

SERVICE AGREEMENT

THIS AGREEMENT made in duplicate this ____ day of _____, 200__.

B E T W E E N:

KAPONLINE

Address: 20 Radisson Cres, Kapuskasing, Ontario P5N 3C3

(hereinafter called "**KapOnline**")

OF THE FIRST PART

- and -

NAME: _____

ADDRESS: _____

(hereinafter called "**Customer**")

OF THE SECOND PART

IN CONSIDERATION of the mutual covenants and agreements contained herein the parties covenant and agree with each other as follows:

SERVICE

1. KapOnline does hereby agree to supply the Customer with access to the Internet ("Internet Service") at the agreed upon speed of connection, for the fee and for the term described in Schedule "A" or until terminated otherwise as provided in this Agreement, upon the terms and conditions set out herein and in any Schedules attached hereto.

It is expressly understood and agreed that this is a contract of service only and that the Customer has by these presents acquired no right, title or interest in or to the equipment of KapOnline described in Schedule "B" of this Agreement.

2. The Internet Service as provided by KapOnline shall include the monitoring by KapOnline of the use of the system against malicious or wrongful use and the provision of technical support regarding proprietary system components. KapOnline hereby further guarantees the privacy of user information and non-disclosure of sensitive information as well as the privacy of information passed through the service. KapOnline however, cannot guarantee that the Internet Service will be 100% uptime nor can it guarantee internet functionality as same will be subject to normal blackouts.

3. Static IP service as provided by KapOnline shall consist of an assigned address to the customer by KapOnline to be its permanent address on the Internet. Assignment of such an address shall be done by use of "One to One network address translation". The Static IP shall be assigned to an internal IP supplied by KapOnline upon enrollment for the service.

The nature of static IP addresses allows it to be seen across the Internet, increasing the possibility of attacks. Customers need to be responsible for their own security.

If claims such as "SPAM mail was sent", "Another computer was attacked", "Device was used to attack another computer" are brought to our attention, we reserve the right to halt the connection without prior notification.

KapOnline will not offer support configuration or implementation of individual servers. KapOnline will not be held liable for trouble caused by the devices assigned the static IP.

KapOnline does not offer access restriction on the IP layer regarding static IPs that we assign to the customers. Please do this on the client side if needed.

Initials, _____, _____

MANAGEMENT OF YOUR DATA AND COMPUTER

4. **Your Responsibilities Regarding Management of Your Computer and Data.** You are solely responsible for obtaining, maintaining and updating all equipment and software necessary to use the Service, and for management of your information, including but not limited to back-up and restoration of your data. YOU AGREE THAT KAPONLINE IS NOT RESPONSIBLE FOR THE LOSS OF YOUR DATA OR FOR THE BACK-UP OR RESTORATION OF YOUR DATA REGARDLESS OF WHETHER THIS DATA IS MAINTAINED ON OUR SERVERS OR YOUR DEVICE(S). YOU SHOULD ALWAYS BACK-UP ANY IMPORTANT INFORMATION SEPARATELY FROM DATA STORED ON KAPONLINE'S OR ANY THIRD PARTY'S SERVERS.

5. **Content and Data Management by KapOnline:** We reserve the right to: (a) use, copy, display, store, transmit and reformat data transmitted over our network and to distribute such content to multiple KapOnline servers for back-up and maintenance purposes; and (b) block or remove any unlawful content you store on or transmit to or from any KapOnline server. We do not guarantee the protection of your content or data located on our servers or transmitted across our network (or other networks) against loss, alteration or improper access.

6. **Your Responsibilities Regarding Security.** You agree that you are solely responsible for maintaining the security of your computer(s) and data, including without limitation, encryption of data and protection of your User ID, password and personal and other data. WE STRONGLY RECOMMEND THE USE (AND APPROPRIATE UPDATING) OF COMMERCIAL ANTI-VIRUS, ANTI-SPYWARE AND FIREWALL SOFTWARE.

7. **Monitoring of Network Performance by KapOnline.** KapOnline automatically measures and monitors network performance and the performance of your Internet connection and our network. We also will access and record information about your computer and Equipment's profile and settings and the installation of software we provide. You agree to permit us to access your computer and Equipment and to monitor, adjust and record such data, profiles and settings for the purpose of providing the Service. You also consent to KapOnline's monitoring of your Internet connection and network performance, and to our accessing and adjusting your computer settings, as they relate to the Service, Software, or other services, which we may offer from time to time. We do not share information collected for the purpose of network or computer performance monitoring or for providing customized technical support outside of KapOnline or its authorized vendors, contractors and agents.

UNDERTAKING OF CUSTOMER AS TO USE

8. The following are examples of conduct which may lead to termination of your Service. Without limiting the general service agreement, it is a violation of the Agreement and to: (a) access without permission or right the accounts or computer systems of others, to spoof the URL, DNS or IP addresses of KapOnline or any other entity, or to penetrate the security measures of KapOnline or any other person's computer system, or to attempt any of the foregoing; (b) transmit uninvited communications, data or information, or engage in other similar activities, including without limitation, "spamming", "flaming" or denial of service attacks; (c) intercept, interfere with or redirect email or other transmissions sent by or to others; (d) introduce viruses, worms, harmful code or Trojan horses on the Internet; (e) post off-topic information on message boards, chat rooms or social networking sites; (f) engage in conduct that is defamatory, fraudulent, obscene or deceptive; (g) violate KapOnline's or any third party's copyright, trademark, proprietary or other intellectual property rights; (h) engage in any conduct harmful to the KapOnline network, the Internet generally or other Internet users; (i) generate excessive amounts of email or other Internet traffic; (j) use the Service to violate any rule, policy or guideline of KapOnline; or (k) use the service in any fashion for the transmission or dissemination of images containing child pornography or in a manner that is obscene, sexually explicit, cruel or racist in nature or which espouses, promotes or incites bigotry, hatred or racism.

PAYMENTS

9. An initial payment equivalent to one full month of Internet Service is required upon enrollment. If the enrollment date is after the 1st of each month, that month's fee is pro-rated from the enrollment date to the last day of the month. Since the pro-rated fee will be less than the initial payment, a credit balance will result. This credit balance will be deducted from the second month's full monthly fee.

Monthly fees are generated on the 1st of each month to cover Internet Service from the first to the last day of the current month.

Automatic credit card and bank withdrawals are processed on the 15th of the month.

A \$10.00 service charge is levied for returned schedules (whether NSF, closed bank account, frozen funds, etc.)

PAYMENT OPTIONS

10. Subject to some restrictions, payment options include:

- a) Automatic bank withdrawal;
- b) Automatic credit card debit (Visa, Mastercard)

Banking or credit card information changes for the current month's withdrawal must be received by the 10th of the month. KapOnline may be contacted at 1-866-441-5487 for any changes to billing information.

STATEMENTS

Initials, _____ , _____

11. Statements are e-mailed with the 1st week of each month to cover Internet Service from the first to the last day of the current month.

Statements are dated the 1st of the month. The due date for the balance owing is the 15th of the month. Three (2) weeks of Internet Service is provided before payment is due.

OVERDUE ACCOUNTS

12. The Customer will be notified by e-mail if the account has not been paid by the 15th of the month.

If payment has not been received on the 1st of the following month the account will be locked and an overdue statement will be mailed to the Customer. At this point, the account has not been cancelled. Charges will still be applied to the account.

If payment has not been received or contact made within 30 days of the account being locked, it will be cancelled to ensure that further charges do not apply. Once payment has been made, the account will be reactivated.

PLAN CHANGES

13. Plan changes are processed on the 1st of each month. Any plan change requests must be submitted before the beginning of the month.

CHANGE OF ADDRESS

14. Ten (10) days' notice is required by phone or e-mail for change of address requests to ensure minimal disruption of the Internet Service.

SUSPENDING AN ACCOUNT

15. The Internet Service can be put on hold for a maximum of 30 days but is subject to certain restrictions.

An e-mail only Internet Service is also available for a fee of \$5.00 per month. This will allow the Customer to keep the current user name/e-mail address and re-activate Internet Service at the Customer's discretion.

CANCELLING AN ACCOUNT

16. Cancellations are processed at the end of each month. Dedicated connections require 30 days' notice for cancellation. A hardcopy of the cancellation request may be forwarded by e-mail, fax or regular mail.

All rental hardware associated with the Internet Service on the Customer's accounts must be returned in full working condition and free of damage. Failure to return these items on or before the cancellation date will result in a full replacement charge being billed to the Customer's account automatically.

LIABILITY AND INDEMNIFICATION

17. KapOnline shall not be responsible for loss, injuries or damages, including all loss of profits or other indirect damages resulting from any defect or default of any equipment supplied hereunder, whether hidden or apparent and KapOnline shall not have to compensate the Customer in any way respecting any claims, demands or actions taken against the Customer by third parties.

18. The Customer agrees to and does hereby relieve and waive KapOnline from all liability for damages of whatsoever nature of kind that may be sustained by the Customer as a result of the use by the Customer of the Internet Service. The Customer further agrees to reimburse KapOnline for any and all damages sustained by KapOnline by reason of the use of the Internet Service being made by the Customer hereunder forthwith upon demand for same.

END OF AGREEMENT

19. The Customer agrees that upon the expiration of this Agreement or upon the cancellation or termination of this Agreement, all of the equipment supplied under this Agreement to the Customer will be returned to KapOnline at its place of business in as good mechanical condition and running order as it was when received by the Customer, ordinary wear and tear excepted.

20. The Customer pledges that he shall fully indemnify KapOnline for the loss or the sudden and unexplained disappearance of any equipment in whole or in part, for any reason whatsoever and whether or not the said loss, mysterious disappearance or damages shall be due or not to the Customer's negligence.

21. The Customer also undertakes and agrees that the Customer will not make any repairs or

Initials, _____ , _____

adjustments to any equipment.

22. No cancellation or other termination of this Agreement by either party shall in any way relieve the Customer of liability for the payment of any sum or sums due or to become due KapOnline under this Agreement, or any damages which KapOnline shall have sustained, whether by omission or commission.

GENERAL PROVISIONS

23. Time is of the essence of this Agreement, and in the event the Customer shall be in default if any of the payments required to be made under this Agreement and/or in the performance of any other covenant or covenants or condition or conditions required under this Agreement to be kept or performed by the Customer, KapOnline may, at its election, terminate this Agreement at any time and all monies owed become due and payable notwithstanding the cancellation of said Agreement.

24. This Agreement shall terminate automatically at the election of KapOnline and without notice to the Customer if the Customer shall have filed a voluntary petition in bankruptcy, shall have made an assignment for the benefit of creditors or shall have been voluntarily or involuntarily adjudicated a bankrupt by any court of competent jurisdiction, or if a receiver shall have been appointed for the Customer or if the Customer shall have permitted or suffered any distress, attachment, levy or execution to be made or levied against any or all of the property of the Customer.

In the event this Agreement shall have been terminated as in this section 20 is provided, the Customer shall not be thereby released of any liability for the Customer's failure to make any of the payments required under this Agreement to be made by the Customer or for the Customer's failure or inability to perform the terms, covenants and conditions of this Agreement.

25. The Customer shall not assign the Internet Service or the equipment nor any interest herein in whole or in part, nor transfer this contract without the written consent of KapOnline, which consent may be unreasonably withheld.

26. KapOnline and the Customer agree that this instrument, together with Schedules "A" and "B" constitutes the entire Agreement between the parties and shall be binding on the respective parties and their respective heirs, executors, administrators, their legal representatives, successors and assigns, and that this Agreement shall not be amended or altered in any manner unless such amendment be endorsed hereon in writing and signed on behalf of the parties hereto by an executive officer of each if a corporation or, if either party be other than a corporation, by that party in person.

27. KapOnline is entitled to and the Customer hereby agrees to pay interest on all outstanding amounts due and owing to KapOnline from the date of default to the date of payment at the rate of 24% per annum calculated on the daily outstanding balance owing to KapOnline.

28. Any notice given under this Agreement by KapOnline to the Customer may be given personally or by registered mail addressed to the Customer at the Customer's address as set out in this Agreement.

Any notice given under this Agreement by Customer to KapOnline shall be given by sending the same by registered mail to KapOnline as its address as in this Agreement set out (or such other address as KapOnline shall have last furnished the Customer in writing) or by serving same personally upon an executive officer of KapOnline.

29. Unless a contrary intention appears in this contract the words "KapOnline" and "Customer" wherever used mean and imply, respectively, "KapOnline", its administrators, representatives, heirs legal successors and assignees, the "Customer" its administrators, representatives, heirs, legal successors and assignees. If there be more than one Customer, all liabilities shall be joint and several.

30. Any delay or failure of either party to perform its obligations under this Agreement shall be excused if, and to the extent, that the delay or failure is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence, such as, by way of example and not by way of limitation, acts of God, action by any governmental authority (whether valid or invalid), fires, floods, wind storms, explosions, riots, natural disasters, wars, sabotage, labour problems (including lock-outs, strikes and slow-downs), inability to obtain power, material, labour, equipment or transportation, or court injunction or order; provided that written notice of delay (including the anticipated duration of the delay) shall be given by the affected party to the other party within ten days. During the period of delay or failure to perform by KapOnline, the Customer, at its option, may purchase the Internet Service from other sources and reduce its obligation to purchase Internet Service from KapOnline, without liability to KapOnline, or have KapOnline provide Internet Service from other sources as requested by the Customer and at the price set forth in this Agreement. If requested by the Customer, KapOnline shall, within ten days of request, provide adequate assurances that the delay shall not exceed thirty days.

Initials, _____ , _____

31. The failure of either party hereto in any one or more instances to insist upon the performance of any of the terms, covenants, or conditions of this Agreement, to exercise any right or privilege in this Agreement conferred or the waiver of any breach of any of the terms, covenants or conditions of this Agreement, shall not be construed as thereafter waiving any such terms, covenants, conditions, rights, or privileges but the same shall continue and remain in full force and effect the same as if no such forbearance or waiver had occurred.

32. The form of this Agreement is intended for general use in the Province of Ontario and in the event any of the terms and provisions hereof are in violation of or prohibition by any Law, Statute or Ordinance of the Province or City where it is used, such terms and provisions shall be of no force and effect to the extent of such violation or prohibition without invalidating any other of the terms and provisions of this Agreement.

IN WITNESS the parties hereto have executed their hands and seals this _____ day of _____, 200_____.

SIGNED, SEALED AND DELIVERED

SIGNED, SEALED AND DELIVERED

in the presence of

in the presence of

KapOnline

Customer

Initials, _____ , _____

SCHEDULE "A"

1. Speed of connection:

2. Fee:

3. Term: from _____ , 200_____ to _____ , 200_____ .

SCHEDULE "B"

1. Equipment:

Initials, _____ , _____