twelve Hundred Dollars (\$1,200.00) per annum plus all applicable taxes, for each and every year of the Term, payable on each anniversary of the Commencement Date in each year of the Term starting on the Commencement Date.

4. **Use of the Demised Premises**

Subject to the rules and regulations of the building attached herein, the Landlord grants permission to the Tenant and the Tenant shall have the right:

- (a) To install, operate, maintain, repair and replace in or on the Demised Premises such equipment, cable, apparatus, fixtures and attachments, including, without limitation, the fibre optic cross connection equipment (collectively, the "Equipment") as may be necessary for the Tenant's operations which Equipment shall include all fixtures and attachments attached or affixed by the Tenant to the Demised Premises;
- (b) To have access to the Demised Premises, 24 hours a day 7 days a week and such other rights as are necessary for the installation, operation, maintenance, repair and replacement of the Equipment; and
- (c) To use the Equipment, Demised Premises and the conduit system of the Building for the purpose of any transmission, emission or reception of signs, signals, writings, images, sounds or intelligence of any nature (collectively, the "Signals") by wire, radio, visual, fibre optic or other system ("Telecommunications");

5. **Access to Conduits**

(a) In consideration of the Rent and other good and valuable consideration set forth in this Lease, the Landlord hereby grants to the Tenant a free, uninterrupted and unobstructed easement (the "Easement") in, over, or under those portions of the Lands with respect to

those utilities as shown on the plan attached hereto as Schedule "B" to maintain the Equipment, conduits, electric power and Telecommunications facilities as may be necessary for the permitted uses, which Easement shall include, without limitation, the rights to:

- (i) install, construct, operate, maintain, repair, or relocate conduits, wires and cables of all kinds including, without limitation, fibre optic cables in, under and upon such easement lands at the location(s) shown on the attached Plan, and such other locations as may be approved by the Landlord in advance (which approval shall not be unreasonably withheld) for the purpose of servicing the Tenant's customers in the Building and operating Telecommunications facilities as may be necessary for the Uses;
  - (ii) transmit over or through such conduits or any parts thereof all manner and kinds of Telecommunications or utilities; and
  - (iii) install electric power and communications lines as may be necessary to service the Equipment and to carry out the Uses.
- (b) This Easement shall be for the benefit of and be appurtenant to the leasehold interest created by this Lease and for the use and enjoyment of the Tenant, its assignees, subtenants, affiliates, as that term is defined in the Business Corporations Act, Alberta and their respective employees, contractors, subcontractors and agents.
- (c) The Easement shall be construed as running with and binding upon the Lands and all parts thereof.

#### 6. Indemnity of Tenant

Subject to the provisions set out in this section, the Tenant hereby indemnifies and saves harmless the Landlord from and against all claims, demands, awards, judgments, actions and proceedings by whomsoever made, brought or prosecuted, in respect of loss or destruction of, or damage to, property or in respect of personal injuries, including death, against the Landlord to the extent the same are attributable to the negligence or any wilful act or omission of the Tenant, its successors, assigns, servants, agents, invitees and licensees, or any of them, while in the course of exercising any right or privilege or doing anything which is required or permitted by reason of this Lease. For further clarity, Landlord and Tenant indemnify and save harmless each other for loss or damage to person or property caused by their own negligence or those for whom they are legally responsible. The Tenant shall not be liable under any circumstances whatsoever for indirect or consequential damages.

#### 7. The Tenant to Insure

The Tenant shall, throughout the Term and during all such other times as it occupies the Demised Premises, at its sole cost and expense, take out and keep in full force and effect comprehensive public liability insurance on an occurrence basis against claims for personal injury, death or property damage suffered by others arising out of the operations upon the Demised Premises, indemnifying and protecting the Landlord and the Tenant in an amount not less than \$5,000,000 and to such extent as may from time to time be usual and prudent with persons operating or owning similar properties in similar occasions.

#### 8. Quiet Possession

The Tenant shall and may peaceably possess and enjoy the Demised Premises for the Term granted without any interruption or disturbance from the Landlord or any person or persons lawfully claiming by, from or under it.

#### 9. Ownership and Surrender

The Equipment installed by or on behalf of the Tenant or by its predecessors on, in or to the Building shall remain the sole and exclusive personal property of the Tenant notwithstanding that the Equipment may be in part or in whole attached to the Building. At the end of the Term, the Tenant will at the Landlord's option, remove the cable from the Building or a portion thereof and surrender the Demised Premises to the Landlord. The Tenant shall remove the equipment, apparatus, fixtures and attachments, including, without limitation, the fibre optic cross connection equipment and all the fibre installed by the Tenant, from the Building and surrender the Demised Premises to the Landlord in the condition required to be maintained by the Tenant during the Term under the provisions of this Lease.

#### 10. Interference with Signals

The Tenant may terminate this Lease under the following conditions:

- (a) If operations of any nature or kind whatsoever, including third party Telecommunication's operations or equipment, interferes in any manner with the Signals transmitted or received by the Equipment;
- (b) If in the sole opinion of the Tenant the construction or the operation of the Equipment is or becomes impossible by reason of government decision, law, bylaw or regulation, by giving thirty (30) days written notice to the Landlord.

**11. Assignment**

The Tenant shall not assign this Lease or sublet or license all or part of the Demised Premises without the prior written consent of the Landlord being first had and obtained, which consent shall not be unreasonably withheld. Notwithstanding the foregoing the Tenant may assign or sublicense this Lease or sublet all or part of the Demised Premises to a person that directly or indirectly controls, is controlled by or under common control of the Tenant, is a senior lender or to a purchaser of substantially all of its Equipment without the prior consent of the Landlord, subject to financial review to the Landlord's satisfaction, acting reasonably. A change of control of the Tenant shall not be considered an assignment of this Lease.

**12. Remedies of Landlord on Event of Default**

Upon the happening of an event of default, the Landlord may exercise any remedy it may have at law or in equity, including the right to re-enter and take possession of the Demised Premises and to terminate this Lease. No remedies shall be deemed to be exclusive, and the Landlord may from time to time have recourse to one or more or all of the available remedies.

**13. Termination**

If the Tenant ceases to have customers or service subscribers located in the Building, the Tenant may terminate the Lease by giving ninety (90) days written notice to the Landlord.

**14. Notice**

Any notice required or permitted to be given hereunder may be sufficiently given by mail, personal delivery or facsimile or other electronic transmission, to the parties at addresses given above. Delivery of any notice shall be effective on the third day following the date of mailing, or, on the date of delivery of facsimile transmission, in such cases.

IN WITNESS WHEREOF the parties hereto have executed this agreement by their respective duly authorized officers in that behalf, as of the day and year first above written.

HOOPP REALTY INC.  
c/o TONKO DEVELOPMENT CORP Agent

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**VICE President**

**GT GROUP TELECOM SERVICES CORP.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

The Lands are legally described as:

Plan A1, Block 15, Lots 1 to 5 inclusive

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