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TELECOMMUNICATIONS SERVICE AGREEMENT

This Service Agreement (“Master Agreement”) is entered into as of **2008** by and between **IPsmarx Technology Telecom Inc.**, a Canadian corporation with offices at 44 Victoria Street, Toronto, Ontario. M5C 1Y2 (“IPSMARX”) and _____, with a business address at _____ (“Service Partner”) (collectively “Parties” or individually a “Party”).

WHEREAS, IPSMARX and Service Partner are in the business of providing telecommunications services and

WHEREAS, Service Partner desire to purchase certain international telephony services and other associated services (“Services”) provided by IPSMARX, in accordance with the terms and conditions described in this Agreement and the Exhibits attached hereto.

NOW THEREFORE, in consideration of the premises and mutual agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

1. PROVISION OF SERVICES

- 1.1 IPSMARX shall provide, directly or indirectly, those telecommunications switching services and facilities to Service Partner to route Service Partner’s international telecommunications traffic to and from destinations, internationally. Where applicable, the telecommunication services provided by IPSMARX to Service Partner shall be hereinafter referred to as the “Services”. Where applicable, the IPSMARX Rates are hereinafter referred to as the “Rates”
- 1.2 The destinations offered for the Services by IPSMARX, are listed in Exhibit A. Destination and Rates may be amended by IPSMARX from time to time by IPSMARX by providing Service Partner with five (5) days prior written notice, except as otherwise stated in Exhibit A. Where applicable, the IPSMARX Destinations are hereinafter referred to as the “Destinations”

2. USAGE CHARGES

- 2.1 For each telephone call originated from a Service Partner POP, Service Partner shall pay to IPSMARX the usage charge specified in the IPSMARX Usage Charge Schedule according to the rates and the destination of the telephone call, set forth in Exhibit A.
- 2.2 The Usage Charge shall be billed at 30 seconds for the first 30 seconds and on a 6-second increment for each call thereafter. Usage charges may be periodically changed, and a revised Usage Charge Schedule shall be effective five (5) days after such revised schedule is provided to the other Party.

3. INVOICE

- 3.1 Service Partner will agree to pay for all traffic on a pre-payment basis. IPSMARX will inform Service Partner in the event pre-payment reaches a level that will not allow for traffic to be routed and IPSMARX will request for further payment to be made by Service Partner. In the event, the level of pre-payment reaches zero, IPSMARX will not be obligated to route the traffic of Service Partner.
- 3.2 In the event that Service Partner disputes any charge assessed by IPSMARX, Service Partner shall submit to IPSMARX within seven (7) working days following the receipt of such disputed invoice, written documentation identifying the minutes and/or rates which are in dispute. The undisputed amount(s) shall be paid in accordance to 3.1. Parties agree to cooperate to resolve the dispute and upon mutual agreement IPSMARX may issue a credit against Service Partner.

Each Party shall be exclusively responsible for and pay all expenses associated with all billing, collection, and provision of their own customer service activities in connection with calls originated by its customers.

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- 3.3 Payment to IPSMARX is to be made via company/certified check drawn in US currency, money order, or wire transfer to the company's bank account.
- 3.4 In the event of termination of contract, IPSMARX will return any excess pre-payment made by Service partner, following the deduction for the cost of traffic routed through IPSMARX's network within 3 business days of termination.

4. OPERATIONAL/COMMERCIAL MATTERS

- 4.1 Service Partner shall pay for their own Internet associated costs.
- 4.2 IPSMARX reserves the right to cancel and/or temporarily suspend any or all of the IPSMARX Telecom Services if Service Partner engages in activities which, in the reasonable opinion of IPSMARX, may cause disruption of service or damage to IPSMARX's networks or facilities.

5. TERMS AND TERMINATION.

- 5.1 **TERM.** This Agreement shall expire one (1) year after the Effective Date, unless earlier terminated as provided herein (the "Term"). The Term may be extended upon the mutual written agreement of the Parties.
- 5.2 **TERMINATION.** Each Party may terminate this Agreement: (a) if the other Party fails to fulfill any of its material obligations under this Agreement; (b) if the other Party is in breach of Section 7 (Confidentiality); (c) if the other Party becomes insolvent or admits in writing its inability to pay debts as they mature, or makes an assignment for the benefit of creditors; or (d) if a petition under any foreign, state or Canada bankruptcy act, receivership statute, or the like is filed by the other Party and is not dismissed within sixty (60) days after such filing. Termination due to default under Section 6.2 shall be effective seven (7) days after written notice to the defaulting Party if the default has not been cured within such seven (7) days period.
- 5.3 **EFFECT OF TERMINATION.** Upon termination of this Agreement for any reason, each Party shall remain liable for those obligations that accrued prior to the date of such termination.
- 5.4 **SURVIVAL.** The following provisions shall survive the expiration or termination of this Agreement for any reason: Section 3 (Invoicing); Section 5 (Term and Termination); Section 6 (Confidentiality); Section 9 (Indemnification); Section 10 (Limitation of Liability); and Section 11 (General Provisions).

- 6. **CONFIDENTIALITY.** Either Party may disclose or make available to the other Confidential Information (as defined below) in connection with the activities contemplated hereunder. Each Party agrees that during the Term of this Agreement and thereafter (a) it will use Confidential Information belonging to the other solely for the purposes of this Agreement and (b) it will not disclose Confidential Information belonging to the other to any third party (other than its employees and/or consultants reasonably requiring such Confidential Information for purposes of this Agreement who are bound by obligations of nondisclosure and limited use at least as stringent as those contained herein) without the express prior written consent of the disclosing Party. Each receiving Party will promptly return to the disclosing Party upon request any Confidential Information of the disclosing Party. For purposes of this Agreement, "Confidential Information" means, with respect to either Party, any and all information in written, representational, electronic or other form relating directly or indirectly to the present or potential business, operation or financial condition of the disclosing Party (including, but not limited to, pricing, marketing plans, customer and supplier lists and service data) excluding any such information which (i) is known to the public (through no act or omission of the receiving Party in violation of this Agreement), (ii) is lawfully acquired by the receiving Party from an independent source having no obligation to maintain the confidentiality of such information or (iii) was known to the receiving Party prior to its disclosure under this Agreement.

7. OWNERSHIP OF INTELLECTUAL PROPERTY

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- 7.1 Service Partner acknowledges and agrees that (a) all right, title, and interest in and to the IPSMARX Services and all intellectual property rights related to or used in conjunction with any computer hardware, router or software supplied or provided by IPSMARX and its associates that it represents, and used by Service Partner in connection with the Services (“Intellectual Property Rights) are and shall remain the sole and exclusive property of IPSMARX and its suppliers, and (b) software is provided under license.
- 7.2 Service Partner represents and warrants that neither it nor its directors, officers, employees, agents, consultants, or representatives shall copy, reverse engineer, decompile, disassemble or otherwise reduce to human readable form any software provided in connection with the Services. Service Partner further represents and warrants that it will take all necessary measures to ensure that IPSMARX’s Services and all Intellectual Property Rights incidental thereto are not infringed, hacked into, or tampered with for any reason.
- 7.3 Service Partner agrees that it shall never dispute the ownership of IPSMARX’s intellectual property and that it shall takes all steps required to protect it.
- 7.4 Service Partner agrees that it shall (a) immediately inform IPSMARX if it becomes aware of any infringement of IPSMARX’s Intellectual Property Rights and (b) provide all information and assistance necessary to assist IPSMARX to abate the infringement or illegal use of IPSMARX’s intellectual property.
- 7.5 Upon the conclusion, expiry or termination of this Agreement on any grounds whatsoever, Service Partner agrees and undertakes to forthwith return to IPSMARX all audio proxies, VOIP routers, hardware box(es) and software installed therein, documents, Confidential Information, all related documents or copies thereof, intellectual property, and any other hardware belonging to or supplied by IPSMARX to Service Partner pursuant to this contract and in Service Partner’s possession, power, custody or control.

8. WARRANTIES.

- 8.1 **AUTHORIZATION.** Each Party represents and warrants to the other Party that the execution and delivery of this Agreement and the performance of such Party’s obligations under this Agreement have been duly authorized, and that the Agreement is a valid and binding agreement, enforceable in accordance with its terms.
- 8.2 **LEGAL COMPLIANCE.** Each Party represents and warrants that it has obtained, or will obtain prior to offering the Services hereunder, all licenses, approvals and/or regulatory authority necessary to provide the Services described herein.
- 8.3 **NO OTHER WARRANTIES.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NO PARTY MAKES ANY OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT OR ANY OTHER IMPLIED WARRANTIES ARISING OUT OF USAGE OF TRADE, COURSE OF DEALING OR COURSE OF PERFORMANCE.

- 9. **INDEMNIFICATION.** Each Party (“Indemnitor”) will defend, indemnify and hold harmless the other Party and such Party’s affiliates, directors, officers, employees, proprietors, independent contractors, consultants, partners, shareholders, representatives, customers, other Service Partners, agents, predecessors, successors, and permitted assigns (collectively, “Indemnitees”) from and against any claim, suit, demand, loss, damage, expense (including reasonable attorneys’ fees and costs) or liability that may result from, arise out of or relate to: (a) acts or omissions arising out of or in connection with this Agreement resulting in property damage; and (b) intentional or negligent violations by Indemnitor of any applicable laws or governmental regulation.

10. LIMITATION OF LIABILITY.

- 10.1 **CALL COMPLETION.** Neither Party shall be liable or responsible in any way for the failure of calls to be completed, for any reason whatsoever or for no reason, including without limitation, the failure of other IPSMARX Network service partners to terminate such calls, or the failure of such calls to be completed.

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10.2 GENERAL LIMITATION. EXCEPT FOR DAMAGES ARISING UNDER SECTION 7 (CONFIDENTIALITY) OR SECTION 9 (INDEMNIFICATION), IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR SIMILAR DAMAGES OF ANY KIND INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, LOSS OF BUSINESS OR INTERRUPTION OF BUSINESS, WHETHER SUCH LIABILITY IS PREDICATED ON CONTRACT, STRICT LIABILITY OR ANY OTHER THEORY WITHOUT REGARD TO WHETHER SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

11. GENERAL PROVISIONS.

11.1 ASSIGNMENT. Neither Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. This Agreement shall bind and inure to the benefit of the Parties to this Agreement and their respective successors and permitted assigns

11.2 GOVERNING LAW. This Agreement shall be in all respects, governed by, construed and enforced in accordance with the laws of the Province of Ontario, Canada, in accordance with the applicable treaty or convention to which the sovereign nations are signatories thereto.

11.3 ARBITRATION. All disputes arising out of or in connection with this Agreement will be referred to and finally resolved by arbitration in accordance with the rules of the International Chamber of Commerce. The arbitration proceedings will be conducted in the Province of Ontario, Canada and the language of the arbitration proceedings will be in English. All arbitration will be conducted before a three (3) person panel, consisting of one (1) arbitrator selected by Service Partner, one (1) arbitrator selected by IPSMARX and one (1) arbitrator selected by the foregoing two (2) arbitrators. The parties shall share the cost of the arbitration, including the fees and expenses of the arbitrator(s), equally, unless that award provided otherwise.

11.4 NOTICES. All notices or other communications between IPSMARX and Service Partner under this Agreement shall be in writing and delivered personally, sent by confirmed facsimile, by confirmed e-mail, by certified mail, postage prepaid and return receipt requested, or by a nationally recognized express delivery service addressed to the Parties at the addresses first set forth above or at such other addresses, facsimile numbers or e-mail addresses or to such individuals as either Party may specify by notice to the other Party pursuant to this Section 11.4. All notices shall be in English and shall be effective upon receipt.

11.5 INDEPENDENT CONTRACTORS. This Agreement and the relations hereby established do not constitute a partnership, joint venture, franchise or agency between the Parties.

11.6 SEVERABILITY. If any provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other term or provision hereof. The Parties agree that they will negotiate in good faith or will permit a court or arbitrator to replace any provision hereof so held invalid, illegal or unenforceable with a valid provision, which is as similar as possible in substance to the invalid, illegal or unenforceable provision.

11.7 ENTIRE AGREEMENT AND MODIFICATIONS. This Agreement together with the exhibits and attachments hereto constitute the entire agreement between the Parties with regard to the subject matter hereof and supersedes all prior communications, agreements and understandings, whether written or oral, relating to the subject matter hereof. This Agreement may only be modified by a written instrument duly executed by each Party, making specific reference to this Agreement and the clause to be modified.

11.8 CAPTIONS. Captions of the sections and subsections of this Agreement are for reference purposes only and do not constitute terms or conditions of this Agreement, and shall not limit or affect the terms and conditions hereof.

11.9 WAIVER. No provision of, right, power or privilege under this Agreement shall be deemed to have been waived by any act, delay, omission or acquiescence on the part of either Party, its agents, or employees, but only by an instrument in writing signed by an authorized officer of each Party. No waiver by either Party of any breach or default of any provision

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of this Agreement by the other Party shall be effective as to any other breach or default, whether of the same or any other provision and whether occurring prior to, concurrent with, or subsequent to the date of such waiver.

11.10 COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

For and on behalf of

For and on behalf of

IPSMARX Technology Inc.

Name:

Title:

PH : + 1 416 665 6999

Fax : + 1 416 665 3258

By: _____

Printed Name: _____

Title: _____

PH : ()

Fax :()

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TELECOMMUNICATIONS SERVICE AGREEMENT

EXHIBIT A

Service Partner hereby orders the following Service:

- I. CODES AND RATES:** A – Z Routing.
- II. TERM OF SERVICE:** 12 months, commencing from the first passage of commercial traffic.
- III. ADDITIONAL TERMS AND CONDITIONS:**
 - 1. Service Partner will inform IPSMARX of any interruption to service.
 - 2. Traffic to any countries not listed in Attachment will be billed at specific IPSMARX's standard rates

IN WITNESS WHEREOF, the parties have signed Exhibit

Termination Rate

Latest rate posted at IPsmarx Website www.ipsmarx.com

For and on behalf of
IPSMARX Technology Inc.

For and on behalf of

Name:
Title:
PH : + 1 416 665 6999
Fax : + 1 416 665 3258

Name:
Title:
PH :
Fax :

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