

ZONE Telecom, Inc. Agent Agreement

This Agent Agreement (“Agreement”) is made on _____, 2006 (the “Effective Date”) and outlines the terms and obligations governing the relationship between ZONE Telecom, Inc. (“ZONE”) and _____ (the Agent or “Agent” herein). By mutually executing this Agreement, ZONE, and Agent, agree to abide by all the terms and conditions set forth herein.

Zone Telecom, Inc.

Agent

By: _____

By: _____

Name:

Name:

Title:

Title:

Date:

Date:

This Agreement and all subsequent notices, demands, requests and other communications between the parties to this Agreement (“Parties” and each, a “Party”) in relation to any provision of this Agreement shall be given in writing and shall be effective when either served by hand delivery, express overnight courier service, or by registered or certified mail, return receipt requested, addressed to the Parties at their respective addresses set forth below, or to such other address or addresses as either Party may later specify by written notice to the other.

ZONE Telecom, Inc.
3 Executive Campus, Suite 520
Cherry Hill, New Jersey 08002
Attention: CFO

Agent Name:	_____
Address:	_____
City, State & ZIP:	_____
Contact:	_____
Telephone:	_____
E-mail:	_____

WITNESSETH

- A. ZONE is a common carrier that is in the business of providing telecommunications products and services; and,
- B. ZONE desires to expand its base of customers for its products and services as currently listed in Attachment A (collectively, "ZONE Services"), and the Agent desires to assist ZONE in its efforts to expand its customer base.

The parties agree as follows:

1. APPOINTMENT

- 1.1 ZONE hereby, subject to the terms and conditions contained herein, appoints the Agent as a non-exclusive remarketer of the ZONE Services to those customers located in the territory, being the continental United States (the "Territory" herein).
- 1.2 ZONE and Agent acknowledge that the ZONE Services are controlled by and subject to all tariffs applicable to the ZONE Services and the terms and conditions as ZONE sets and establishes from time to time.
- 1.3 The ZONE Services, including products, services, pricing, and terms and conditions may be revised, deleted or otherwise changed, in whole or in part, by ZONE at any time. Any addition of products or services shall require the written approval of both parties. The ZONE Services vary from state to state.

2. AGENT'S RESPONSIBILITIES

- 2.1 Agent will use commercially reasonable efforts in marketing and promoting the ZONE Services with all due care and diligence, and soliciting only those prospective customers ("Customers") located in the Territory to subscribe for the ZONE Services. Commercially reasonable efforts shall include, without limitation: (i) obtaining commitments and orders for the ZONE Services from Customers; (ii) obtaining signed letters of agency, ZONE service agreements and order forms, credit applications and/or other documentation from Customers as may be necessary to switch ownership of or establish accounts with ZONE (iii) educating those Customers as to the benefits and advantages of using the ZONE Services, and (iv) providing such other and additional services and assistance as ZONE reasonably requires for the purpose of performance of its obligations hereunder.
- 2.2 Agent is not permitted to change or otherwise revise any terms or conditions related to the ZONE Services, including, but not limited to offered products, services or prices. Agent agrees not to make or permit its employees, agents or contractors (collectively "Personnel") to make any representations or warranties related to the ZONE Services which are inconsistent with or contrary to, or that exceed those representations or warranties made or otherwise authorized in writing by ZONE.
- 2.3 The subscription process for the Customers shall be conducted in accordance with ZONE's primary inter-exchange carrier change ("PICC") authorization instructions as updated by ZONE from time to time.
- 2.4 Agent agrees to conduct its business in a professional and lawful manner, and will ensure that its employees and agents professionally and lawfully perform the marketing and solicitation activities hereunder. Specifically, and without limitation, Agent is not permitted to and will ensure that its Personnel do not conduct any "slamming" activities, as such term is commonly understood in the telecommunications industry.
- 2.5 Agent shall at all times be responsible for verifying with ZONE the availability and/or pricing structure of all ZONE Services in all applicable jurisdictions before offering them for sale in a particular jurisdiction.
- 2.6 Agent shall use commercially reasonable efforts to assist ZONE (i) in the collection of past due invoices payable by Agent-Sold Customers (as defined herein); and (ii) in ensuring effective registration and provisioning of Agent-Sold Customers.
- 2.7 For the entire term of this Agreement, both parties will use commercially reasonable efforts to assist each other in developing reporting mechanisms to measure performance under the Agreement.

3. CONSIDERATION

- 3.1 ZONE shall pay Agent, as a commission, (the "Commission") a percentage of ZONE's monthly usage revenues from Customers sold as the direct result of Agent's efforts in accordance with Section 2 (such customers defined herein as "Agent-Sold Customers") at the commission rates stated on Attachment B. For the purposes of this Agreement, revenue for services shall include only per minute usage charges and shall not include taxes, PICC charges, other fixed monthly recurring charges, USF charges, charges related to local loops, or installation charges and shall be net of credits. Revenue for data services shall not include charges related to local loops, installation, taxes or USF charges. Any amounts due to Agent will be paid within 30 days after the end of the calendar month in which they are earned. ZONE will provide to Agent a detailed statement supporting such payments ("ZONE Statement") as soon as practicable after the end of each month during the term of this Agreement. Commission rates stated on Attachment B may change from time to time as market conditions warrant and any such changes will be communicated by ZONE to Agent in writing upon occurrence. However, the rate of Commission payable to Agent on usage by any Agent-Sold Customer shall remain constant for as long as that Agent-Sold Customer continues to receive ZONE Services at the originally contracted price. Should that Agent-Sold Customer opt to switch to a different price plan offered by ZONE, Agent will thereafter be compensated on that Agent-Sold Customer's usage at the rate of Commission applicable to the newly selected price plan.
- 3.2 Agent acknowledges and agrees that the payments described in paragraph 3.1 above are payable only with respect to revenues actually received by ZONE from Agent-Sold Customers. Agent agrees that, with respect to any Agent-Sold Customer who fails to pay any ZONE invoice when due and such unpaid amount is deemed by ZONE in its sole discretion to be uncollectable or remains outstanding for ninety (90) or more days from date of original invoice or requires the participation of a 3rd party collection agency to collect (an "Uncollected Invoice"), (i) ZONE shall be entitled in its sole discretion to withhold from or offset against Agent's future commissions payable with respect to any invoiced charges

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Initial _____

Initial _____

an amount equal to the Commission paid on any Uncollected Invoice, or (ii) Agent shall at ZONE's request refund to ZONE those Commissions that were paid to Agent with respect to any Uncollected Invoice.

3.3 ZONE shall have the right to set off against any payment due to Agent and withhold therefrom the amount of any debt, obligation, payment or liability (including without limitation any liabilities, claims, demands, costs, judgments and causes of action against which Agent is liable to indemnify ZONE pursuant to Section 10.1) that, in the opinion of ZONE, may be due or owing by Agent to ZONE and such withholding and setting off shall not create any cause of action against ZONE.

4 ZONE'S RESPONSIBILITIES

4.1 ZONE will provision the Agent-Sold Customers to receive the ZONE Services in accordance with ZONE's customary procedures. ZONE reserves the right to accept or reject new customers at its sole discretion.

4.2 ZONE may from time to time develop and provide Agent with service, promotional and other training, and product and technical information for the ZONE Services.

4.3 ZONE will provide Agent with an identification code ("Referral Code") to track Agent-Sold Customers.

5 PROPRIETARY RIGHTS

5.1 The parties may, jointly or individually, develop marketing and promotional materials using each other's names, logos, trademarks, trade names and service marks ("Marks") in such manner as the parties agree in writing. Prior to such use each party must submit samples of such materials to the other for written approval.

5.2 Agent and ZONE agree not to use each other's Marks in any manner except as authorized by the other party.

5.3 Each party retains the exclusive rights and title in and to all Marks originally held by such respective party. Upon termination of this agreement, each Party shall cease using the other Party's Marks immediately.

5.4 ZONE and certain third party proprietary owners, respectively, retain the exclusive rights in and to the patents, copyrights, trade secrets and all other proprietary rights related to the business model, technology, idea and concepts related to the offered ZONE Services, and to all websites owned by ZONE, including but not limited to, the website located at www.ZoneTelecom.com (the "Website") together with any development, customizations, improvements or modifications of any of the foregoing by the Agent or its Personnel in the course of the performance of its obligations hereunder. All information, records and data provided by any person to ZONE for the purpose of or in connection with gaining access to ZONE Services (whether through Agent or the Website or otherwise) and all records and documents derived therefrom and in relation thereto shall be the sole property of ZONE

6 NON-COMPETE/NON-SOLICITATION

6.1 Agent hereby agrees that any customers who are receiving services from ZONE are the customers and assets of ZONE. Agent covenants and represents to ZONE that neither Agent nor any of its employees shall attempt to cause any customer of ZONE to cease using ZONE services, provided that, and for as long as, Agent continues to be compensated in accordance with Attachment B.

7 TERM AND TERMINATION

7.1 The term of this Agreement shall commence on the Effective Date and shall continue until the earlier of (i) either party gives the other party no less than sixty (60) days prior written notice of termination, without cause, (ii) discontinuation of all of the ZONE Services in the Territory, (iii) two (2) years from the Effective Date of this Agreement, (iv) either party is or becomes incapacitated, bankrupt, insolvent, guilty of a felony or crime of similar gravity or of dishonesty.

7.2 Either party can immediately terminate this Agreement with written notice if the other party defaults in performing any material obligation hereunder and such default is not cured within fifteen (15) days after issuance of written notice of default.

7.3 Upon any termination of this Agreement, all rights of Agent shall cease, but such termination shall not prejudice any obligation or claim which ZONE or Agent may have against each other. Furthermore, upon any termination, Agent shall immediately discontinue the use, if any, of all of Marks, copyrights, or other form of intellectual property rights owned by ZONE or materials bearing or containing any of the foregoing, and shall promptly return to ZONE (i) all property or materials provided to Agent by ZONE; (ii) all files, lists, and other writings containing information regarding existing ZONE customers; (iii) all files, lists, and other writings containing information regarding prospective customers, the identities of which were supplied by Zone to Agent; and (iv) all copies of the foregoing.

7.4 Unless this agreement is terminated by ZONE pursuant to Section 7.1 (iv) or Section 7.2, compensation as outlined in Attachment B to this Agreement shall continue to be paid to the Agent for as long as its Agent-Sold Customers remain active customers of ZONE.

7.5 Upon any termination of this Agreement, Sections 6, 7.4, 8, 9, 10, 11 and 12 shall be deemed to survive and remain in full force and effect after termination.

8. CONFIDENTIAL INFORMATION

8.1 Each party agrees and acknowledges that the terms and conditions of this Agreement and information and materials provided by one party ("Disclosing Party"), whether oral or written, to the other ("Receiving Party") pursuant to this Agreement shall be kept confidential ("Confidential Information"), including but not limited to, customer lists, price sheets, price quotes, information regarding ZONE's facilities, information relating to ZONE customers or prospective Customers. Marketing and business plans and projections, are disclosed in confidence, solely for use by the Receiving Party to carry out the terms and conditions of this Agreement. Notwithstanding the foregoing, all information

developed and provided by Agent or ZONE related to the Customers or Agent-Sold Customers is agreed to become, without any action, and will be the proprietary information and Confidential Information of ZONE.

8.2 During the term of this agreement and for three (3) years thereafter, each party shall use reasonable efforts to keep and will keep all such Confidential Information strictly confidential, and shall not release or disclose any of it to any other party at any time except in order to enforce either party's rights or obligations hereunder. Furthermore, the Confidential Information shall not be used by the Receiving Party except for the intended purposes of this Agreement. The confidentiality obligations stated in this Section 8 shall not apply to information that (i) is or becomes publicly known through no wrongful act of the Receiving Party; or (ii) was or becomes rightfully known to the Receiving Party without confidential or proprietary restriction from a source other than the Disclosing Party; or (iii) is approved by the Disclosing Party for disclosure without restriction in a written document that is signed by a duly authorized officer of the Disclosing Party; or (iv) is independently developed by the Receiving Party without use of the Confidential Information; or (v) is required to be disclosed under operation of law, by court order, or government regulations.

9 LIMITED WARRANTIES; DISCLAIMER OF WARRANTY

9.1 ZONE represents and warrants that it has the right to offer the ZONE Services.

9.2 **EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, ZONE MAKES NO WARRANTIES WITH RESPECT TO THE ZONE SERVICES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

10. LIMITATION OF LIABILITY

10.1 **EXCEPT FOR BREACH OF SECTION 6, SECTION 8, OR SECTION 13.9, IN NO EVENT SHALL EITHER PARTY HERETO BE LIABLE FOR LOSS OF PROFITS, LOSS OF BUSINESS, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY BREACH OF THIS AGREEMENT, OR OBLIGATIONS UNDER THIS AGREEMENT, OR BASED ON ANY OTHER CLAIM OR BASIS, ALLEGED AT ANY TIME TO HAVE BEEN SUSTAINED BY ZONE OR AGENT OR ANY CUSTOMER(S).**

10.2 ZONE's maximum liability for direct damages shall not exceed all amounts received by ZONE from Agent-Sold Customers for the three (3) month period immediately preceding an actionable claim which in any way arises out of or results from the performance or non-performance of services and/or the other obligations and warranties of ZONE under this Agreement or otherwise. Payment of commission pursuant to Section 3 of this Agreement shall not be subject to this limitation.

11. MUTUAL INDEMNIFICATION

11.1 Agent shall indemnify ZONE against, and hold ZONE harmless from, all liabilities, claims, demands, costs and judgments (including reasonable attorneys' fees) and causes of action arising out of or in connection with this Agreement caused by: (i) any breach by Agent of any of its obligations under this Agreement, or (ii) the negligence or willful misconduct of Marketer.

11.2 Subject to the exclusions and limitations provided in Sections 9 and 10, ZONE shall indemnify Agent against, and hold Agent harmless from, all liabilities, claims, demands, costs and judgments (including reasonable attorneys' fees) and causes of action arising out of or resulting from: (i) any breach by ZONE of any of its obligations under this Agreement, or (ii) the negligence or willful misconduct of ZONE. The aforementioned notwithstanding, Agent acknowledges that ZONE shall have no liability to Agent in the event ZONE is unable to provide ZONE Services for any reason whatsoever.

11.3 The indemnitee shall be obligated to give the indemnitor prompt notice of any indemnification event, and permit the indemnitor the opportunity to defend and settle such potential or actual claim or demand.

12. DISPUTE RESOLUTION

12.1 Any and all disputes related to or arising from this Agreement shall be determined by binding arbitration by one (1) arbitrator in accordance with the rules of the American Arbitration Association, in Camden County, New Jersey. The parties agree that the arbitrator will not have the authority to make any award providing for exemplary or punitive damages. The arbitrator's decision shall be final, unappealable and binding, and may be enforced in any court of competent jurisdiction.

13. GENERAL PROVISIONS

13.1 This Agreement together with, all Attachments to this Agreement, embody the entire agreement and understanding between the parties and supersede all prior oral and written, and contemporaneous oral agreements and understandings relating to the subject matter hereof. No representation, promise, inducement or statement or intention has been made by either party, which, is not embodied herein.

13.2 This Agreement shall be deemed to have been executed and delivered in the State of New Jersey and it shall be governed by and construed in accordance with the laws of the State of New Jersey, excluding conflict of laws principles.

13.3 Neither this Agreement in its entirety nor any provision herein shall be construed against either party as the drafter or originator thereof.

13.4 In the event that any term or provision of this Agreement shall be deemed or rendered void or unenforceable, the remainder of this Agreement shall remain in full force and effect and such term or provision shall be deemed stricken.

13.5 Neither party shall be liable for delays in performing, or failure to perform this Agreement or any obligations hereunder, which are directly attributable to causes beyond the reasonable control of the party so delayed or failing to perform, including, but not limited to, acts of God, fires, strikes, war, failure of a common carrier, equipment or suppliers or acts or intervention by any governmental authority. However, the party whose performance is so delayed shall use good faith efforts to minimize the effects of such delay.

13.6 Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Any such assignment shall inure to the benefit of and be binding upon the assignee. The aforementioned notwithstanding, ZONE may assign this Agreement in connection with the sale of all or substantially all of its assets, or in connection with a merger or consolidation into or with another company provided that any such assignment shall inure to the benefit of and be binding upon the assignee.

13.7 No failure or delay by any party in exercising any right hereof shall operate as a waiver. This Agreement may not be amended or modified except in writing, signed by both parties. In the event of any conflict or inconsistency between the terms of any Attachment and those of this Agreement, the terms of the Attachment shall govern.

13.8 Agent shall be an independent contractor of ZONE and shall conduct its business at its own initiative, responsibility and expense. No employee of either party shall be deemed to be in the employ of the other and neither party has any right or authority to act on behalf of the other beyond that expressly granted herein. No provision of this Agreement shall be construed to create a joint venture or partnership between ZONE and Agent. Agent shall not have any authority to make any commitments or sign any contracts on behalf of ZONE. Agent is specifically prohibited from representing ZONE, its officers, agents, servants and employees as employees of any other firm or organization, including, but not limited to, any telecommunications company that is offering services pursuant to the ZONE Services, and from using any logo or other identification of any such telecommunications firm.

13.9 Agent shall comply with all applicable law and regulation with respect to its activities hereunder, including, without limitation: (i) the rules and regulations of the Federal Communications Commission, the Communications Act of 1934, as amended, and the Telecommunications Act of 1996, as amended, (ii) all applicable state rules and regulations including state public service departments or agencies, other commissions, and Attorneys General offices, and (iii) all applicable rules, regulations and Commission requirements and orders relating to slamming and other prohibited sales tactics.

13.10 For the purposes of this Agreement, any act or omission or failure to act on the part of any of the Agent's Personnel shall be deemed to be an act or omission or failure to act on the part of the Agent.

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Attachment A

ZONE Services

ZONE Services:

1. Intrastate, interstate, and international switched outbound long distance
2. Intrastate, interstate, and international dedicated outbound long distance
3. Intrastate and interstate switched inbound (toll free)
4. Intrastate and interstate dedicated inbound (toll free)
5. Calling Card Services
6. Dedicated Internet Access
7. Frame Relay, MPLS and any other Data Service
8. Point-To-Point Private Line
9. VoIP Services

Attachment B
Pricing and Commission Rates

Commissions shall be payable at the rates established by Zone from time-to-time depending on the particular ZONE Services ordered by the Customer and the underlying carrier selected. Should the Customer amend its order for Zone Services to utilize a different offered service rate or carrier, the Commission payable shall be adjusted accordingly based on the Zone Price Book in effect at the time of such amendment by the Customer.

Such commission rates as set out in the current Zone Price Book will be communicated to Agent at the commencement of this Agreement and updated from time to time by ZONE. At commencement of this Agreement, the Zone Price Book dated 2005 contains details of pricing and commissions payable to Agent*.

*ZONE reserves the right to change pricing at any time.