



CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT ("Agreement") is entered into on the date of the last signature below (the "Effective Date") by and between INTELLETRACE INC., a California corporation (hereinafter referred to as the "Company"), and the Consultant designated below.

RECITALS

A. Company is a California corporation engaged in the business of providing marketing and other services in the telecommunications, software, customer premise equipment and professional services markets.

B. Consultant is an individual who can provide sales and marketing services to Company as an experienced advisor with specific skills that the Company requires on an intermittent basis.

C. Company and Consultant desire to contract for such services upon the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein, the parties agree as follows:

1. RETENTION OF INDEPENDENT CONSULTANT.

Company contracts with Consultant, and Consultant contracts with Company, for Consultant to provide Company with the services specified in Exhibit "A" on a non-exclusive basis, attached hereto and incorporated by reference, on the terms and conditions set forth herein.

2. TERM OF AGREEMENT.

The services specified in Exhibit "A" shall commence on the Agreement effective date and continue for twelve months, unless terminated earlier as provided for herein.

3. COMPENSATION OF INDEPENDENT CONSULTANT.

3.1 Consultant shall receive compensation as set forth in Exhibit A, attached hereto.

3.2 So long as Company receives payment from the end user by the last day of the month, Consultant will be paid the second week of the following month.

3.3 Compensation will be paid throughout the life of the circuit up to the disconnection date of the circuit or service. However, should Consultant not sell any new Services of Company for a period of 12 months since the last sale, then compensation will discontinue at the end of the term agreement of each circuit or service.

4. REPRESENTATIONS AND OBLIGATIONS OF CONSULTANT.

4.1 Consultant hereby represents and warrants to Company that Consultant provides the services as a separate business activity of Consultant. Consultant shall maintain and pay for workers' compensation insurance for Consultant, if required by law; and shall, if requested, provide to Company evidence of such coverage, if any. Consultant shall timely file all federal and state information and taxation returns required of Consultant, and shall pay all taxes pursuant to said returns.

4.2 Consultant shall provide the services specified in Exhibit "A" to the standards of skill levels current for such services.

4.3 Consultant shall not be subject to the administrative authority of Company.

4.4 Consultant shall provide independent expertise and shall exercise independent judgment as to the services provided hereunder. Company shall not supervise either the means or the manner of Consultant's performance of services; but Company shall evaluate the results thereof.

4.5 Company shall not provide Consultant with facilities, equipment, or support services, all of which shall be provided by Consultant at Consultant's separate offices.

5. CONFLICTS OF INTEREST/CONFIDENTIALITY/TRADEMARKS.

5.1 Consultant agrees not to use Company's Confidential Information for any purpose except perform services for Company in accordance with this Agreement. Consultant agrees not to disclose any Confidential Information to any third parties other than as may be necessary to perform the services as stated in this Agreement. Consultant shall not reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody Company's Confidential Information and which may be provided to Consultant hereunder.

5.2 During and after the term of this Agreement, Consultant agrees that he/she shall take all reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information other than as set forth herein. Without limiting the foregoing, Consultant shall take at least those measures that Consultant takes to protect his/her own most highly confidential information. Consultant shall not make any copies of Confidential Information unless the same are previously approved in writing by Company. Consultant shall reproduce Company's proprietary rights notices on any such approved copies, in the same manner in which such notices were set forth in or on the original. Consultant shall immediately notify Company in the event of any unauthorized use or disclosure of the Confidential Information.

5.3 Consultant understands and agrees that various foreign and domestic laws, including copyright and trademark laws, protect all Company Offerings and Company's sales materials. This includes the text, images, icons, graphics, and various other materials. Company and/or the Suppliers are the sole owners of such materials. Consultant hereby agrees not to misuse such information and understands that if Consultant does in fact misuse or misappropriate such information he/she will be considered a violator of copyright, trademark, and other laws supporting ownership by Company and/or its Suppliers. If Consultant makes any copies of Company Offerings or Company sales materials, he/she must not omit the copyright, trademark, service mark, or any other ownership clause found therein. These clauses must be retained within each and every copy made. Consultant understands and agrees that changes and modifications to such information found on the Company Offerings and the Company sales materials are not permitted.

6. INDEPENDENT CONSULTANT RELATIONSHIP.

6.1 Company and Consultant are independent of one another, and neither has the authority to bind the other to any third party or otherwise to act in any way as the representative of the other. This Agreement shall not be construed as a joint venture or partnership.

6.2 Consultant shall be responsible to Company for the results of Consultant's services. However, Consultant retains sole discretion as to the means, the manner and the timing of carrying out Consultant's obligations hereunder.

6.3 Consultant shall, at Consultant's sole option, cost and expense, hire and discharge any employees and independent contractors as needed for Consultant's business.

6.4 Company shall not treat Consultant, or any employees or independent contractors of Consultant, as employees for purposes of the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act, California unemployment insurance and disability insurance, and both federal and state income tax withholding. Company shall not be required to, nor shall it, withhold, for purposes of the foregoing taxes and payment, any amounts from payments made to

Consultant. Company shall file Internal Revenue Service Form 1099, to report income received by Consultant pursuant to this Agreement, and such other informational filings as may be required by law.

6.5 Consultant will indemnify, defend and hold Company and its employees harmless from any obligations, costs, claims, judgments, attorneys' fees, and attachments arising from, growing out of, or in any way connected with the services rendered to Company under the terms of this Agreement, unless Company is judged by a court of competent jurisdiction to be guilty of gross negligence or willful misconduct.

7. TERMINATION OF SERVICES.

7.1 Either party has the right to terminate this Agreement, with or without cause, upon thirty (30) days prior written notice to the other party. Company may terminate this Agreement immediately upon breach of any of the terms and conditions of this Agreement by Consultant.

8. GENERAL PROVISIONS.

8.1 Notice. Notice to any party relative to this Agreement shall be in writing and deemed delivered three (3) business days after said notice has been deposited in the U.S. Mail, certified and first class postage prepaid, return receipt requested, addressed to said party at the address set forth below its signature at the end of this Agreement, or effective immediately upon personal delivery to said party or its authorized representative. Either party may change its address upon notice to the other party as provided herein.

8.2 Governing Law. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of California.

8.3 Entire Agreement. This Agreement and all specified Exhibits constitute the entire agreement between the parties with respect to the subject matter herein, and no agreement, statement or promise made by any party which is not contained herein shall be binding or valid. This Agreement may not be amended, modified, altered or changed in any respect whatsoever except by an amendment in writing duly executed by the parties hereto.

8.4 No Assignment. Neither party shall assign the whole or any part of this Agreement except with the written consent of the other party. Notwithstanding the foregoing, in all permitted assignments, this Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and to their successors and representatives.

8.5 Attorneys' Fees, Costs. Should any litigation or arbitration be commenced between the parties hereto relating to the interpretation of this Agreement, or its breach, the prevailing party in such litigation or arbitration shall be entitled to recover its reasonable attorney's fees and all costs, including without limitation, deposition and expert witness fees, incurred in such litigation or arbitration.

8.6 Nonwaiver. Any failure of either party to comply with any obligation, agreement, covenant, or condition set forth in this Agreement may be expressly waived in writing by the other party. However, any waiver or failure to insist upon strict compliance with any obligation, agreement, covenant, or condition shall not operate as a waiver of, or estoppel with respect to, any other failure to strictly comply with the terms of this Agreement.

8.7 Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

8.8 Arbitration. Any dispute or controversy arising under, out of, or in connection with or in relation to this Agreement, or the breach thereto, shall be determined and settled by binding arbitration to be held in Contra Costa County, California, with and under the rules of Judicial Arbitration and Mediation Services (JAMS/Endispute). Any award rendered therein shall be final and binding on each and all of the parties, and judgment may be entered thereon in the Superior Court of the State of California for the County of Contra Costa.

8.9 Further Documents. The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

8.10 Counterparts. This Agreement may be executed in counterparts, and each counterpart of this Agreement executed by one or more of the parties hereto shall be deemed an original of this Agreement, and it shall not be necessary in proving this Agreement to produce or account for more than one such counterpart.

8.11 No Party Deemed Drafter. Each party to this Agreement has been advised to seek or has sought independent legal counsel in the preparation and negotiation of this Agreement. If any provision hereof is interpreted by a court of law or equity, such provision shall not be construed more harshly against either party as drafter.

IN WITNESS WHEREOF, Company and Consultant have executed this Agreement as of the date first set forth above.

COMPANY:

INTELLETRACE, INC.

By: _____

Print Name: _____

Title: _____

Address: 936 B 7th St. #122
Novato, CA 94945

CONSULTANT:

By: _____

Print Name: _____

Title: _____

Address: _____

EXHIBIT "A"

1. Services

Consultant shall consult with Company and advise Company with respect to the following: Provide sales and marketing services to and/or for Company as an experienced advisor with specific skills that the Company requires on an intermittent basis and to solicit end users for Company Offerings.

2. Standard Compensation

Standard compensation is a 10% monthly residual based upon the monthly recurring revenue sold to the end user, prior to any applicable taxes and fees. Non-Recurring revenue is not paid commissions. On an individual case basis, consultant can negotiate a non-standard commission based upon the actual costs associated with the deal compared to the selling price of the deal.

3. Equipment

Revenue associated with Equipment, if added onto services, is not paid commissions unless outlined in written communication by Company to Consultant.