



Referring Partner: _____ #: _____

Street _____

City, State, Zip _____

Effective Date: ____/____/____

Exclusive Referral Partner Agreement

This Re-sale and Referral Partner Agreement ("Agreement"), by and between AVAD Technologies, LLC, a Nevada Limited Liability Company, with offices at 208 E. 51st, Suite 207, New York, NY 10021 ("AVAD Technologies, LLC") and Exclusive Referring Partner as specified above ("ERP") covers business transactions that the parties may enter into from time to time.

1. Grant of Authority: AVAD Technologies, LLC grants to the ERP non-exclusive right to refer customers to AVAD Technologies, LLC for the services, which are more specifically defined as Hosted PBX Voice Over Internet Protocol (VoIP) telephony services or any other products or services added thereto from time to time by AVAD Technologies, LLC and accepted by ERP and generally referred to for both parties as Service.

2. Duties of AVAD Technologies, LLC: AVAD Technologies, LLC will use reasonable commercial efforts to pursue all referrals provided, however, the final decision on accepting any prospective customer shall be solely that of AVAD Technologies, LLC. All purchases, sales or other transactions shall be completed in the name of AVAD Technologies, LLC and shall require prior approval and authorization. You will not be entitled to accept any orders or contract AVAD Technologies, LLC to complete the sale of any products or services without our express approval. All order and sales documentation shall be on such forms and pursuant to such procedures as AVAD Technologies, LLC may establish from time to time. AVAD Technologies, LLC shall be entitled to reject any orders or proposals as we see fit in our absolute discretion, and are not obligated to accept any orders or proposals presented to you or which you present to AVAD Technologies, LLC. You shall not make any product or service claims or offer any warranties, discounts or return policies which have not been approved by AVAD Technologies, LLC in writing, and you shall be fully responsible to AVAD Technologies, LLC and to our customers for any damages suffered as a result of any breach by you of your obligations under this provision.

3. Duties of ERP: The ERP shall pay all of its own expenses, including but not limited to, compensation of its sales personnel, travel, telephone, and all taxes, whether employee payroll or otherwise. While promoting services, the ERP shall only use promotional materials, reports, advertising, and/or sales literature approved in advance in writing by AVAD Technologies, LLC. The ERP will make no warranty or representation to prospective customers except as contained in such material and will indemnify AVAD Technologies, LLC for any damages sustained by AVAD Technologies, LLC arising from its breach of this agreement.

4. Program Management: The parties agree to assign one representative each as a Program Manager for this relationship, which may be replaced from time to time upon notice to the other party.

4.1 The Program Managers will meet from time to time as requested by either, but not less than quarterly. Such meetings may be via telephone.

4.2 The Program Managers will be responsible for creating the means by which mutual initiatives and revenue targets can be met during the first thirty (30) days of this Agreement and will be updated quarterly and submitted by the close of business of the last day of each fiscal quarter.

5. Referral Process: The ERP shall forward via return-receipt e-mail, or confirmed verbal referral via returned receipt e-mail, inclusive of date, contact name, corporate entity, and brief background on the referral scope for each referral it wishes to submit. Within five (5) business days of receipt, AVAD Technologies, LLC shall advise the ERP in writing (i) if the referred prospective customer is already subject to active solicitation by AVAD Technologies, LLC and/or (ii) whether or not AVAD Technologies, LLC intends to proceed with the referral. In the event that AVAD Technologies, LLC chooses not to proceed with a referral, the ERP shall retain the right to receipt of commission for said referred prospective client for a period of six (6) months from the date of refusal if services are delivered.

6. Compensation

6.1 AVAD Technologies, LLC agrees to pay the ERP a commission which has a minimum twelve (12) month term of Service of an accepted customer's contract, (including any extended longer periods of Service or renewals for a maximum length of 24 months), and for any additional Service or upgrades purchased during the term of the customer contract and for a period not to exceed said term (or 24 months, whichever occurs sooner) as sole, full, and complete compensation for said efforts under this Agreement with respect to each referral customer, commencing on or before the twentieth (20th) day following the first calendar month during which the Receiving Party has received payment at least equal to the commission due and monthly thereafter. Commission payments shall only be paid from actual customer receipts, which AVAD Technologies, LLC agrees to use commercially reasonable efforts to collect. The ERP may select the receipt of credits against its obligations to AVAD Technologies, LLC in lieu of payments.

6.2 ERP's initial commission shall be the commissionable component of the annual recurring revenue for each referral including additional Service and/or upgrades. The commissionable component is defined as that portion of a sale that is used as the basis from which commissions earned are calculated ("AVAD"). AVAD shall adhere to the standard pricing schedule for each product or Service or as stated in the executed customer agreement, but may be subject to change from time to time. Provided, however, any such change shall apply only to referrals received after the effective date of such change or described as prevailing or re-negotiated terms within the customer agreement.

6.3 The following schedule assumes a minimum 2 year contract -- deduct 1% if less and add 1% for each additional full year.

The ERP's CC monthly remuneration schedule is as follows:

- a. 10.00% commission, for the first 2,500 users
- b. 12.50% commission, for the next 2,501 to 7,500 users

c. 15.00% commission, for the range of 7,501 plus users

A user is defined as a VoIP phone circuit consisting of a unique phone number (DID), or extension, which the customer recognizes as billable.

6.4 AVAD shall be solely for Service which does not include, by way of example, but not limitation, set up fees, hardware and software sales, local loop fees, one time professional service design and creative fees, third party costs, taxes and surcharges and Service contracts for less than a one year term.

7. Early Referral Termination: ERP's commission entitlement is conditioned on the customer retaining Service for a minimum period of one year. If a referred customer terminates early or downgrades Service prior to payment to AVAD Technologies, LLC for reasons neither based on the ERP's material breach nor minimal Service Level Agreement rights, which is described in the customer contract, the ERP's commission entitlement shall be recalculated pro rata and reduced quarterly payment, if any, determined.

8. Term of Agreement: Unless terminated earlier by either party in accordance with the provisions hereof, this Agreement shall have a term of one (1) year commencing on the date set forth above. Thereafter, the term of this Agreement will be automatically renewed for successive one year periods unless either party provides written notice of its intent not to renew at least thirty (30) days prior to the expiration of the then current term. However, as long as there is no material breach of this agreement by the ERP, all existing customer agreements relating to the ERP's CC, payments and covenants shall survive, as well as all obligations under this agreement shall remain enforced.

9. Termination

9.1 Either party may terminate this Agreement at any time, without cause, by serving upon the other party a written notice of termination at least thirty (30) days in advance of the date of termination. No notice of termination shall relieve either party of any obligations arising or accruing prior to the date of termination.

9.2 AVAD Technologies, LLC may, from time to time; give ERP written notice of amendments to this Agreement. Any such amendment will require written consent by the ERP and become a part of this Agreement thirty (30) days from the date of the notice, unless otherwise specified in the notice. However, any existing customer agreements relating to ERP's CC will not be affected unless otherwise specified.

9.3 AVAD Technologies, LLC may terminate this Agreement for cause, i.e., a material breach by the ERP, by serving upon the ERP a written notice of termination effective upon receipt. In such event, however notwithstanding §9.1 above, AVAD Technologies, LLC obligation to pay commissions shall cease as of the date of breach.

9.4 Upon termination of this Agreement by either party, other than termination by AVAD Technologies, LLC for cause, as to referrals received by AVAD Technologies, LLC before the date of termination and Service commenced on or before the one hundred and eightieth (180th) day following termination, the provisions of §6 and §7 shall remain in full force and effect and shall survive the termination of this Agreement.

9.5 In the event that the AVAD Technologies, LLC terminates this Agreement for cause or the ERP violates §10 at any time after termination but prior to the completion of the payment provisions of §6 or §7, all rights, title and interest the ERP might otherwise have had to any further payment shall forthwith cease as of the date of any such

breach and AVAD Technologies, LLC shall have no further liability to the ERP of whatsoever nature.

10. Exclusivity

10.1 During the term of this agreement, ERP will not, without the prior written consent of AVAD Technologies, LLC, directly or indirectly as principal, agent, shareholder, partner, employee, consultant or in any other capacity engage in or be interested in any other VoIP business or activity which:

- a) is or may be in competition with AVAD Technologies, LLC VoIP business in the territory set out or any other place where AVAD Technologies, LLC is carrying on or is planning to carry on VoIP business;
- b) sells VOIP or offer to sell VoIP products or services which compete or may compete with AVAD Technologies, LLC products and services defined above in the territory or any other place where AVAD Technologies, LLC is carrying on or is planning to carry on VoIP business; or
- c) refers AVAD Technologies, LLC customers or potential customers to any other person for or with respect to any opportunity to VoIP provide products or services similar or in competition with the AVAD Technologies, LLC products or services, anywhere in the territory or in any other place where the AVAD Technologies, LLC is carrying on or is planning to carry on VoIP business, even if it is certain that AVAD Technologies, LLC will not be getting the business in question for any reason.

10.2 Breach of any part of this section shall be grounds for immediate termination by AVAD Technologies, LLC for default, in addition to any other remedy available to AVAD Technologies, LLC including legal proceedings for injunctive relief, specific performance or damages.

10.3 If you request AVAD Technologies, LLC consent under this section but AVAD Technologies, LLC refuses to provide such consent; your only remedy will be to terminate this agreement for convenience as set out above.

11. Covenant of Non-Interference: During the term of this Agreement, upon termination of this Agreement by either party or upon expiration of this Agreement by its own terms, and for one year thereafter the ERP shall not directly or indirectly attempt to interfere with AVAD Technologies, LLC business relationships and with any of AVAD Technologies, LLC customers, so long as AVAD Technologies, LLC has not breached this Agreement.

12. Relationship Of Parties: It is expressly understood and agreed that each party (i) is an independent contractor; (ii) is neither a franchisee, agent nor partner; (iii) shall not represent itself as having any power to bind the other party; (iv) shall not hold itself out as an employee of the other party for any purpose; and (v) shall not assume or create any obligation whatsoever, express or implied, on behalf of the other party.

13. Proprietary Information: AVAD Technologies, LLC and ERP shall each exercise due diligence to maintain in confidence and not disclose to any third party any proprietary information furnished by the other to it on a confidential basis and identified as such when furnished. Except in accordance with this Agreement, neither party shall use such information without permission of the party that furnished it. As used in this paragraph, "due diligence" means the same precaution and standard of care, which that party uses to safeguard its own proprietary data, but in no event less than reasonable care.

The provisions of this Section shall survive for five (5) years beyond the expiration, non-renewal or termination of this Agreement.

15. Limitations Of Liability: NEITHER PARTY SHALL HAVE ANY LIABILITY FOR INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES SUFFERED OR INCURRED, INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR REVENUES, ARISING OUT OF THIS AGREEMENT.

16. Miscellaneous

16.1 Modifications: Any modification, alterations, amendments, or other changes made hereto shall not be valid and binding unless it is in writing and signed by authorized representatives of both parties.

16.2 Severability: If any provision of this Agreement is held to be void, invalid, or inoperative, the remaining provisions shall not be affected and shall continue in full force and effect and the invalid provision shall be deemed modified to the least degree necessary to remedy such invalidity.

16.3 No Waiver: Failure to insist upon or enforce any provision of this Agreement shall not be construed as a waiver of any provision or right.

16.4 Marketing: AVAD Technologies, LLC agrees that the ERP may refer to and may briefly describe AVAD Technologies, LLC business in its marketing materials and on its website. Each party hereby grants the other party a limited license to use any trade names and trademarks only for this purpose. Any co-marketing, using the either party's name, logos and/or trademarks, must be agreed to in advance and in writing by said party.

16.5 ERP acknowledges the following: AVAD Technologies, LLC owns all rights, title and interest in AVAD Technologies, LLC and AVAD Technologies, LLC names and logotypes. AVAD Technologies, LLC is the owner of certain other trademarks and trade names used in connection with certain product lines and software. ERP will acquire no interest in any such trademarks or trade names by virtue of this Agreement, its activities under it, or any relationship with AVAD Technologies, LLC.

16.6 During the term of this Agreement, ERP may indicate to the trade and to the public that it is an Authorized Reseller of the AVAD Technologies, LLC VoIP services. With AVAD Technologies, LLC prior written approval, ERP may also use the AVAD Technologies, LLC trademarks and trade names to promote and solicit sales or licensing of AVAD Technologies, LLC services, if done so in strict accordance with AVAD Technologies, LLC guidelines. ERP will not adopt or use such trademarks or trade names, or any confusingly word or symbol, as part of its company name or allow such marks or names to be used by others.

16.7 At the expiration or termination of this Agreement, ERP shall immediately discontinue any use of AVAD Technologies, LLC names or trademarks or any other combination of words, designs, trademarks or trade names that would indicate that it is or was a ERP of AVAD Technologies, LLC services.

16.8 Governing Law: This Agreement shall be governed and construed in accordance with the laws of the State of Florida applicable to contracts to be fully performed therein. The parties irrevocably submit and consent to the jurisdiction and venue of any State or Federal court within the County of Duval, FL. In any litigated matter involving this Agreement, the parties waive any right they may have to a trial by jury.

16.9 Notices: All notices to be given shall be in writing, effective upon receipt and shall be deemed sufficiently given when sent by certified mail or registered mail or overnight carrier, return receipt requested, postage prepaid, or facsimile transmission, or in person, addressed to the other party as set forth herein above or as changed from time to time in accordance with this provision.

17. General

17.1 Publicity. Neither party, nor any third party on one party's behalf, shall publish, distribute or otherwise disseminate any press release, advertising or publicity matter having any reference to the other party's products or services or this Agreement, unless and until such matter shall have first been submitted to and approved in writing by the other party, such approval not to be unreasonably withheld or delayed. Where approved by the other party, the parties shall mutually agree on the form, content and timing of any press releases or other publicity.

17.2 Dispute Resolution. The parties shall make good faith efforts to resolve any dispute arising under this Agreement within sixty (60) days and shall refrain during that time (except for requests for injunctive relief) from initiating any litigation or other proceeding relating to such dispute. In any litigation arising under this Agreement, the parties hereby irrevocably waive any right to a jury trial and consent to a court trial.

17.3 Assignment. Neither party may assign this Agreement, in whole or in part, whether by operation of law or otherwise, without the prior written consent of the other party (not to be unreasonably withheld), except in connection with a merger, reorganization or sale of all or substantially all assets or equity interests.

18. Entire Agreement: This Agreement, including any Exhibits and other documents expressly incorporated herein, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supercedes all prior and/or contemporaneous agreements of the parties in connection herewith. ERP acknowledges that it has not been induced to enter into this Agreement by any representation or promise not specifically expressed in this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement by their duly authorized representatives as of the date first above written.

Business Name: _____

Authorized Signature: _____

Printed Name & Title: _____

Federal Tax ID: _____

Date: _____

AVAD Technologies, LLC

Authorized Signature: _____

Printed Name & Title: _____

Date: _____

PROTECTION OF BUSINESS OPPORTUNITY

Confidentiality: ERP agrees that we will not, either during the term of our engagement by AVAD Technologies, LLC or at any time thereafter, disclose any of AVAD Technologies, LLC trade secrets or confidential business information nor use same for any competitive or other purpose, other than the legitimate purposes of AVAD Technologies, LLC. Upon termination of our engagement for any reason, any of AVAD Technologies, LLC confidential business information or documentation in my possession, whether in written, photographic, computerized or any other medium whatsoever, will be immediately returned to AVAD Technologies, LLC without further demand.

Non-Solicitation/Non-Interference/Non-Competition During Engagement: ERP agrees that during the term of our engagement we will not directly or indirectly do or attempt to do any of the following:

- (a) solicit or accept business from any customer of AVAD Technologies, LLC with respect to any products or services competitive with those of AVAD Technologies, LLC, except when doing so on behalf of AVAD Technologies, LLC, including but not limited to pre-existing customers we brought to AVAD Technologies, LLC; or
- (b) refer any customers of AVAD Technologies, LLC to any competitors of AVAD Technologies, LLC, including but not limited to pre-existing customers we brought to AVAD Technologies, LLC; or
- (c) solicit or enter into any commercial relationship with any customer or supplier of AVAD Technologies, LLC which results in any impairment or cancellation of AVAD Technologies, LLC business dealings with that customer or supplier; or
- (d) induce or cause or attempt to solicit, induce or cause any of the present or future employees, representatives, contractors, suppliers or customers of AVAD Technologies, LLC to terminate her/ his or their engagement or relationship with AVAD Technologies, LLC, including referring employees of AVAD Technologies, LLC to Company competitors or to head hunters or engagement agencies; or
- (e) directly or indirectly offer any products or services competitive to those offered by AVAD Technologies, LLC for sale in any way.

Non-Solicitation/Non-Interference Following Termination: ERP agrees that after termination of their engagement for any reason or cause (including termination by AVAD Technologies, LLC without just cause), and for the longer of:

- (a) at least 12 months following the termination of the ERP engagement, or
- (b) as long as AVAD Technologies, LLC is paying in accordance with commissions schedules,
- (c) whichever is longer, I will not directly or indirectly do or attempt to do any of the following:
- (d) solicit or accept business from any customer of AVAD Technologies, LLC with respect to any products or services competitive with those of AVAD Technologies, LLC, except when doing so on behalf of AVAD Technologies, LLC, including but not limited to pre-existing customers I brought to AVAD Technologies, LLC; or

- (e) refer any customers of AVAD Technologies, LLC to any competitors of AVAD Technologies, LLC, including but not limited to pre-existing customers we brought to AVAD Technologies, LLC; or
- (f) solicit or enter into any commercial relationship with any customer or supplier of AVAD Technologies, LLC which results in any impairment or cancellation of AVAD Technologies, LLC business dealings with that customer or supplier; or
- (g) induce or cause or attempt to solicit, induce or cause any of the present or future employees, representatives, contractors, suppliers or customers of AVAD Technologies, LLC to terminate her, his or their engagement or relationship with AVAD Technologies, LLC, including referring employees of AVAD Technologies, LLC to Company competitors or to head hunters or engagement agencies.

Remedies On Breach Of Covenant: The ERP agrees: (a) that any breach of these covenants shall be considered immediate grounds for termination for default, (b) ERP shall be personally liable for all damages or losses caused to AVAD Technologies, LLC as a result of any such breach, including loss of profits and other economic losses and costs and interest, (c) AVAD Technologies, LLC shall be entitled to restrain any ongoing breaches of these obligations by way of an injunction obtained at my expense, and (d) AVAD Technologies, LLC may notify any new employer or contractor of the existence of this Agreement and may provide them with a copy for their records and information.

Severability: If any clause or term of this schedule is held to be invalid or unenforceable by any court of competent jurisdiction, the offending clause or term shall be severed from this Agreement and replaced by a clause or term of a similar nature that is not offensive to the court in question (if possible), and in any event the balance of this schedule shall remain in full force and effect and unaffected thereby.

AVAD Technologies, LLC Pricing Schedule
As of January 1, 2006*

0 to 2500 Users

<u>Line/Service</u>	<u>Service Price</u>	<u>Rate</u>	<u>Commission</u>
Premium Services w/Direct Dial Line	\$60.00/Month	10%	\$5.00/Month
Advanced Services w/Direct Dial Line	\$50.00/Month	10%	\$5.00/Month
Advanced Services Extension Line	\$40.00/Month	10%	\$4.00/Month
Auto-Attendant	\$60.00/Month	10%	\$6.00/Month
Hunt Group	\$40.00/Month	10%	\$4.00/Month
Receptionist Console	\$140.00/Month	10%	\$14.00/Month
Fax Modem Lines	\$30.00/Month	10%	\$3.00/Month

*Subject to change at the sole discretion of AVAD Technologies, LLC.
AVAD Technologies, LLC does not pay commissions for hardware purchases.