

IN THE MATTER OF
THE *FAIR TRADING ACT*

THIS UNDERTAKING is made pursuant to Section 152 of the *Fair Trading Act*.

BY:

Cybersurf Corp. and 3web Corp.
Suite 300, 1144 - 29 Avenue N.E., Calgary AB

(hereinafter called the "Supplier")

TO:

The DIRECTOR OF FAIR TRADING,

(hereinafter called the "Director")

WHEREAS:

- A. The Supplier is a person who provides goods or services to consumers within the meaning of section 141 of the *Fair Trading Act*.
- B. By agreement with Canada Post Corporation ("Canada Post"), the Supplier sold to Canada Post for resale in Canada Post's retail outlets across Canada CD-ROMs containing software for access to Internet and e-mail service.
- C. The Supplier supplies services for e-mail and Internet access.
- D. A number of customers purchased CD-ROMs through Canada Post at a retail price of \$9.95, exclusive of applicable taxes, the packaging of which displayed the words "Free Internet for Life", and these customers later received notice that the service would be discontinued on September 15, 2001, unless they agreed to pay up to \$9.95 per month for the service.
- E. The Director asserts that he has reason to believe that the events described in paragraph D above may constitute a breach or breaches of the *Fair Trading Act* and its predecessor legislation.
- F. The Supplier wishes to avoid the expense and risk of litigation relating to the allegations of the Director, the Supplier is prepared to enter into this Undertaking, without admission that any breach of the *Fair Trading Act* or any other legislation occurred, and the Director is prepared to accept the Undertaking.

NOW THEREFORE THIS UNDERTAKING WITNESSES THAT:

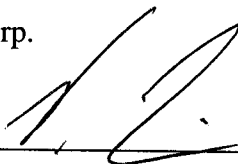
1. The Supplier undertakes to the Director that the Supplier will not, at any time hereafter, engage in acts or practices similar to those described in paragraph D of this Undertaking, but does so without any admission of liability for breach of the *Fair Trading Act* or any other legislation.
2. The Supplier will ensure that all current marketing and advertising through various media and means to a consumer is fulfilled as promised hereafter ensuring that an unfair trade practice does not occur.
3. The Supplier will use its reasonable best efforts to ensure that its officers, employees and representatives are familiar with the contents of this Undertaking and are provided with the direction regarding the requirements of the *Fair Trading Act*.
4. The Supplier undertakes to make reasonable best efforts to have executed and performed the terms of the Agreement entered into between the Supplier and Canada Post, dated January 6, 2003, a true copy of which is attached as schedule "A" to this Undertaking.
5. This Undertaking is binding upon the Supplier, its successors and assigns unless:
 - (a) terminated by the Director or varied with the consent of the Supplier;
 - (b) varied by an Order of a Judge of the Alberta Court of Queen's Bench where the Judge is satisfied that the circumstances warrant varying the provisions of the Undertaking; or,
 - (c) terminated by an Order of a Judge of the Alberta Court of Queen's Bench where the Judge is satisfied that the act or practice that the Supplier has undertaken to refrain from engaging in was not unfair; however, in any such case, the termination or variance does not invalidate anything done under this Undertaking prior to termination or variance.
6. The Supplier acknowledges that the Director may, upon breach by the Supplier of any term of the Undertaking, institute such proceedings and take such action under the *Fair Trading Act* as he may consider necessary.
7. The Supplier will pay to the Director, for deposit with Alberta Government Services, in Trust, the sum of \$5000 which represents a portion of the costs of investigations in these matters to the date of this Undertaking. Such payment shall be made within ten (10) days of the signing of this Undertaking.
8. The Supplier acknowledges that it was advised by Alberta Government Services, and is aware that it is entitled to seek independent professional advice regarding the signing of this Undertaking, and the Supplier acknowledges that it is entering into this Undertaking voluntarily.

9. The Supplier has entered into this Undertaking to give effect to a compromise with the Director and this Undertaking is no admission of liability and the Supplier expressly denies that any breach of the *Fair Trading Act* has occurred.
10. In consideration for the giving and performance of the terms of this Undertaking, including the terms of the Agreement attached as schedule "A", the Director will not initiate any proceedings against the Supplier or against Canada Post under the *Fair Trading Act* for the events described in paragraph D of this Undertaking.

IN WITNESS WHEREOF the Supplier has on the 6th date of January, 2003, caused its common seal to be hereunto affixed and attested by the signatures up its proper officers duly authorized on its behalf.

Cybersurf Corp.

Per:



3web Corp.

Per:



ACCEPTED by the Director of Fair Trading this 6th date of ~~January~~ ^{FEBRUARY 20} 2003.



DIRECTOR OF FAIR TRADING

ROBERT PHILLIPS