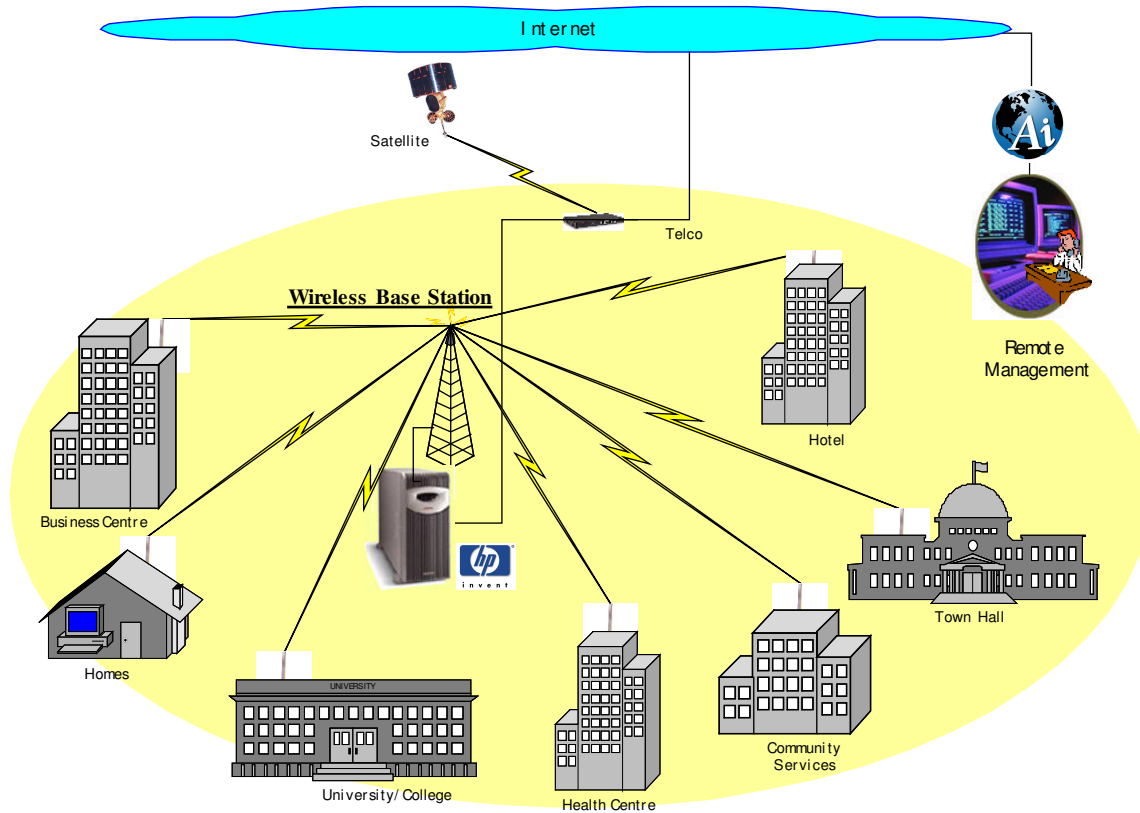




Advanced Interactive, Inc.
CommunityAxxess™



A

White Paper
on
providing high-speed Internet connectivity
as an affordable and sustainable
resource to Small Towns, Rural,
and Remote Communities
Date: July 22, 2003

The Underserved Market Need:

This White Paper introduces an affordable and efficient *CommunityAxxess* solution that can be viably set up to deliver high-speed predictable Internet connectivity to digitally underserved communities, anywhere in the world:

1. Targets small towns, rural, and remote Communities¹ seldom serviced with affordable digital communications
 - a. Includes high speed Internet and low cost long distance services
 - b. *CommunityAxxess* delivers cost-effective urban class digital services to smaller, underserved communities
 - c. Includes those that are topographically difficult to provide economically service in any other way
2. Erases the digital divide for underserved communities that are typically recipients of less robust data and voice communications with new levels of predictability

CommunityAxxess: an Integrated Digital Community Enabler:

Advanced Interactive, (known as *Ai*) is an inventive Canadian R&D organization with several patented technologies in low-cost communications and computing delivery:

1. Technical breakthrough in low cost, community-based data and voice-capable network
2. Hosted on a single, off-the-shelf Linux-based *CommunityAxxess* server
3. Leverages success in remote communities and schools in Africa and Middle East
4. An *inclusive turnkey solution* that enables underserved communities
5. Delivers predictable, affordable, sustainable high-speed access to digital resources

Ai has created a portfolio of *Axxess* solutions by leveraging its ability to:

1. Add value to standard off-the-shelf server and communications products
2. Deliver a range of tightly integrated secure data services
3. Remotely monitor and manage via the Internet via satellite or telecom link
4. Install wireless networks that provides unparalleled low-cost digital services
5. Optionally Voice Over Internet Protocol (VOIP) can be enabled on *CommunityAxxess* server

When installed, a *CommunityAxxess* network enables:

1. High-speed Internet and VOIP services – the digital heartbeat of the community
2. Other licensed software applications enable streaming video, audio, and multimedia content
3. Rich education, healthcare, entertainment, government, and business services

¹ For the purpose of this White Paper, we are assuming the small town or remote community has a town center, within which are several businesses. These may include one or more hotels, restaurants, and small businesses, as well as, a resident population that have the need for Internet and voice communications.

Ai's provides 24/7 remote support to the *CommunityAxxess* network as part of the Managed Server Service Agreement in Appendix 1 to this White Paper

Benefits Of a *CommunityAxxess* solution:

Powered by Ai's KDE-server technology, *CommunityAxxess* provides small towns, rural, and remote communities with the following viable services:

1. Internet Access at high-speeds for:
 - a. Businesses – including small businesses-relevant applications
 - b. Hotels – including Internet services for guests and staff
 - c. Homes – dial-up Wired or Wireless Internet services at lower costs
 - d. TeleCenters – set up as a community center for inhabitants to access the Internet based services, including banking, e-government, fax, and e-mail services. This could be linked with a Copy Center, Internet Café, or Office Supplies reseller.
 - e. Internet Café – set up as a drop-in center for visitors to have Internet access and long distance services
2. Voice Over Internet Protocol (VOIP) telecommunications for:
 - a. Businesses;
 - b. Healthcare Clinics;
 - c. TeleCenters
 - d. Local Government offices and agencies
 - e. Local residents

A Financially Self-Sustainable Community Resource:

Affordability is crucial as underserved communities struggle to attract the funding or attention necessary to receive preferential consideration for broadband rollout initiatives.

CommunityAxxess is a unique community enabler

1. A local entrepreneur takes on the marketing and administration:
 - a. Fosters growth of this financially self-sustainable community resource
 - b. Delivers a range of digital services valued by:
 - i. Local businesses
 - ii. Community organizations
 - iii. Individuals
 - c. Drives local economic development and capacity building
 - d. Key to retaining young people and attracting new opportunities.

A Resource for responding to community social challenges:

The *CommunityAxxess* network builds community participation and interaction by:

1. Supporting innovative education and information resources

2. Rejuvenating the heartbeat of underserved small towns and remote communities
3. Providing at-risk teens, unemployed, and under skilled residents with access to “learn-differently” resources
4. Supports parks and recreation programs and optionally hosts Friday night movies

Communities that come together to learn and to explore, for interest or for leisure, will tend to be healthier and have greater economic development opportunities.

Building Community Capacity while supporting this digital community resource:

Some of the services that help engender this sense of community could include becoming the local ISP for Internet access:

1. An Internet Café provides:
 - a. Access their email
 - b. Browse the Internet
 - c. Computer, Print and Fax services
 - d. Offer free email account to every member of the community
2. Multi-Purpose TeleCenters (MPTs) to host these services²:
 - a. All the services of the Internet Café
 - b. Self paced training courses so that individuals can become more computer literate
 - c. Place long distance calls through VOIP

Building an innovative local e-Commerce capability:

1. An optional feature of **CommunityAxxess** is a *Prepaid Card System*³
2. Innovative prepayment system, similar to prepaid phone cards
3. May be used to purchase a range of services, including Internet Café usage.
4. Enables creative marketing of these digital community resources to:
 - a. Local people
 - b. Occasional visitors
 - c. Business travelers seeking external access
5. Local market demand makes **CommunityAxxess** financially self-sustaining
 - a. Revenue collected funds ongoing maintenance and support costs

² Reasonable Care Caveats: The system is a very robust community resource, and is expected to operate under various climatic conditions with minimal downtime. As with all electro-mechanical devices, reasonable diligence is required to protect from dust, high humidity, excessive heat, and other pests that could negatively impact the CommunityAxxess infrastructure, including satellite equipment, where it is part of the solution.

³ See <http://www.moneybar.net>

- b. **CommunityAxxess** is ideal for underserved communities in both developing and developed regions of the world.

Building Capacity through Tourism and Traveler-friendly services:

CommunityAxxess also includes digital guest services for the hospitality industry. As an economic development engine for the community, Prepaid Visitor Cards could also be implemented to provide tourists and business travelers with other highly valued guest services including:

1. Internet and email services;
2. Hotel services and meals
3. VOIP long distance phone calls
4. Preferred access and rates at local restaurants and attractions
5. Access to the local Business Center:
 - a. Short term office or meeting space
 - b. Office productivity tools
 - c. Conferencing features.

Where Can *CommunityAxxess* Be Successfully Implemented:

1. A **CommunityAxxess** network is a turnkey system that can be installed virtually anywhere in the world
2. The opportunity appears to be everywhere, for example:
 - a. The middle of the Canadian prairies
 - b. The fishing ports of Alaska
 - c. An oasis in The Sahara
 - d. A fishing village in The Philippines or Norway
 - e. A resort in South Africa
 - f. A university-town in Tajikistan
3. **CommunityAxxess** can be installed in a short period of time⁴:
 - a. Eliminates traditional long waiting period of months or years when a new service is being brought online
 - b. If telecommunications connectivity is a problem, satellite connectivity can be arranged and implemented as part of an integrated **CommunityAxxess** solution
 - c. Ai can arrange with its global communications partners for services over North America, Eastern Europe, Africa, and Asia.
 - d. In those locations where electrical power is not predictably available, the **CommunityAxxess** solution operates on alternative power, including generators, solar, biogas, and other sources.

⁴ This depends on the entrepreneur's ability to obtain the necessary licenses.

- e. For more information on leveraging these alternate energy solutions in such regions, please contact Ai to ensure that all of the supporting services can be provided in your region and environment.

Roles of the CommunityAxxess Server

As a Communications Central Station:

The **CommunityAxxess** Server acts as a central connection point to the outside. It is connected to the outside in one of two ways making the **CommunityAxxess** Server the receiving point to the Internet through either:

1. Telecommunications switch
2. Two-way satellite earth station, or

The **CommunityAxxess** Server:

1. Is the central junction to a wired or wireless network that connects local users of this remote small town.
2. Is capable of having up to 500 PCs connected to each Server with a *predictably* experience for each PC user.
3. Using Ai's clustering technology, a multi-server **CommunityAxxess** network delivers the same highly predictable experience for several thousand concurrent users, as well as, handling significantly more processing than a single server is geared to accommodate

The CommunityAxxess Feature Set:

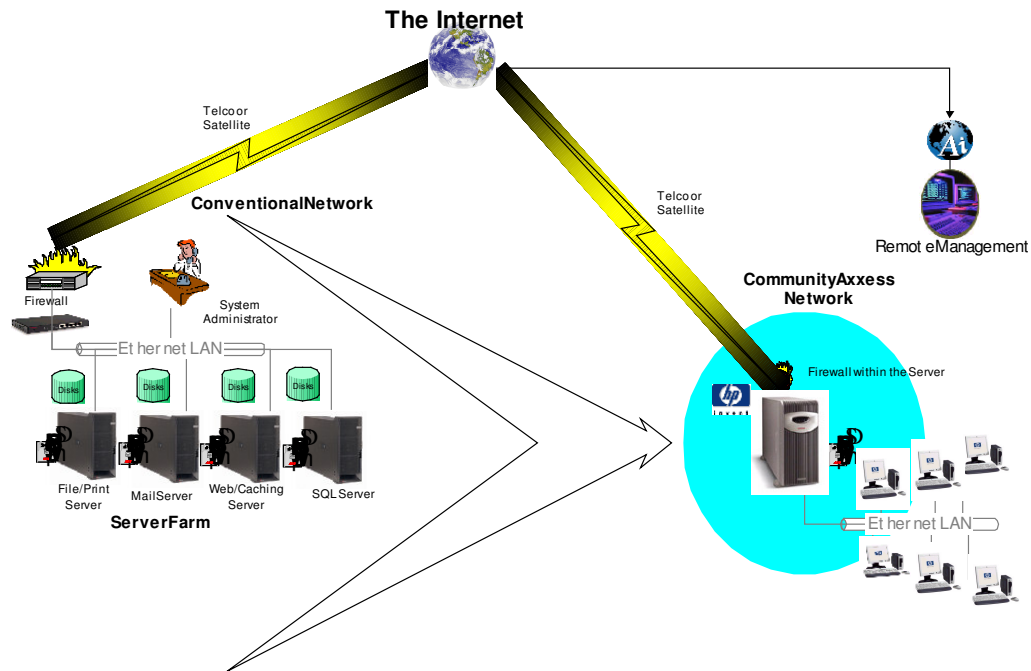
1. The **CommunityAxxess** server acts as a monitoring agent reporting network health to Ai's Canadian-based *Network Management Centre* that *remotely* addresses technical and user issues to optimize the overall **CommunityAxxess** network experience;
2. The **CommunityAxxess** server integrates a *caching server* capability that acts as a repository of Internet content, ready for delivery to community users at high-speed;
3. By caching and hosting other licensed or Open Source applications (whether Linux or Windows-based), the **CommunityAxxess** server makes these digital resources available to business users and consumers by Subscription through its Online Catalogue;
4. Optionally **CommunityAxxess** Server connects to a local private branch exchange (PBX) that allows Voice-Over-Internet-Protocol (VOIP) sessions for businesses and consumers of these communities using the local telephone lines. This means local residents and business people can use the **CommunityAxxess** server as their gateway to call long distance at significantly reduced rates;
5. Each **CommunityAxxess** network server incorporates the essential standard and optional technology components for server consolidation, including:
 - a. An affordable, predictable, and secure network system enabling community members with high speed Internet access;

- b. Email (POP3, IMAP, and Secure WebMail) with an email account for every person in the community, as determined by local **CommunityAxxess** administrator who sets up new email accounts;
- c. Business and Personal Productivity Software;
- d. **CommunityAxxess** server comes standard one private subnet that can be upgraded to up to six (6) private subnets;
- e. Optional Virtual Private Network (VPN) connections can be enabled to allow other **CommunityAxxess** servers or individuals with PCs to connected to the **CommunityAxxess** server over the Internet securely. Each such connected user would be providing all the services of the **CommunityAxxess** server as if they locally connected to the private subnet. **CommunityAxxess**;
- f. Optional Web Engine development tools (*WebEngine-for-CommunityAxxess*) - provides both professional and individual users with a web page and tools enabling simple to complex web page design tools;
- g. Backup - the **CommunityAxxess** server network comes with integrated internal Server-based Disk-to-Disk Backup with *RAID* for redundancy;
- h. Tape Backup – Optionally a tape backup can be provided on the **CommunityAxxess** server for off site backup storage.
- i. Warranty Support – HP Server hardware is supported globally through a 3-year manufacturer warranty (e.g. HP for the Proliant Server). Wireless and other integrated technologies are also covered by manufacturer warranties.

External Communications links:

1. The **CommunityAxxess** server connects to a satellite link or telecom switch that enables it to deliver Internet service and other digital services (e.g. email, and VOIP) to the **CommunityAxxess** subscribers;
2. Coverage Area – the Server connects to the community network for coverage of an area greater than 1.5 km radius, and, if possible over a radius of 15 km (i.e. topology and clearance permitting);
3. **Note:** Optionally dual connection redundancy can be enabled on the **CommunityAxxess** server so that if one line is down the over lines is used or both lines can be used simultaneously. Ai recommends that those **CommunityAxxess** us one telecom line and the other a satellite line to provide an extremely robust network that is dual connect to the Internet. **CommunityAxxess** drives savings through the consolidation of Servers:
4. **CommunityAxxess** is a *single-server* solution;
5. Multiple servers are typically required when building a Microsoft-based community network;
6. Setting up a multi-node environment is a complex process, not unlike building a home. It often presents the installation team with unanticipated challenges,

unbudgeted costs, and significant ongoing local support and maintenance requirements.



© 2003 Advanced Interactive Inc.
Prepared by
Raheman Lakhani
July 21st 2003

Traditional multi-server networks present affordability and sustainability challenges:

1. Generally, the network server installation process begins with setting up a dedicated room with the proper electrical power to support 4 or 5 servers.
2. Network typically includes a Firewall server, Web server, Proxy/Cache server, Mail server, and a File & Print server.
3. Each server requires its own Operating System license
4. Software licenses are required for each application running on each server
5. Integration of hardware, software, and network into a functional system may require several months by qualified IT resources.
6. Once operational, a qualified network support professional must be available locally to manage this environment.

Cost Savings through lower infrastructure, operational, and software license costs:

As an integrated, all-in-one server solution, **CommunityAxxess** directly addresses these challenges with an affordable new alternative:

1. Reducing the number of servers deployed to one (1) generates significant capital cost savings – i.e. consolidating all the above into one **CommunityAxxess** server;
2. As all servers and networks need to be managed for predictable service levels, the **CommunityAxxess** network is remotely monitored and managed as part of Ai’s ongoing Managed Server Services Agreement;

3. Eliminating need for a local Network Server person can fund ***total system payback*** in 12 – 18 months, (based on North American pay scale up to US\$50,000 per annum - larger communities may realize even greater savings and faster Return On Investment (ROI));
4. Ai is a ***TSP*** (total solution provider)
 - a. ***CommunityAxxess*** is implemented as a turnkey solution
 - b. Includes server, communications connectivity to satellite or Telco, network integration, hosted content and applications, as contracted;
5. Measurable savings through Open Source software licensing:
 - a. Linux-based ***CommunityAxxess*** server solution
 - b. An equitable approach to delivering affordable, sustainable value
 - c. Avoids paying a premium for software upgrades and maintenance (as required by other major software and Operating System vendors).

Other Community Benefits provided through implementing CommunityAxxess:

1. The local ***CommunityAxxess*** entrepreneur will be assisted in implementing the necessary operational processes for marketing and managing the new community network capabilities as a resource for education, healthcare, business growth, and economic development.
2. As local skills transfer is a key objective of many government and International Funding Institutions, Ai enables a technically savvy person or organization to set-up the user PC devices in the community and provide PC support to local services such as the Internet Café or Business Centre.

The Wireless Community:

As some small and remote communities do not have the benefit of a wired infrastructure like their urban counterparts, connections to businesses and residences are often non-existent or too unpredictable to be consistently utilized:

1. Using its knowledge of wireless connectivity, Ai has designed an inexpensive way of connecting these users;
2. Wireless systems are continually evolving to deliver higher speed, predictable, secure, and more affordable network communications;
3. Using off-the-shelf wireless components, Ai sets up wireless systems for the entire community as an affordable and sustainable digitally community resource;
4. Administered by the local ***CommunityAxxess*** network entrepreneur – similar process to ordering a telephone or TV cable for your home or business.

As referenced earlier in this document, the ***CommunityAxxess*** network can optionally be configured to host VOIP services to local businesses and residents:

1. Connectivity between the ***CommunityAxxess*** network and the local subscribers would be wireless;

2. Local infrastructure typically procured, installed, and maintained by the local entrepreneur, or other qualified local business as another *CommunityAxxess* resource to be subscribed to;
3. As a locally owned resource, the *CommunityAxxess* network delivers on defined objectives that would make this a viable project for Community Improvement Grant funding and other potential funding sources based on:
 - a. Economic development
 - b. Skills transfer
 - c. Capacity building

Potential *CommunityAxxess* Network customers include:

1. Employees of the community where a *CommunityAxxess* network is installed
2. Local community businesses,
3. Tourists and business persons visiting local hospitality businesses;
4. Local community residents;
5. Businesses in adjacent communities.

Moving Forward:

When a decision has been made to proceed with investigation for a *CommunityAxxess* network, a Site Survey is conducted, as follows:

1. To determine the feasibility of a *CommunityAxxess* Network from the perspective of financial self-sustainability and local management of the resource;
2. To enable proper planning, placement and configuration of the layout of the Network including a wireless topology that serves the majority of the intended market;
3. To study the possibility of coverage for surrounding communities;
4. To consider various wireless options for the Network, including VOIP;
5. To consider the security issues of the Network;
6. To consider if dial-up connectivity is required;

***CommunityAxxess* Project Planning Requirements:**

Potential customers of a *CommunityAxxess* network will be required to provide the following prior to installation of the integrated solution:

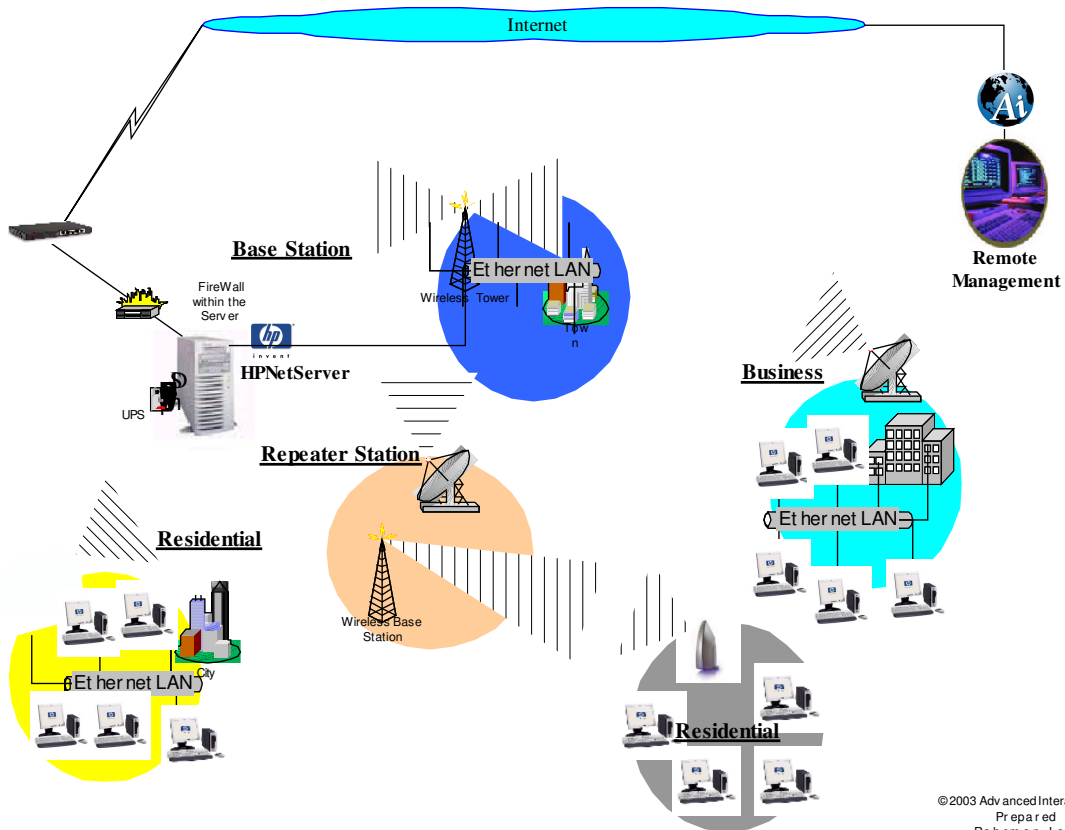
1. It is essential that the customer qualifies the *CommunityAxxess* installation with necessary local permissions and permits to construct the Network. The Wireless system uses the ISM band which does not require licensing in most parts of the world;
2. It is the customer's responsibility to contract for the communication feed from either a satellite or telecommunications carrier
3. In many locations, Advanced Interactive has established relationships with satellite companies, and if requested by the customer, *Ai* may be contracted to facilitate the required Agreements between the carrier and the Community

- For more information on satellite coverage in your area, contact Advanced Interactive at info@advancedinteractive.com or see contact information at end of this document.

Timeline for Installation:

Typical installation time for a *CommunityAxxess* network is 10 days, however, total elapsed time from site survey to testing signoff may be up to 60 days, depending on the size of the community and the optional *CommunityAxxess* features selected:

- The site survey will require approximately 3 days (excluding travel);
- Planning is estimated at 10 days;
- Procurement of Network components typically requires approximately 14 days;
- Installation time is estimated at 10 days (excluding travel);
- Training would be included as part of the installation period;
- Stress testing of the Network is conducted for 30 days while hosting of the initial subscribers may begin after the physical installation is completed.
- The subscriber billing system is also included as part of overall system testing



© 2003 Advanced Interactive Inc.
Prepared by
Raheman Lakhani
May 22th 2003

Work Flow Process of CommunityAxxess network:

1. Customer to sign approval of *CommunityAxxess* network Proposal;
2. Customer to submit Purchase Order with initial payment;
3. Set-up shall take place within 30 working days from the date of receiving a Purchase Order and initial down payment (except for considerations of scheduled payments by the customer and subsequent delivery of ordered components);
4. Installation *CommunityAxxess* Server in selected location and connect to external link to Internet;
5. Set up and configuration of the 2 Static IP Addresses provided by the Customer;
6. Connect *CommunityAxxess* Server to LAN through hub;
7. Set up to 5 PCs to connection to the Network;
8. Connect the Network to 1 Network Printer, if available;
9. Connect the Network to Wireless network including the installation of 3 Wireless sets (Access Points and Antennas)
10. Optional Integration with existing community network equipment that may be in place;
11. Provide up to 2 day training session for 3 staff during the Installation trip;
12. Deliver *CommunityAxxess* Manual - Customer to sign the *Manual Sign-Off Document*);
13. Deliver *CommunityAxxess* Network Diagram;
14. Finalize and sign the *CommunityAxxess* Managed Server Support Agreement. Customer submits payment in advance for first 6-months service period;
15. Customer to sign *Delivery Sign-Off Document*;
16. Customer to sign *Installation Sign-Off Document*;
17. Customer to sign *Training Sign-Off Document*;

Monitoring & Managed Server Service

One of the major savings realized through implementing the *CommunityAxxess* network is the remote monitoring and management of the integrated solution:

1. This capability is hosted in Ai's Canadian-based Network Operations Center located in Burnaby, BC and supports all Ai's *Axxess* family of solution servers installed worldwide;
2. This managed server feature ensures the Network system is optimally available at all times
3. Remote monitoring and management eliminates the need for a local server or network person to be available – virtually all hardware and software can be addressed remotely, or through an administrative person who acts as a facilitator when required.

4. Ai's Remote Management support system automatically polls all servers every 15 minutes to check on the health of each Server. If there are any incidences requiring attention, Ai's technical staff is alerted, a trouble ticket is created, and subsequent rectification process is started immediately.

These services provided are detail under the **CommunityAxxess Managed Server Service Agreement** provided in Appendix 1, at the end of this document.

Managed Network Services

Service	Service Levels		
	Bronze	Silver	Gold
24 hour Monitoring	Included	Included	Included
Hours	8am-5pm (PST) Mon-Fri	8am-5pm (PST) Mon - Sun	24hrs Mon - Sun
Response Time	4 business hrs	4 business hrs	2 business hrs
No. of included System Incidents	Unlimited	Unlimited	Unlimited
Cost per incident outside agreed boundaries	\$100 p/hr	\$100 p/hr	\$100 p/hr
Bug fix & security patches	Included	Included	Included
Other software Patches	Not Included	Included	Included
Software Upgrades	Not Included	Not Included	Not Included
Hardware Support, Maintenance & Replacement	In accordance with manufacturer's warranty	In accordance with manufacturer's warranty	In accordance with manufacturer's warranty
Duration	12 months	12 months	12 months
Customer performance metrics	Not Included	Not Included	Included
Price per Month of Service	\$ 560	\$ 810	\$ 1,080

Terms of Payments

Based on a signed purchase order on the customer's Letterhead, the following terms shall apply:

Site Survey	\$1,500	Payment to be made immediately before the event. Taxes, travel and living not included;
Upon Purchase Order	\$30,000	Funds are used to purchase equipment;
3 days before Installation	\$xx,xxx	
Before Network Turn On	Balance	plus first 6 months of Service Agreement

The budgetary cost of a typically configured **CommunityAxxess** environment ranges from US\$75,000 to \$100,000.

Ai reserves the right to arrange its own financial guarantees, and it is anticipated that the customer will provide the necessary information to the financial guarantors.

Finance

Ai has arranged for a financing facility with HP Financial Services worldwide⁵ who will consider applications from organizations for the financing of *CommunityAxxess* network installations. The following are the qualification criteria:

1. Financing may include the following:
2. The capital cost of the Network including all selected optional features;
3. The implementation costs;
4. The Managed Server Support Agreement costs;
5. All applications must be incorporated and are in good standing with the regulatory bodies. Please provide Legal Name of your company;
6. All applicants must complete an Application Form
7. The applicant will communicate directly with HP Financial Services;
8. Two years of Financial Statements will be required with the application.

Summary

Small towns, rural, and remote communities are often underserved in the areas of high-speed Internet and related communications services. For the first time small and remote communities may benefit from an affordable, easy to operate community network that has features at par with urban communities.

The *CommunityAxxess* network is an innovative, totally integrated solution that can be quickly implemented, and in some countries, a technology-transfer program will be put in place as specified by governmental requirements.

One of the innovative aspects of the *CommunityAxxess* model is the local economic development stimulated by enabling a local entrepreneur or established business to handle the marketing and administration of a network as a sustainable and viable business servicing the community.

This White Paper discusses the rationale for a *CommunityAxxess* network and provides the basis of a community discussion on how this new model could address the challenges faced by underserved communities around the world.

CommunityAxxess is a proven and deliverable solution today and validation with other reference accounts can be provided as part of the assessment process for your community.

FOR MORE INFORMATION

PLEASE CONTACT:

Stan Loh

Advanced Interactive Canada Inc.

312-8988 Fraserton Court,

Eagles Landing

Burnaby, BC, Canada V5E 5H8

Tel: 1-604-685-4011 ext 243

Email: sales@advancedinteractive.com

⁵ HP Finance may not operate in some countries. The customer should check with the *CommunityAxxess* representative.



Appendix 1

CommunityAxxess
Managed Server Service Agreement
between
Advanced Interactive (Canada) Inc.
and

AI Managed Service Agreement

This is a CommunityAxxess Managed Service Agreement (hereinafter called "Agreement") between _____ (hereinafter called the "Customer") having its office at: _____

AND

Advanced Interactive (Canada) Inc. (hereinafter called "AI ") having its head office at # 312 – 8988 Fraserston Court, Burnaby, British Columbia, Canada V5J 5H8.

DATED this ____ day of _____ , 2003.

Definitions

"Managed Services" is defined as the services provided by AI to manage the specified equipment as per The System noted on Schedule B hereunder installed at the Customer's premises either remotely or on-site in return for a fee duly agreed herein.

"The System" is defined as the server hardware and licensed software components provided to the customer by AI or its licensed channels or distributors as outlined in Schedule B.

"Customer" is defined as the licensed user of the System

"Software patches and bug fixes" are defined as software updates to enable the AI software to perform in accordance with the product manual and specification and any amendments or addenda thereto, which may be issued from time to time. It does not include elements that are designated by AI as new features or products, for which AI charges a separate software license fee.

"Upgrade" is defined as an update of the software to the version installed in The System.

"System Monitoring" is defined as AI remotely monitoring the System and providing notification to the Customer of any known System faults. The System services that are to be monitored are outlined in Schedule D.

"Incident" is defined as a Customer initiated request for technical help from AI or one of it's designated technical support affiliates. An incident can be initiated by phone call, e-mail, web request, or in person.

"Support" is defined as AI responding to the Customer with the aim of providing a resolution to an Incident.

"Response Time" is defined as the time taken for AI, or a designated AI support representative, to first contact the Customer once a request for technical support has been made. Response can be in the form of telephone, e-mail, or remote access support at AI's discretion.

"Altered Product" is defined as any change to any file that is directly related to the operation of the System, except where such a change is directly authorized by AI.

Introduction

AI's Managed Service programs are designed to provide Customers with a comprehensive package of support services that may include telephone based assistance and support, software maintenance and access to technical information and expertise. AI will interface with the hardware manufacturer on behalf of the customer to resolve hardware issues, where such hardware is protected by a manufacturer's warranty. AI shall provide these support services to

CONFIDENTIAL



the Customer's designated system administrators, for the AI products licensed by the Customer and for which the Customer has paid to AI the applicable support services fees. The purpose of this agreement is to provide details to the Customer, its subsidiaries and its associated companies of the AI Managed Services available and to provide a Service Agreement for the Customer with respect to software and equipment acquired from AI or its licensed channels and distributors.

Term and Services To Be Rendered

AI shall provide Support to the System based on the service level purchased by the Customer, as outlined in Schedule A, for a period of 36 months from the date the Customer has signed the Agreement.

The Managed Service Agreement will be renewed automatically for another 12 months after the end of the 36-month period unless the customer notifies AI in writing of the intention of termination 30 days before the term of this Agreement.

The hardware and software covered under the Managed Service Agreement is outlined in Schedule B.

The price for the service program is outlined in Schedule C.

Technical Support shall be provided to the Customer's designated support personnel only.

Exclusions

Altered product, except as authorized by AI.

Product not installed, operated or maintained in accordance with specifications supplied by AI or its licensed channels, distributors and partners

Product subjected to unusual physical or electrical stress, misuse, negligence or accident, or used in ultra-hazardous activities

Non-AI related problems (anything outside of schedule B)

Software or hardware updates that are not essential for the operation of the System (anything equipment or software outside of schedule B)

Product(s) installed or removed by a non-AI authorized person and/or product(s) not covered by a service contract immediately after the service contract or warranty has expired

AI reserves the right to bill the Customer, and the Customer agrees to pay, at the hourly incident rate as detailed in schedule A for incidents classified as an exclusion

Customer Obligations

The customer shall install and make available at its own cost, one data line connection with an Internet connection with a Static Internet Protocol Address to the System.

Where necessary, the Customer will provide, at its own cost, one telephone line and one external telephone modem that is connected to the server for maintenance purposes.



Schedule A

Service Levels Available

Service	Service Level		
	Bronze	Silver	Gold
24 hour Monitoring	Included	Included	Included
Hours	8am-5pm (PST) Mon-Fri	8am-5pm (PST) Mon – Sun	24hrs Mon - Sun
Response Time	4 business hrs	4 business hrs	2 business hrs
No. of included System Incidents	Unlimited	Unlimited	Unlimited
Cost per incident outside of schedule B	\$100 per/hr	\$100 per/hr	\$100 per/hr
Bug fix & security patches	Included	Included	Included
Other software Patches	Not Included	Included	Included
Software Upgrades	Not Included	Not Included	Not Included
Hardware Support, Maintenance & Replacement	In accordance with manufacturer's warranty	In accordance with manufacturer's warranty	In accordance with manufacturer's warranty
Duration	36 months	36 months	36 months
Customer performance metrics	Not Included	Not Included	Included



Schedule B

AI CommunityAxxess System Description

Under this CommunityAxxess Managed Service Agreement, the Customer hereby agrees that the System comprises the equipment listed hereunder:

Type of Equipment	Serial Number
Hardware	
HP LC 2000	
SCSI RAID Controller	
SCSI Drive # 0 36.4 GB	
SCSI # 1 36.4 GB	
SCSI # 2 36.4 BG	
1 GB ECC RAM	
Ethernet Card #0	
Ethernet Card #1	
APC Smart UPS 700 VA	
Software	
CommunityAxxess KDE	V. 1.0

Schedule C

Pricing

	Service Level					
	Bronze		Silver		Gold	
Price						
Per subnet	\$250	<u>2</u> installed	\$375	<u>2</u> installed	\$500	<u>2</u> installed
Per access point	\$ 20	<u>3</u> installed	\$ 30	<u>3</u> installed	\$ 40	<u>3</u> installed
Total (per month)	\$560.00 plus Optionals: \$ _____ Total: \$ _____		\$810.00 plus Optionals: \$ _____ Total: \$ _____		\$1080.00 plus Optionals: \$ _____ Total: \$ _____	

1. Standard – 2 Private Subnet
2. Travel expenses incurred by AI for on-site support are not included and are at the Customer's expense if required. Such expenses shall be billed at cost
3. Pricing is subject to change upon renewal
4. Upon Customer request, AI shall provide any optional and additional services which will be billed at the per hour rate in Schedule A for the service level purchased



Schedule D

List of Monitored Services

Included	Description of Monitored Service
Y	Email Server (sendmail)
Y	Windows NT equivalent File Server (SAMBA)
Y	Caching Server (Squid)
Y	Scheduler (Cron)
Y	Disk Utilization (/var, /home, /disk00, /disk01)
Y	System Logs (Syslog)
Y	Web Server (httpd)
Y	Secure Shell Server (sshd)
Y	Networking Services (xinetd)
Y	Network Connection
Y	Dynamic Host Server (dhcpd)
Y	Domain Name Server (named)

General Terms and Conditions

1. Term, Fees and Charges, Acceptance of Service

The term of this Agreement for the System listed herein shall commence upon the date of execution by both parties and shall be automatically renewed for another 12 months from the last day of the said term. Payment is paid for 12-month periods in advance. During the initial, and any renewal term, the Customer shall pay to AI the amount specified for Service of the Product. Payment is due within 30 days of invoice, and AI reserves the right to charge interest on any balance which exceeds 10 days past due at a rate of 2% per month.

2. Cancellation and Termination

a) Event of Termination. AI shall have the right to terminate this Agreement and all services provided pursuant to this Agreement (i) upon termination of the Customer's Software License Agreement by either party for any reason, and (ii) if Customer or its employees or agents violate any provision of this Agreement and Customer fails to cure such violation with fifteen (15) days after receipt of written notice from Vendor.

b) This agreement shall be effective as of the date of execution by both parties. This agreement and any schedules executed hereunder cannot be cancelled without written notification or terminated except as expressly provided herein. The terms and conditions herein are non-negotiable. Any changes made to this document shall be null and void.

3. Event of Default, Remedies

If Customer fails to pay for service or product when due and fails to cure such breach within 10 days of notice of same, or in the event of any other breach of this Agreement, and Schedule hereunder, or any other Agreement between the parties hereto, or if any credit or other information submitted to AI is false or misleading in any material respect, or in the event of any act of Insolvency or bankruptcy by or against the Customer, AI, may at its option, terminate the Agreement.

4. Use, Relocation and Assignment

Customer will operate the System in accordance with the manufacturer's manuals and instruction, by competent and duly qualified personnel only. Customer agrees not to relocate or remove the System from its original location without notifying AI. All costs associated with such removal or relocation is strictly at the expense of the Customer.



5. Intellectual Property Rights and Ownership

AI's standard software terms and limitation of liability, as outlined in the End User License Agreement that the Customer had agreed to shall apply and be incorporated herein by reference.

6. Warranty

Customer shall have the benefit of applicable manufacturer's warranties. The Customer is responsible for the use and compatibility of the System with any equipment, software, services and/or other materials not provided by AI. AI does not warrant uninterrupted use or operation of the System.

AI MAKES NO EXPRESS OR IMPLIED REPRESENTATIONS WARRANTIES OR CONDITIONS OF ANY KIND WHATSOEVER, INCLUDING BUT NOT LIMITED TO WARRANTIES OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE SERVICE, HARDWARE, SOFTWARE OR ANY OTHER DELIVERABLES PROVIDED BY AI, AND ALL REPRESENTATIONS, WARRANTIES, OR CONDITIONS OF ANY KIND, EXPRESS OR IMPLIED ARE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, HEREBY EXCLUDED.

7. Limitation of Liability

AI will not be liable for performance delays or for non-performance due to causes beyond its reasonable control. AI will not be responsible for any corrupted files or viruses that affect the System or this Service. It is the Customer's responsibility to safeguard the System through appropriate means (e.g. using commercially available software), from theft, unauthorized use or system corruption. Any detriment caused to the System as a result of your failure to properly secure your System may result in an interruption to your services outlined in this Agreement.

In the event of any breach by AI, its affiliates or its agents, including any breach of fundamental term or any negligence, the Customer's sole remedy shall be to receive from AI payment for actual and direct damages to a maximum amount equal to the fees paid hereunder by you to AI during the three months immediately preceding the relevant breach. Other than the foregoing remedy, under no circumstances shall AI, its affiliates or its agents be liable to you or any third party for:

- i) any direct, indirect, special or consequential damages, including, without limitation, loss of profits and loss of business opportunities that result in any way from this Service Agreement, including your use of information, services or merchandise provided on or through the System or that result from mistakes, omissions, interruptions, deletion or corruption of files, errors, defects, delays in preparations, or transmission, or failure of performance, or
- ii) any losses or expenses (including legal fees) arising out of, or in connection with any allegation, claim, suit or other proceeding based upon a contention that the use of the Service or System by the Customer or a third party infringes the intellectual property rights or contractual rights of any third party.

8. Arbitration and Governing Law

In case of disputes, the parties agree to go to Arbitration before legal action is initiated by either of the Parties. Any such arbitration will be conducted and finally settled under the arbitration rules established by the International Chamber of Commerce. The process of arbitration shall take place in Vancouver, British Columbia, and shall apply the governing law of this Agreement.

For the purposes of this Agreement, the Laws of British Columbia, Canada shall be the



agreed jurisdiction.

Customer agrees to purchase the Managed Service at the _____ level
(Gold, Silver, Bronze) at _____ \$ _____ (per month)
(Currency)

NOW THEREFORE ACCEPTED AND AGREED BY:

CUSTOMER

ADVANCED INTERACTIVE (CANADA) INC.

Name:

Karim Lakhani

Title:

President

Date:

Date: