

P. 2000.018.00

**TELECOMMUNICATIONS LICENSE AGREEMENT
FOR 200 GRAHAM AVENUE, WINNIPEG, MANITOBA**

THIS AGREEMENT made as of the 19th day of December 2000.

BETWEEN:

200 GRAHAM LIMITED AND CLARICA LIFE INSURANCE COMPANY
(The "Licensor")

-and-

GT GROUP TELECOM SERVICES CORP.
(The "Licensee")

WHEREAS

- A.) The Licensor is the owner of the building commonly known as 200 Graham Avenue, Winnipeg, Manitoba (the "Building). The Licensor represents and warrants that it has the full right and authority without further consent from any other party to grant to the Licensee the license and rights contained in this Agreement.
- B.) The Licensee represents and warrants to the Licensor that the Licensee is authorized by those government bodies having jurisdiction to provide Telecommunications Services (as hereinafter defined) in the Building under the conditions described herein and that it has full authority without further consent from any other party to enter into this Agreement.
- C.) The Licensee has acquired ownership of Videon, and Videon is a telecommunications service provider in the Building operating without a license agreement.

NOW THEREFORE

In consideration of the mutual rights and obligations herein expressed and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto, intending to be legally bound hereby, agree as follows:

1. GRANT

- (a) The Licensor hereby grants to the Licensee a non-exclusive license:
 - (1) To install, maintain, operate, and replace at Licensee's sole expense and risk, certain "Communications Equipment" (defined as cabinets, racks,

and other electronic equipment, including but not limited to such equipment already installed by Videon, specified in Schedule A), on and in the "Equipment Room" together with the equipment room already occupied by Videon (as herein defined and as described in Schedule B):

- (2) To install, maintain, operate and replace at the Licensee's sole expense and risk, certain "Connecting Equipment", herein defined as the cables, conduits, inner ducts and connecting hardware as specified and described in Schedule A, together with the right to pull such Connecting Equipment through the Building's pathways (herein referred to as Building Communication Spaces which include routes from the lot line and/or outside the Building to the Equipment Room, from the Equipment Room to the main terminal room, from the main terminal room to a vertical riser shaft and vertically to common telephone rooms or cabinets on each floor) designated for the installation of such Connecting Equipment. The Licensee's Communications Equipment and the Licensee's Connecting Equipment are collectively referred to in this agreement as the "Licensee's Equipment".
 - (3) To use, at the sole discretion of the Licensor, the Licensor's existing communications wiring and conduits (situated within the Building Communication Spaces), if available and subject to other commitments and capacity constraints, for use of such wiring and conduits in order to connect the Licensee's Equipment to the Licensee's customers located in the Building. The Licensor may permit use of the existing Building wiring and conduits only to the extent that the Licensor has possession of and authority to allow such use of the said facilities.
- (b) The Licensor shall provide to the Licensee approximately 91 square feet of floor space in the Building (the "Equipment Room"), in the location and substantially complying with the description set out in Schedule B. The Equipment Room will be used by the Licensee as a site in which to locate, install, operate, maintain and provide security for its Communications Equipment serving the Building and for no other purpose. The Licensee is expressly forbidden to serve other properties from the Building without the express written permission of the Licensor. Additional fees may be required, as agreed between the parties, for using the Equipment Room as a service point for other properties outside the Building.
- (c) The Licensor shall have the right in its sole and reasonable discretion to reasonably limit the type, size and location of the Licensee's Equipment located in the Building. Further, the Licensor may in its sole and reasonable discretion, require the Licensee, at the Licensee's expense, to relocate within the Building any or all of the Licensee's Equipment, including relocating the Equipment Room. The substitute Equipment Room shall contain at least as much area as the Equipment Room from which the Licensee is being relocated, and shall also, in the Licensee's sole and reasonable judgement, be suitable for the Licensee's operations. In the event that the Licensor requires the Licensee to relocate the Licensee's Equipment and/or relocates the Equipment Room, the Licensee shall

within ninety (90) days either: (i) terminate this Agreement by giving the Licensor written notice at least thirty (30) days prior to such termination or (ii) commence to diligently carry out such relocation without further delay. The Licensor shall allow the Licensee to perform a standard cut-over procedure, if so required to maintain continuity of the service provided by the Licensee to its customers in the Building which shall remain paramount. Notwithstanding the foregoing, such relocation shall not be for the purpose of accommodating another service provider unless such other service provider agrees to reimburse the Licensee for all costs associated with such relocation.

- (d) The Licensor and Licensee acknowledge and agree that the relationship between them is solely that of independent contractors and nothing herein shall be construed to constitute the parties as employer/employee, partner, joint venturers, co-owners or otherwise as participants in a joint or common undertaking. Neither party, nor its employees, agents, nor representatives shall have any right, power or authority to act or create any obligation, express or implied, on behalf of the other. The Licensee hereby accepts and assumes full and exclusive liability for, and shall hold the Licensor harmless from, the payment of all taxes, monies and other expenses arising from the conduct of the Licensee's business in the Building.
- (e) The Licensee shall have the right to permit tenants or other occupants of the Building, excepting only other telecommunications service providers or any other parties having business operations similar to the Licensee, to locate telecommunications equipment in the Equipment Room. The Licensee shall not allow other telecommunications companies (or any other third party) to use the Equipment Room, Building Communication Spaces or Building wiring. For greater certainty, this subsection 1(e) is subject to the exercise of the Licensor's discretionary authority pursuant to subsection 1(c).
- (f) The Licensor makes no warranty or representation that the Equipment Room, the Building Communication Spaces or the Building are suitable for the Licensee's use, it being assumed that the Licensee has satisfied itself thereof. The Licensee has inspected the Equipment Room, the Building Communication Spaces and the Building and accepts the same "as is" and agrees the Licensor is under no obligation to perform any work or provide any materials to prepare the Equipment Room, the Building Communication Spaces or the Building for the Licensee.
- (g) The license granted herein is not exclusive. The Licensor hereby reserves the right to grant, renew or extend similar licenses to others. The license granted herein is revocable only in accordance with the express terms of this Agreement.
- (h) Licensee shall make prior arrangements with the incumbent telecommunications service provider, if any, if Licensee requires use of the incumbent's equipment, including cabling, that is not the property of Licensor or Licensee's customer. Licensor shall not be responsible for the terms of the agreement between Licensee

and any incumbent, and shall not be responsible for noncompliance or any breach of said agreement. Licensor shall provide reasonable assistance in communications between Licensee and an incumbent service provider on request by either party.

2. TERM

The term of this Agreement (the "Term") shall commence on the earlier of the 1st day of January, 2001 or on the first day of the month following the date of a customer's service activation in the Building (the Commencement Date) and shall continue for a period of five (5) years, subject to extension or earlier termination in accordance with the provisions hereof.

Provided the Licensee is not then in default of this Agreement and has not been in repeated default during the preceding Term, the Licensee shall have the option to renew and extend this Agreement for two (2) further and consecutive periods of five (5) years each upon the same terms and conditions as set forth herein, except there shall be no further option to renew and the License Fee which shall be as mutually agreed and based upon the license fees paid by others for similar licenses in the Building and at comparable locations in the vicinity of the Building, or failing agreement, by a single arbitrator and governed by provincial arbitration legislation in the province in which the Building is located. In order to exercise a right of renewal, the Licensee must give written notice to the Licensor of its intent to renew not more than one-hundred and eighty (180) days and not less than ninety (90) days prior to the end of the Term or a renewal term as the case may be.

3. FEES

- (a) The Licensee shall pay to the Licensor an annual fee (the "License Fee") of:
Years 1-2 One and a half cents (\$0.015) per square foot of the rentable area of the Building as determined by the Licensor from time to time.

Years 3-5 The License Fee shall be based on the Licensor's market access fee for similar telecommunications service provider licenses in similar buildings in the vicinity of the Building, to be determined no later than sixty (60) days prior to completion of year two (2) of the Term. In the event that the Licensor and Licensee are unable to agree upon a License Fee by the date which is sixty (60) days prior to completion of year two (2) of the Term, then the License Fee shall be determined by a single arbitrator in accordance with the applicable arbitration legislation in the province in which the Building is located.

- (b) The License Fee shall be payable quarterly in advance on the first day of each quarter.
- (c) In addition to the License Fee and any other amounts payable by the Licensee to the Licensor, the Licensee shall also pay all applicable taxes including GST. The Licensor's G.S.T. number is 122894637RT0001.

4. USE

The Licensee shall use the Building Communications Spaces and the Equipment Room solely for the purpose of providing Building tenants and occupants with Telecommunications Services as defined below for which it has the necessary permits and governmental issued licenses as required by the Canadian Radio-television and Telecommunications Commission (the "CRTC") or any other government body having jurisdiction. To the extent that the Licensee is providing Telecommunications Services to any tenant or occupant of the Building, the Licensee shall make the same services available to all tenants and occupants of the Building. In this Agreement, the term "Telecommunications Services" shall mean the transmission, reception, processing, distribution or switching of voice or data signals through wires, cable or optical fibers. The Licensee hereby acknowledges that this Agreement prohibits the installation or operation of all forms and types of rooftop communications equipment or wireless communications equipment, and that the license granted pursuant to this Agreement excludes any right to deliver broadcast television signals or any other services which require a "broadcasting distribution undertaking" license from the CRTC, regardless of the means or technology employed.

5. ELECTRICAL POWER CONNECTIONS AND SUPPLY

The Licensee shall be responsible, solely at its own cost, for the connection of electrical power required for the Licensee's Equipment. The Licensee warrants that its power consumption in the Building shall not exceed .40 kilowatts per hour or \$250.00 per annum. On the anniversary of the Commencement Date, the Licensee shall pay the Licensor the sum of \$250.00 which amount shall be subject to escalation as determined by the Licensor acting reasonably. The Licensee further agrees with the Licensor that the Licensor has no obligation or responsibility for the continuity or quality of electrical power supplied to the Licensee and that the Licensor has no obligation to provide emergency or "backup" electrical power.

6. CONSTRUCTION

- (a) Prior to the commencement of any work or installation of any Licensee's Equipment, the Licensee shall, at its sole cost and expense, prepare and deliver to the Licensor working drawings, plans and specifications for such work or installation. Such material shall provide details of the size, function and type of equipment and the manner and location of its installation in the Building. Within twenty (20) days of receipt of sufficient information the Licensor shall either approve the proposed work and installation or provide reasons for disapproval. No work or installation shall proceed without the written approval of the Licensor. If determined necessary by the Licensor it shall engage independent engineers to review the proposed work and the Licensee shall be required to reimburse the Licensor for the reasonable cost of such review (which cost shall be identified to Licensee in advance; Licensee shall have the option, in the alternative, of withdrawing its work proposal). In no event shall the Licensor's approval of any work or installation be deemed a representation that the Licensee's Equipment will not cause interference with other systems in the

Building or that the work or installation proposed by the Licensee is in compliance with applicable laws, rules and regulations, such responsibility shall remain with the Licensee.

- (b) The Licensee agrees that any installation and construction it performs shall be carried out in a neat, responsible and workman-like manner, using generally accepted construction standards; and in compliance with the approved plans or specifications, all legal or public safety requirements and such further requirements as shall be reasonably imposed by the Licensor.
- (c) The Licensee shall label all of the Licensee's Equipment to indicate the owner of the equipment and a telephone number for contacting the Licensee. Such labeling will include but not be limited to all Connecting Equipment where it becomes visible on each floor of the Building.
- (d) The Licensee shall be responsible for obtaining any building permits or other governmental approvals required for its work.
- (e) The Licensee shall not, during construction or otherwise, and in the Licensor's sole and reasonable judgement, block access to or in any way obstruct, interfere with or hinder the use of the Building's loading docks, driveways or sidewalks around the Building or any passageways within the Building.
- (f) The Licensee shall have the right to request amendments to Schedules A and B from time to time, for the purpose of serving additional occupants of the Building, in accordance with this License Agreement. The Schedules may be amended with the express written consent of the Licensor, such consent not to be unreasonably withheld or delayed. All the terms and condition of this Section 6 shall apply to any resulting Building work.

7. LICENSEE'S COVENANTS

- (a) The Licensee shall, at its sole cost and expense, maintain the Licensee's Equipment in proper operating and safe condition.
- (b) The Licensee shall, at its sole cost and expense, repair or refinish any damage to the Building, the Equipment Room, the Building Communication Spaces, and/or to any property owned by the Licensor or by any tenant or other licensee of the Licensor where such damage is caused by the Licensee, any of its agents, representatives, employees, contractors, subcontractors, or invitees.
- (c) The Licensee shall not interfere with the use and quiet enjoyment of the Building by the Licensor or by other licensees of the Licensor or tenants of the Building. If such interference occurs, the Licensee shall correct such interference within twenty-four (24) hours of receiving written notice. In the event the Licensee fails to comply with such notice, the Licensor reserves the right to take any reasonable action to correct or eliminate said interference.

- (d) The Licensee's Equipment shall not disrupt, adversely affect, or interfere with other providers of telecommunication services in the Building, or with any Building systems or equipment, or with any tenant's or occupant's use or operation of communications or computer devices, operating in accordance with Industry Canada standards, in the Building. Should the cause of any such disruption, adverse affect or interference be reasonably attributable to the Licensee's operations, the Licensee shall immediately cease operation of the Licensee's Equipment until the problem is corrected. In the event the Licensee fails to comply with this sub-section 7(d) immediately following receipt of written notice from the Licensor, the Licensor may disconnect the electrical power to the Licensee's Equipment, including termination of this License Agreement without compensation.
- (e) The Licensee agrees to comply with all Building rules and regulations as published by the Licensor from time to time and will cause its agents, employees, contractors, invitees and visitors to do so. No rule or regulation of the Building shall materially and adversely affect the Licensee's rights or increase the Licensee's financial obligations under this Agreement. A copy of the current Building rules and regulations are attached hereto as Schedule C.
- (f) The Licensee agrees to comply with all applicable rules and regulations of the CRTC and any other governmental authorities having jurisdiction pertaining to the installation and operation of the Licensee's Equipment, and the Telecommunications Services provided by the Licensee to tenants of the Building.
- (g) The Licensee agrees that the Licensor, and for those for whom it is in law responsible, shall not be liable for any loss or damage to the Licensee's Equipment or any disruption to the business operations of the Licensee within the Building howsoever caused, except if by the gross negligence of the Licensor of its agents.
- (h) Not later than twelve (12) months following the Commencement Date, the Licensee shall dismantle the equipment room previously established by Videon and restore that space to a good state of repair and shall relocate any Equipment therein situated to the Equipment Room.

8. ACCESS

- (a) Subject to Section 6(a), the Licensor agrees that the Licensee's authorized representatives shall have access to the Building Communications Spaces at all times, for the purposes of installing, maintaining, operating, and repairing the Licensee's Equipment. The Licensee agrees that any persons it so authorizes shall be adequately qualified and equipped to work within the areas to which access is hereby granted and shall comply with all applicable Building rules and regulations. Except for access required to remedy service interruption or other emergency repairs of Licensee's Equipment, Licensee agrees to give reasonable

advance notice to Licensor prior to its personnel attempting to access the Building Communications Spaces.

- (b) When access to the Building Communications Spaces or the Equipment Room is required outside normal operating hours for the Building the Licensor reserves the right to have representatives of the Licensee accompanied by the Building staff and in all such cases the Licensee agrees to reimburse the Licensor for the cost and expense of providing such staff.

9. INSURANCE

- (a) The Licensee shall maintain in force, at its expense, during the Term of this Agreement, a policy of commercial general liability insurance issued by a company acceptable to the Licensor, and licensed to do business in Canada, insuring the Licensee and, as additional insured parties, the Licensor and any additional parties the Licensor may designate from time to time by notice in writing to the Licensee. The said insurance shall have a minimum single limit of two million dollars for injury or death or property damage. The Licensee shall also maintain all risk property insurance on the Licensee's Equipment in amounts sufficient to cover loss of same.
- (b) The Licensee's insurance shall contain provisions making such coverage primary with respect to other insurance maintained by the Licensor or any other additional named parties, shall waive any rights of subrogation and shall in the case of commercial general liability insurance provide coverage for the contractual liability of the Licensee to indemnify the Licensor as provided in Section 10 of this Agreement.
- (c) The Licensee shall provide proof of insurance for those policies required by this Agreement prior to bringing any of the Licensee's Equipment into the Building or doing any preparatory work in the Building.

10. INDEMNIFICATION

The Licensee shall indemnify, save harmless and defend the Licensor from all losses, liabilities, damages, claims, demands and actions of any kind or nature which the Licensor shall or may become liable for or suffer by reason of the Licensee's business operations in or in respect of the Building or in respect of any services the Licensee provides or contracts to provide to tenants or other occupants of the Building. This indemnification shall survive the termination of this Agreement.

11. RELEASE AND WAIVER OF SUBROGATION RIGHTS

The Licensee and the Licensor each release the other and their respective agents and employees from all liability to each other or anyone claiming through or under them, by way of subrogation or otherwise, for any loss or damage to property caused by or resulting from risks insured against under this Agreement. The provisions of this Section 11. shall survive the termination of this Agreement.

12. LIENS

The Licensee shall not permit any lien or any other security interest to be registered against the Building or the real property on which the Building is situated. If a lien or other interest is so registered, the Licensee shall take whatever actions are necessary to have the lien or interest removed, including but not limited to the payment into court of any money claimed, and shall otherwise indemnify the Licensor against any claims, liabilities or costs resulting from such lien or interest.

13. ESTABLISHMENT OF COMMON RISER CABLING

- (a) The Licensee recognizes that the Licensor, or a manager appointed by the Licensor, may elect to optimize use and control of the vertical cabling systems within the Building by taking possession, controlling and assuming responsibility for maintaining such vertical cabling systems, including that portion of the Building Communications Space forming a vertical shaft within the Building and including all wires, cabling and optic fiber located therein including material previously installed by the Licensee (hereinafter referred to as the "Riser Cabling"). For further clarification Riser Cabling shall begin at the main terminal room of the Building and shall include a cross-connect facility for use by all telecommunication providers including the Licensee and shall terminate at the common telephone rooms or cabinets on each floor of the Building. The Licensee shall remain in possession of all other of the Licensee's Equipment including the Licensee's Communications Equipment and any of the Licensee's Connecting Equipment other than the Riser Cabling. Any such election by the Licensor shall be made pursuant to guidelines established by the CRTC and shall be applicable to all existing and future service providers upon the same business terms and conditions.
- (b) If the Licensor elects to take possession of the Riser Cabling, then:
 - (1) The Licensor shall compensate the Licensee for the Licensee's prior expenditure on the Riser Cabling, by reimbursing the Licensee for its properly documented Riser Cabling expenditure, less accumulated depreciation using a seven-year straight-line depreciation methodology; and
 - (2) The Licensee shall, at its own expense, modify and relocate the Licensee's Equipment as needed to make connection with the Riser Cabling designated by the Licensor for the Licensee's use (the Licensee shall be allowed up to 90 days to plan and carry out such work and the Licensor shall allow the Licensee to perform a standard cut-over procedure if required to maintain services to its customers in the Building); and
 - (3) The Licensee shall enter into an amendment to this Agreement granting a further license for use of the Riser Cabling and specifying an additional fee for such use based upon the number of cable-pairs or other measure of capacity used by the Licensee and the then fair market fees charged for

use of such cable-pairs or capacity provided that no other telecommunications service provider will be charged a lower fee; or

- (4) The Licensee may elect to terminate the Agreement within 90 days of the Licensor's aforesaid election by giving written notice to the Licensor.

14. REPRESENTATIONS TO THIRD PARTIES

Both the Licensee and Licensor acknowledge that it is to their mutual benefit if occupants in the Building and prospective tenants of the Building are made aware that the Licensee's Telecommunications Services are available in the Building. The Licensee is hereby granted permission to use the name of the Building in any of its marketing materials prepared during the Term of this Agreement subject to the Licensor's prior written consent acting reasonably, after sight of such materials. The Licensee, upon request of the Licensor, shall provide a description of those Telecommunications Services it is providing in the Building and hereby grants permission to the Licensor to use such information together with the name of the Licensee when marketing space in the Building to prospective and existing tenants. Any information provided to third parties by either the Licensee or Licensor shall not contradict or appear to contradict the provisions of Subsection 1.(d) of this Agreement.

15. ASSIGNMENT AND SUBLICENSING

- (a) The Licensee shall have the right, without the Licensor's consent, to assign this Agreement to its lenders, a parent or subsidiary corporation or to any corporation which is controlled by or controls the Licensee, to a purchaser of all or part of its network assets provided such purchaser has total assets of equal or greater value than Licensee. Any other assignment or sublicensing by the Licensee shall require the consent of the Licensor which shall not be unreasonably withheld.
- (b) If this Agreement is assigned by the Licensee, the assignee shall be required to enter into a separate agreement directly with the Licensor whereby it covenants to comply with the terms and conditions of this Agreement on the part of the Licensor. No assignment or sublicensing shall release the Licensee from its obligations herein contained.
- (c) The Licensor shall have the right, without the consent of the Licensee, to assign this agreement to a party acquiring an ownership interest in the Building.

16. HAZARDOUS MATERIALS

- (a) The Licensee shall not introduce any hazardous substance or material to the Building. In the event any materials introduced to the Building by or on behalf of the Licensee are deemed hazardous, either at the time of introduction or at a future date, the Licensee shall cause the removal of same within twenty-four (24) hours of the Licensor's written demand and shall indemnify the Licensor in accordance with Section 10 of this Agreement.

- (b) Should the Licensee discover any hazardous material existing in the Building it shall notify the Licensor within twenty-four (24) hours of such discovery and immediately cease any work that might cause exposure to such hazardous material. The Licensor shall either remove or contain such hazardous material and if the presence of the hazardous material prevents the Licensee from completing its work then it may either alter its planned work or terminate this Agreement in accordance with Section 18.

17. EVENTS OF DEFAULT

- (a) Each of the following events shall be deemed to be an event of default by the Licensee under this Agreement (herein after referred to as "Licensee Event of Default"):
 - (1) If the Licensee shall default in the payment of any License Fees or other sum of money due the Licensor and such default continues for a period of fifteen (15) days after receipt of written notice;
 - (2) Except where different cure periods are expressly provided in this Agreement to the contrary, if the Licensee shall default in the observance or performance of any of the Licensee's non-monetary obligations under this Agreement and such default shall continue for more than thirty (30) days after written notification of such default (unless such default cannot reasonably be cured within such thirty (30) days, in which case the cure period will be extended for the minimum period of time reasonably required to effect such cure with reasonable and diligent effort);
 - (3) If there shall be interference with the telecommunication or computer equipment operating in accordance with Industry Canada standards, of other parties, or the Licensor's Building equipment, as a result of the installation or operation of the Licensee's Equipment which interference is not cured within twenty-four (24) hours of the Licensee's receipt of notice from the Licensor;
 - (4) If the Licensee fails to remove any hazardous materials brought into the Building by or on behalf of the Licensee within forty-eight (48) hours of receiving written notice from the Licensor;
 - (5) The revocation of governmental authorization for the Licensee to provide any of the telecommunications services it provides in the Building;
 - (6) The filing, execution or occurrence of a petition in bankruptcy or other insolvency proceeding by or against the Licensee; or an assignment for the benefit of creditors; or a petition or proceeding by or against the Licensee for the appointment of a trustee, receiver or liquidator of the Licensee or of any of the Licensee's Equipment or a proceeding by any governmental authority for the dissolution or liquidation of the Licensee.

- (b) An event of default under this Agreement by the Licensor (hereinafter referred to as "Licensor Event of Default") shall occur where the Licensor defaults in the observance or performance of any of the Licensor's obligations under this Agreement and such default shall continue for more than thirty (30) days after the Licensee has delivered written notice (except where different cure periods are expressly provided in this Agreement), unless such default cannot be reasonably cured within such thirty (30) day period, in which case the cure period shall be extended for the minimum period of time reasonably required to effect such cure with reasonable and diligent effort).

18. TERMINATION AND REMEDIES

- (a) Upon or after the occurrence of a Licensee Event of Default or of a Licensor Event of Default, the non-defaulting party shall give written notice to the defaulting party, setting forth the nature of either the Licensee's or Licensor's Event of Default. If the defaulting party fails to demonstrate within thirty (30) days after receipt of such notice that it has cured the said Event of Default, then the non-defaulting party may elect to terminate this Agreement.
- (b) For the purposes of this Agreement, the "Effective Termination Date" shall be the latest of: (i) the expiration of the Term or early termination of this Agreement; and (ii) the end of the period of service delivery permitted pursuant to subsection 18(c) below. The Licensee shall, at the Licensee's sole cost and expense, and without liens, remove the Licensee's Equipment and the Licensee's property from the Building, and restore the Building by repairing any damage resulting from the installation, operation or removal of the Licensee's Equipment, reasonable wear and tear excepted. Any property not so removed within thirty days (30) after the Effective Termination Date may at the Licensor's sole option (i) be removed and stored by the Licensor at the Licensee's cost or (ii) become the property of the Licensor without compensation to the Licensee. Any Building damage not repaired by the Licensee within fourteen (14) days of the later of the Licensee's removal of the Licensee's Equipment or the termination of this Agreement may be repaired by the Licensor and the Licensee shall remain responsible to the Licensor for the reasonable costs of such repair.
- (c) The Licensee also agrees to terminate its Building customer agreements at the earliest opportunity permitted by those agreements following termination of this Agreement. The Licensee may continue to provide services to its existing Building customers, notwithstanding termination of this Agreement, for the lesser of one year following termination of this Agreement or until the effective date of termination of Licensee's customer agreement(s).
- (d) The Licensee shall be permitted to terminate this Agreement upon provision of ninety (90) days' notice to the Licensor if the Licensee determines that the Building is unsuitable for the Licensee's network.
- (e) The Licensor shall be permitted to terminate this Agreement, without compensation, on ninety (90) days notice to the Licensee in the event the Licensee

has not contracted to provide service to any of the tenants in the Building for a consecutive twelve month period at any time during the Term. The provisions of Section 18 (b) will apply hereunder.

- (f) In the event of termination under this Section 18, License Fees shall be apportioned to the Effective Termination Date.

19. DEMOLITION

In the event that the Licensor desires at any time during the Term, or any extension thereof to demolish or substantially renovate the Building, thereby making it unsuitable for tenancy, the Licensee will, on receiving six (6) months' notice in writing, surrender this License Agreement and all the remainder of the Term, if any, then yet to come and unexpired, as from the day mentioned in such notice, and will yield up to the Licensor all rights accruing to the Licensor under this Agreement.

20. NOTICES

Any notice or demand by or from the Licensor to the Licensee or from the Licensee to the Licensor shall be in writing and shall be deemed given upon (a) personal delivery to the addressee, (b) five days after sending by registered mail, postage prepaid, return receipt requested, or (c) on the date sent by facsimile during normal business hours. Until notified otherwise the addresses and facsimile numbers for delivery of notice are:

In the case of the Licensor:

200 Graham Limited and Clarica Life Insurance Company
c/o EPSI Emerald Management Inc.
335 Bay Street, Suite 900
Toronto, Ontario, M5H 2R3

Fax: (416) 362-9646
Attention: The President

In the case of the Licensee:

GT Group Telecom Services Corp.
20 Bay Street
Suite 700
Toronto, Ontario, M5J 2N6

21. SUBORDINATION

The Licensee shall postpone and subordinate its rights under this Agreement in favour of any mortgage, deed of trust or other lien presently or hereafter arising upon the Building or the land on which the Building is situated.

22. LICENSEE'S FINANCING

The Licensee may, without consent of the Licensor, grant security by way of a mortgage, charge, or assignment of this Agreement or the Licensee's Communications Equipment, but not the Licensee's Connecting Equipment to a mortgagee or creditor pursuant to a bona fide borrowing by the Licensee, provided that the foregoing shall not in any way prejudice or affect the priority of the Licensor's rights or obligations under this Agreement nor create any lien (or other security interest) on the Building or on other property owned by the Licensor.

23. DAMAGE TO BUILDING

Should the Building suffer substantial damage so that the Licensee's Equipment is no longer operable by reason of direct damage, loss of power or lack of access or so that the Telecommunications Services cannot be delivered to Building Tenants then the License Fees shall abate until the Building is restored. If the Building cannot be restored within one hundred and twenty (120) days or the Licensor elects not to restore the Building, then this Agreement shall be deemed to be terminated as of the date such damage occurred and Licensor shall refund any part of the License Fee which has been paid for the period following the damage event, on a pro-rata basis.

24. FORCE MAJEURE

Save and except for the obligations of the Licensee to pay the License Fee and any other amounts payable to the Licensor, if either party shall fail to meet its obligation hereunder within the time prescribed, and such failure shall have been caused or materially affected by any acts of God, strikes, lockouts, acts of the Queen's enemies, sabotage, war blockades, insurrections, riots, epidemics, civil disturbances or of events traditionally considered matters of force majeure and not within the control of such party, such failure shall not be deemed a breach of the obligations of such party hereunder until the prescribed time for the required performance has been extended by the same amount of time as the force majeure has delayed the said party's performance.

25. GOVERNING LAW

This Agreement shall be construed and governed by the laws of the Province of Ontario.

26. SEVERABILITY

If any provision of this Agreement is held to be illegal, invalid or unenforceable at law it shall be deemed to be severed from this Agreement and the remaining provisions hereto shall continue to be in full force and effect.

27. INTERPRETATION

The term "Agreement" refers to and means this Telecommunications License Agreement and includes all amendments, modifications, supplements, schedules and attachments hereto. The terms "herein", "hereof", "hereunder", "pursuant hereto" and like terms refer

to this Agreement. The division of this Agreement into sections, sub-sections, clauses and other similar divisions and the insertion of headings are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement by their respective duly authorized officers to be effective as of the day and year first written above.

LICENSOR: 200 GRAHAM LIMITED

LICENSOR: CLARICA LIFE INSURANCE
COMPANY



By: _____
Name: _____

By: _____
Name: MANUEL REAL ESTATE

TITLE: AUTHORIZED SIGNATORY
I HAVE AUTHORITY TO BIND THE CORPORATION.

TITLE: _____
I HAVE AUTHORITY TO BIND THE CORPORATION.

LICENSEE: ~~GT GROUP~~ TELECOM SERVICES CORP.

By: _____
Name: _____

TITLE: SUP NATIONAL SALES
I HAVE AUTHORITY TO BIND THE CORPORATION.

SCHEDULE A TO TELECOMMUNICATIONS LICENSE AGREEMENT

LICENSEE'S EQUIPMENT

Typical GT POP Equipment

Qty 3-4 7' x 23" relay racks
15" overhead ladder style cable tray
DSX-1 for copper terminations
BIX for VF copper terminations
24 port SMF Fibre Patch Panel & Accumulation Centre

DC Power plant 1500Watts
Optical Transport OC48 e/w DS3/STS-1 LS capability
Optical Tributary OC3 e/w DS1 LS capability
Digital Loop Carrier e/w DS0 LS capability

Router 1Gb/s backbone e/w 10Mb/s > 100Mb/s LS capability
Media Convertor shelf CAT5 > MMF

SCHEDULE C TO TELECOMMUNICATIONS LICENSE AGREEMENT

BUILDING RULES

The Licensee shall observe the following Rules and Regulations (as amended, modified or supplemented from time to time by the Licensor as provided in this Agreement):

1. The Licensee shall not use or permit the use of the any part of the Building in such manner as to create any objectionable noises, odors, or other nuisance or hazard, or breach any applicable provision of municipal by-law or other lawful requirement applicable thereto or any requirement of the Licensor's insurers, shall not permit the any part of the Building to be used for cooking (except with the Licensor's prior consent), or for sleeping, shall keep the portions of the Building in which its works tidy and free from rubbish, shall deposit rubbish in receptacles which are either designated or clearly intended for waste and shall leave its work areas at the end of each business day in a condition such as to facilitate the performance of the Licensor's janitor services in the Building.
2. The Licensee shall not abuse, misuse or damage the Building or any of the improvements or facilities therein, and in particular shall not deposit rubbish in any plumbing apparatus or use it for other than the purpose for which it is intended, and shall not deface or mark any walls or other parts of the Building.
3. The Licensee shall not perform, patronize or (to extent under its control) permit any canvassing, soliciting or peddling in the Building, shall not install in the Building any machines vending or dispensing refreshments or merchandise and shall not permit food or beverages to be brought to the Building except by such means, at such times and by such persons as have been authorized by the Licensor.
4. The common areas of the Building are for the use only for access to the tenanted areas and other parts of the Building, and the Licensee shall not obstruct or misuse such facilities, or permit them to be obstructed or misused by its agents, employees, invitees or others under its control. The Licensor shall have the right to control and operate the common areas in such manner as it deems best for the benefit of the Building's occupants generally. The Licensee shall not invite to the Building or permit the visit of persons in such numbers or under such conditions as to interfere with the use and enjoyment of the common areas by other Building occupants.
5. No safe or heavy office equipment shall be moved by or for the Licensee unless the consent of the Licensor is first obtained and unless all due care is taken. Such equipment shall be moved upon the appropriate steel-bearing places, skids, or platforms and subject to the Licensor's direction, and at such times, by such means and by such persons as the Licensor shall have approved. No furniture, freight or bulky matter of any description shall be moved in or out of the Building or carried in the elevators of the Building except during such hours as the Licensor shall have approved, and the Licensee will assume full responsibility for any damage occasioned to the elevators, passageways, staircases, doorways, windows, etc. as a result of such moving. Hand trucks and similar appliances shall be equipped with rubber tires and other safeguards approved by the Licensor, and shall be used only by prior arrangement with the Licensor.
6. The Licensee shall permit and facilitate the entry of the Licensor, or those designated by it, into the Equipment Room for the purpose of inspection, repair, window cleaning and the performance of other janitor services and shall not obstruct access to main heater ducts, janitor electrical closets and other necessary means of access to

mechanical, electrical and other facilities to be obstructed by the placement of furniture or otherwise. The Licensee shall not place any additional locks or other security devices upon any doors of the Equipment Room without the prior written approval of the Licensor, which approval shall not be unreasonably withheld and subject to any conditions imposed by the Licensor for the maintenance of necessary access.

7. The Licensor may require that all or any persons entering and leaving the Building at any time other than during normal business hours satisfactorily identify themselves and register in books kept for the purpose, and may prevent any person from entering the Equipment Room unless provided with a key thereto and a pass or other authorization from the Licensee in a form satisfactory to the Licensor and may prevent any person removing any goods therefrom without authorization.
8. The Licensee shall not interfere with window coverings installed upon exterior windows and shall close or (if such window coverings during such hours from dusk to dawn as the Licensor may require), and shall not install or operate any interior drapes installed by the Licensee so as to interfere with the exterior appearance of the Building.
9. Elevator doors shall not be held open while conversations are carried on.
10. During peak periods, the elevators shall not be used for transporting passengers only and during these periods no large parcels or items of equipment shall be permitted onto the elevators and the doors shall be permitted to remain open only long enough to enable passengers to step on or off the elevator cab. For the purposes of this Rule, peak periods are considered as between the hours of 8:00 am to 9:30 am in the morning; between 12:00 noon and 2:00 pm in the afternoon, and between 4:00 pm and 5:30 pm in the evening.
11. Arrangements must be made with the Licensor ahead of time when elevators are to be used for carrying freight, furniture, etc. The elevators must not be used for this purpose until the Licensor has given its permission and the elevator cabs have been properly protected.
12. No telephonic, telegraphic, electronic, wire service or other connections or electric wiring, shall be made in places other than those designated by the Licensor or without the authority of the Licensor who will direct the electricians or other workmen as to where and how many wires or equipment are to be introduced and without any such directions, no boring or cutting or otherwise will be permitted.
13. The Licensee shall not place or cause to be placed any additional locks upon any doors of the Equipment Room without the approval of the Licensor and subject to any conditions imposed by the Licensor. Two keys shall be supplied to the Licensor for each entrance door to the Equipment Room and all locks shall be standard to permit access to the Licensor's master key. If additional keys are requested, they must be paid for by the Licensee. No one, other than the Licensor's staff, will have keys to the out-side entrance doors of the Building. The Licensee shall be entitled to exterior keys to the Building, for the purpose of attaining access to the Building during off-business hours.
14. No animals or birds shall be brought into the Building without the consent of the Licensor.
15. The Licensor shall have the right to make such other and further reasonable rules and regulations as in its judgment may from time to time be needful for the safety, care and cleanliness of the Building and for the preservation of good order therein, and the

same shall be kept and observed by the tenants, licensee, and their respective clerks and servants.

16. The Licensee agrees to the foregoing Rules and Regulations, which are the hereby made a part of this Agreement, and each of them, and agrees that for such persistent infraction of them, or any of them, as may in the opinion of the Licensor be calculated to annoy or disturb the quiet enjoyment of any other licensee or tenant, or for gross misconduct upon the part of the Licensee or any one under it, the Licensor may declare a forfeiture and cancellation of the accompanying Agreement and may demand termination of same upon one (1) week's notice.