

Ladera Communications Inc.

RECITALS

WHEREAS, Ladera Communications Inc., Communications, Inc. ("Company") is a marketing, distribution, and a facilities based VOIP provider in the telecommunications industry. WHEREAS, Company provides communications and information services to business users ("Clients"). WHEREAS, Independent Agent has applied to Company for the right to market and distribute the products and services provided through Company.

AGREEMENT

NOW THEREFORE, in consideration of the recitals, mutual covenants and warranties which appear below, and intending to be legally bound thereby, the parties hereby agree as follows:

1. APPOINTMENT OF independent PARTNER.

a) Company provides communications and information services to business users ('Clients'). For purposes of this Agreement, the term 'Clients' shall mean all businesses to which Independent Agent sells Company's communications and information services.

b) Company desires to retain Independent Agent as a non-exclusive representative to assist it in selling services offered by Company and Independent Agent desires to render such services to Company on the terms and conditions herein set forth.

2. Status as independent contractor.

a) It is hereby acknowledged that Independent Agent shall have no authority to bind Ladera Communications Inc., by contract or otherwise, or to make representations as to the policies or procedures of Ladera Communications Inc., except as specifically authorized by this Agreement. Ladera Communications Inc., the Independent Agent agree that their relationship arising from this Agreement does not constitute or create a general agency, joint venture, partnership, employee relationship or franchise between them. Neither the Independent Agent, nor any employee or agent of the Independent Agent is authorized to, and the Independent Agent agrees that neither it nor any of its employees or agents will, make any warranties or representations or assume or create any other obligations on behalf of Ladera Communications, Inc., except with the prior written consent of Ladera Communications Inc.

b) It is expressly understood and agreed that neither the Independent Agent nor any employee or agent of the Independent Agent who is compensated for services and is paid by the Independent Agent may in any way, directly or indirectly, expressly or by implication, be construed as an employee of Ladera Communications Inc., for any purpose, including, without limitation with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholding levied or fixed by any city, state, or federal governmental agency.

3. ORDERS and Acceptance.

a) As used in this Agreement the sale of services shall be deemed to occur only upon Company's acceptance in its reasonable business discretion of a fully completed and executed written service order, agreement, or letter of agency from a Client on Company's then current form(s). Company will use its best efforts to activate sold services as soon as reasonably practicable after Company's acceptance of the order from Independent Agent.

4. COMMISSIONS.

a) Company shall pay to Independent Agent commissions set forth in Attachment A of this agreement.

b) The commissions set forth in Attachment A are paid on Company's 'net revenues' (hereinafter defined) made by each Client purchasing eligible communications and/or information services from Company as a direct result of the efforts of Independent Agent, and continue for the term of this agreement so long as company continues to receive payment for such sales.

c) For the purposes of computing and determining the commission payable to Independent Agent, 'Net Revenues' shall mean all revenues actually received by Company from the sale of eligible communications and/or information services to a Client, less

(i) all applicable state and federal sales, use, or other taxes, surcharges and/or assessments.

(ii) all calls to directory assistance.

(iii) all fees associated with dedicated access service.

(iv) all other monthly recurring and non recurring product fees.

5. Payment of commission.

a) During the term hereof, Company shall, within forty-five (45) days after the last day of each calendar month for which payment has been received by Company, prepare and furnish to Independent Agent a true, accurate and complete statement setting forth all commissions payable to Independent Agent on all Client's procured by Independent Agent and/or their Sub-Agents.

b) Pay to Independent Agent the aggregate amount of all commissions due with respect to such Client's, calculated in accordance with Attachment A of this Agreement.

c) The Company may, at their discretion, cancel their relationship with any Client due to reasons of bad debt, fraud, or other causes. Company will work with Independent Agent in an attempt to remedy the problem. Commissions owed Independent Agent will not be paid on usage revenue deemed to be bad debt by Company.

d) Aside from errors brought to the attention of Company in writing within 12 months following receipt by Independent Agent of a commission report, Company records are deemed correct for purposes of calculating monthly usage and commissions.

e) Independent agent shall be charged back 100% of any paid commission and spiff where applicable if customers terminates services with Company or has its services disconnected by Company within 6 months following installation. Charge backs will be deducted from independent agent's monthly commission on a one time basis.

f) Any pre install payments that were applicable, if any, and paid to independent agent would be charged back to independent agent should customer cancel prior to installation of services. Charge backs will be deducted from independent agent's monthly commission on a one time basis.

6. Representations, Warranties and Covenants of independent Agent Independent Agent hereby represents, warrants and covenants to and with Company as follows:

Clients sold by Independent Agent shall be the sole property of Ladera Communications inc. Independent Agent is entitled to commissions as set out in Attachment A and shall have no further interest once this Agreement expires or is terminated with cause.

b) Independent Agent shall:

(i) cooperate with Company in obtaining credit and/or financial information regarding any prospective or existing Client.

(ii) assist in the timely and orderly processing of all service agreements which it shall transmit to Company.

c) Independent Agent shall review, sign, strictly observe, and act in compliance with the Agent Protocol attached hereto as Schedule I of this agreement.

d) Independent Agent shall bear all costs and expenses incurred in connection with its services hereunder including but not limited to all fees, fines, licenses, bonds, taxes, as well as all other costs associated with doing business as an Independent Contractor.

7. Representations, Warranties and Covenants of Company. Company hereby represents, warrants and covenants to and with Independent Agent as follows:

a) Company shall pay commissions to Independent Agent and furnish Independent Agent with the written statements reflecting the amount of such commissions in accordance with Paragraph 6(a) hereof.

b) Company shall accept or reject in its reasonable business discretion all service agreements and/or orders solicited or obtained by Independent Agent within the Territory. Under no circumstances shall Company be liable to Independent Agent or any Client or to any of their respective employees, for any liability imposed upon or damages suffered by Independent Agent or any Client or employee of the foregoing as a result of Company's failure or refusal to accept any service agreements and/or orders.

c) Company and Independent Agent acknowledge and agree that Independent Agent's relationship with Company is solely that of an Independent Contractor and nothing herein shall be construed to constitute Company and Independent Agent as partners, joint ventures, co-owners or otherwise as participants in a joint or common undertaking.

8. Termination and Renewal.

a) The initial term of this Agreement shall be one (1) year, and the Agreement shall be renewed thereafter automatically on a year-to-year basis ('Renewal Term'), unless sooner terminated as hereinafter provided, subject to and upon the terms and conditions herein specified. LADERA COMMUNICATIONS INC., may terminate this Agreement at any time during a Renewal Term upon giving the Representative thirty (30) days' prior written notice. In the event LADERA COMMUNICATIONS INC., terminates the Agreement for convenience, residual payments to Independent Agent will continue to be made on collected revenue for eligible Services sold by Independent Agent until such time as one of the following events occurs: (i) LADERA COMMUNICATIONS INC., discontinues providing Services to Customer (s); or (ii) Independent Agent fails to provide support and services to Customer (s), as evidenced by such Customer's complaint to LADERA COMMUNICATIONS INC. Notwithstanding anything contained herein to the contrary, in order for Independent Agent to continue receiving payments under this provision, LADERA COMMUNICATIONS INC., must continue to receive Collected Revenue from said accounts.

b) Notwithstanding the terms of subparagraph (a) above, Company shall reserve the right but not be obligated to terminate this Agreement upon the occurrence of any of the following:

c) If Independent Agent is an individual or sole proprietorship, the death of Independent Agent, unless Company in its sole discretion notifies Independent Agent's heirs that it wishes to keep this Agreement in effect.

d) If Independent Agent is a partnership or a corporation, the discontinuance, dissolution, liquidation and/or winding-up of its business.

e) The sale, merger or consolidation of Independent Agent (whether by way of sale of assets, stock or other combination) to or with another person or entity, unless Company in its sole discretion shall notify such successor entity of its election to keep this Agreement in effect.

f) The making by Independent Agent of any general assignment or arrangement for the benefit of creditors; the filing by or against Independent Agent of a petition to have it adjudged bankrupt or for a reorganization arrangement under any federal or state bankruptcy or insolvency laws, unless such petition shall be dismissed or discharged within sixty (60) days.

g) The breach by Independent Agent of any term or condition hereof shall result in termination of this Agreement with 'cause', if such breach shall not have been cured, rectified or terminated by Independent Agent to Company's reasonable satisfaction within thirty (30) days after notice thereof shall have been given to it.

h) The conviction of Independent Agent of a felony or a crime involving fraud against or theft from Company or any of Company's Clients shall result in termination of this Agreement with 'cause', including without limitation those Clients of Company, which are Clients of Company as a result of Independent Agent's efforts.

i) The notification by Independent Agent to Company at any time of Independent Agent's voluntary termination, which specifies the effective date of such termination, which shall not be less than thirty (30) days after giving such notice, whereupon Independent Agent's engagement shall terminate on that date specified in such notice.

9. Consequences of Termination.

Such termination shall not prejudice any obligation or claims which Company or Independent Agent may have against the other hereunder.

a) Within sixty (60) days following the termination of this Agreement Company shall pay to Independent Agent all accrued but unpaid commissions as of the date of the event causing termination of this Agreement. Such payments shall constitute full satisfaction of any claim or claims arising from or relating to Independent Agent's rights hereunder.

b) Upon termination of this Agreement, Independent Agent shall immediately discontinue the use, if any, of all trade names, trademarks, service marks or other materials owned by Company and used by Independent Agent in connection with the sale of Services.

10. Trade Secrets, Confidentiality and Non-Solicitation.

a) Independent Agent agrees that all lists of existing Clients, and prospective clients (the identities of which were supplied by Company), as well as all price information concerning Company services, and any Company communications shall continuously remain the sole and exclusive property of Company and constitute proprietary trade secrets of Company ('Proprietary Information').

b) Except to the extent necessary in connection with the performance of its duties hereunder Independent Agent shall not directly or indirectly disclose to any person or entity or otherwise utilize any Proprietary Information.

Independent Agent shall cause any such person or entity to which any such Proprietary Information is thus disclosed, (including, without limitation, any Sub-Agent), to execute Company's then current Non-Disclosure Agreement, if such person or entity shall not have executed another agreement (such as Company's Independent Agent Agreement) which contains a similar provision. During the term of this Agreement and following the termination of this Agreement, Independent Agent agrees that none of its partners, shareholders, or any other owners or interested parties of Independent Agent, will directly or indirectly, use for its benefit, or the benefit of any other person or entity, any proprietary information to solicit any person who is or has been a Client of Company during the 6 month period prior to such solicitation, or for a period of one year following the termination of this Agreement if such termination was as a result of or related to any Agent Breach. Independent Agent acknowledges and agrees that its breach of any term or provision of this Paragraph 10 would cause Company irreparable harm, which could not be adequately compensated by monetary damages. Accordingly, in the event of any such breach Independent Agent acknowledges that Company shall be entitled to equitable relief (including temporary restraining orders, preliminary and permanent injunction), in addition to any other legal remedies to which it may be entitled.

11. Miscellaneous.

a) The rights of Independent Agent hereunder are not transferable or assignable in whole or in part without the prior written consent of Company, and any such attempted transfer or assignment in violation of this subparagraph 12(a), (or paragraph 9 hereof) shall be invalid and of no legal force or effect, and shall terminate this Agreement. The rights and obligations of Company under this Agreement are delegable and assignable by it without the consent of Independent Agent.

b) This Agreement shall be governed by and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflict of laws, of the State of California.

c) The illegality or unenforceability of any term or provision of this Agreement, or any portion of any such term or provision, shall not affect the legality or enforceability of any other provision or portion of this Agreement.

d) This Agreement (and all Exhibits or attachments hereto) contains the entire agreement and understanding between the parties concerning the subject matter hereof and any representations or agreements oral or otherwise not embodied herein are superseded by the terms hereof and shall be of no force or effect.

e) This Agreement or any provision hereof may not be amended, supplemented or modified, and no provision hereof may be waived unless such amendment, supplement, modification or waiver is in writing and signed by all parties hereto.

This Agreement may be executed in two or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

g) If either party institutes any legal or other proceeding to enforce or interpret any term or provision hereof, the party prevailing in such proceeding shall be entitled to reimbursement of its reasonable attorneys' fees. This Agreement, and all provisions hereof, shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective permitted assigns, transferees, successors and legal representatives.