

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D. C. 20549

FORM 10-QSB

(X) Quarterly report pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934.

**For the quarterly period ended March 31, 2001.**

( ) Transition report pursuant to Section 13 or 15(d) of the Exchange Act for the transition period from \_\_\_\_\_ to \_\_\_\_\_ .

**Commission File Number: 333-72097**

**AMERICAN COMMUNICATIONS ENTERPRISES, INC.**

(Exact name of registrant as specified in charter)

**Nevada**

(State of Incorporation)

**74-2897368**

(I.R.S. Employer I.D. No)

**355 Interstate Blvd., Sarasota, FL 34240**

(Address of Principal Executive Offices)

**(941) 923-1949**

(Registrant's Telephone Number, Including Area Code)

Check whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES ( X ) NO ( )

Indicate the number of shares outstanding of each of the issuer's classes of stock as of May 10, 2001.

113,923,579 Common Shares

Transitional Small Business Disclosure Format:

YES ( ) NO ( X )

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**AMERICAN COMMUNICATIONS ENTERPRISES, INC.**

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**AMERICAN COMMUNICATIONS ENTERPRISES, INC.**  
(A DEVELOPMENT STAGE COMPANY)

BALANCE SHEET

March 31, 2001      December 31,  
(Unaudited)      2000

ASSETS

CURRENT ASSETS

Cash	<u>\$ 500</u>	<u>\$ 186</u>
Total Assets	<u>\$ 500</u>	<u>\$ 186</u>

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES

Accounts payable	\$ 9,734	\$ 10,460
Accrued consulting fees	329,500	-
Advances payable to related party	<u>130,929</u>	<u>114,569</u>
Total Current Liabilities	<u>470,163</u>	<u>125,029</u>

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' DEFICIT

Common stock; authorized 500,000,000 common shares; par value .001, 97,950,128 shares issued and outstanding	1,321,983	1,321,983
Deficit accumulated during the development stage	<u>(1,791,646)</u>	<u>(1,446,826)</u>
Total Stockholders' Deficit	<u>(469,663)</u>	<u>(124,843)</u>

Total Liabilities and Stockholders' Deficit	<u>\$ 500</u>	<u>\$ 186</u>
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SEE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS

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**AMERICAN COMMUNICATIONS ENTERPRISES, INC.**  
(A DEVELOPMENT STAGE COMPANY)

STATEMENT OF OPERATIONS  
(Unaudited)

	Three-Months Ended March 31, 2001	From Inception On Three-Months Ended March 31, 2000	October 29, 1998 Through March 31, 2001
<b>REVENUE</b>			
Revenues	\$ -	\$ 126,165	\$ 642,802
Cost of goods sold	<u>-</u>	<u>53,067</u>	<u>303,939</u>
Gross Profit	<u>-</u>	<u>73,098</u>	<u>338,863</u>
<b>EXPENSES</b>			
General and administrative	344,820	203,738	1,972,480
Sales and marketing	<u>-</u>	<u>35,633</u>	<u>160,338</u>
Total Expenses	344,820	239,371	2,132,818
Other Income (Expense)	<u>-</u>	<u>646</u>	<u>2,309</u>
Net loss before provision for income taxes	(344,820)	(165,627)	(1,791,646)
Provision for income taxes	<u>-</u>	<u>-</u>	<u>-</u>
NET LOSS	<u>\$(344,820)</u>	<u>\$(165,627)</u>	<u>\$(1,791,646)</u>
Weighted Average Loss Per Share			
Basic and Diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	
Weighted Average Shares Outstanding			
Basic and Diluted	<u>97,950,128</u>	<u>72,096,000</u>	

SEE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS

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**AMERICAN COMMUNICATION ENTERPRISES, INC.**  
(A DEVELOPMENT STAGE COMPANY)

STATEMENT OF STOCKHOLDERS' DEFICIT

FOR THE THREE-MONTHS ENDED MARCH 31, 2001

(Unaudited)

	<u>Common Stock</u>		Deficit	
	<u>Shares</u>	<u>Amount</u>	<u>Accumulated</u>	
			<u>During the</u>	
			<u>Development Stage</u>	
Balance, December 31, 2000		97,950,128	\$1,321,983	\$(1,446,826)
Net Loss for the three-months ended March 31, 2001			-0-	(344,820)
Balance, March 31, 2001		97,950,128	\$1,321,983	\$(1,791,646)

SEE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS

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AMERICAN COMMUNICATIONS ENTERPRISES, INC.  
(A DEVELOPMENT STAGE COMPANY)

STATEMENT OF CASH FLOWS  
(Unaudited)

	For the Three-Months Ended March 31, 2001	For the Three-Months Ended March 31, 2000	From Inception On October 29, 1998 Through March 31, 2001
Cash Flows From Operating Activities			
Net Loss	\$ (344,820)	\$ (165,627)	\$ (1,791,646)
Bad Debt Expense	-	3,522	40,285
Depreciation and Amortization	-	13,950	44,550
Loss on abandoned assets	-	-	180,451
(Increase) Decrease in Receivables	-	25,300	(40,285)
Increase (Decrease) in Payables and Accrued Expenses	328,774	8,411	333,094
Stock Issued for Services	-	28,367	856,883
Net Cash Used by Operating Activities	<u>(16,046)</u>	<u>(86,077)</u>	<u>(376,668)</u>
Cash Flows From Investing Activities			
Purchase of fixed assets	-	-	(4,136)
Net Cash Used by Investing Activities	<u>-</u>	<u>-</u>	<u>(4,136)</u>
Cash Flows From Financing Activities			
Advances from stockholder	16,360	25,000	137,069
Issuance of common stock	-	25,000	200,100
Issuance of debt	-	-	50,000
Payments of Capital Lease obligation	-	(2,865)	(5,865)
Net Cash Provided by Financing Activities	<u>16,360</u>	<u>47,135</u>	<u>381,304</u>
Net (Decrease) Increase In Cash	314	(38,942)	500
Cash at Beginning of Period	<u>186</u>	<u>43,613</u>	<u>-</u>
Cash at End of Period	<u>\$ 500</u>	<u>\$ 4,671</u>	<u>\$ 500</u>
Supplemental cash flow information:			
Cash Paid For:			
Interest	\$ -	\$ -	\$ -
Income Taxes	\$ -	\$ -	\$ -
Non-Cash Transactions:			
Stock issued for debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Stock issued for services	<u>\$ -</u>	<u>\$ 28,367</u>	<u>\$ 856,883</u>
Stock issued for licenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,000</u>
Equipment purchased under capital lease	<u>\$ -</u>	<u>\$ 38,515</u>	<u>\$ 38,515</u>

SEE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS

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AMERICAN COMMUNICATIONS ENTERPRISES, INC.  
(A DEVELOPMENT STAGE COMPANY)

NOTES TO THE FINANCIAL STATEMENTS  
(Unaudited)

**NOTE 1: BUSINESS ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

American Communications Enterprises, Inc. (the "Company") was incorporated under the laws of the state of Nevada on October 29, 1998. The Company is considered to be in the development stage, as defined in Financial Accounting Standards Board Statement No. 7. The Company is currently in the process of creating strategic relationships and acquiring complementary operating companies within the global communications industry that have proven management and state-of-the-art technologies. Through October 12, 2000 the Company sought to purchase and operate radio stations throughout the United States. The planned principal operations of the Company have not commenced, therefore accounting policies and procedures have not yet been established.

**Basis of Presentation**

The accompanying unaudited financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the instructions to Form 10-QSB and Rule 10-1 of Regulation S-X of the Securities and Exchange Commission (the "SEC"). Accordingly, these financial statements do not include all of the footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments (consisting of normal and recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2001 are not necessarily indicative of the results that may be expected for the year ended December 31, 2001. The accompanying financial statements and the notes should be read in conjunction with the Company's audited financial statements as of December 31, 2000 contained in its Form 10-KSB.

**NOTE 2: RELATED PARTY TRANSACTIONS**

During the quarter, the Company borrowed from Tampa Bay Financial, Inc. \$16,360, which is non-interest bearing, unsecured, and due on demand.

**NOTE 3: GOING CONCERN**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has a working capital deficiency of \$469,663, an accumulated deficit of \$1,791,646 as of March 31, 2001, and a net loss for the

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quarter then ended of \$344,820. Accordingly its ability to continue as a going concern is dependent on obtaining capital and financing for its planned principal operations. The Company plans to secure financing for its acquisition strategy through the sale of its common stock and issuance of debt. However, there is no assurance that they will be successful in their efforts to raise capital or secure other financing. These factors among others may indicate that the Company will be unable to continue as a going concern for a reasonable period

of time.

#### **NOTE 4: RECENT EVENTS**

The Company entered into a letter of intent dated February 7, 2001, to acquire 100% ownership of an operating company, through a reverse merger. As of the audit report date this transaction has not been consummated.

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#### **Item 2.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION**

#### **OVERVIEW**

The following discussion and analysis should be read in conjunction with the balance sheet as of December 31, 2000 and the financial statements as of and for the three months ended March 31, 2001 and 2000 included with this Form 10-QSB.

We are considered to be in the development stage as defined in Financial Accounting Standards Board Statement No. 7. Although the Company has been in existence for a number of years, management's efforts to develop the Company's business have not yet resulted in generation of significant revenues. To date, management's efforts have focused on acquisitions within the communications industry. The Company has recently changed the focus of its business, from radio communications to telephone communications using the internet as its backbone. Until acquisitions have been completed and potential customers are convinced of the viability of the Company's voice over internet protocol business, it is unlikely that the Company will generate significant revenue. The following discussion of the Company's historical financial results should be read against that background.

Readers are referred to the cautionary statement, which addresses forward-looking statements made by the Company.

#### **RESULTS OF OPERATIONS**

For the quarter ended March 31, 2001 we did not generate any revenues. We generated \$126,165 in revenues for the quarter ended March 31, 2000, through the Time Brokerage Agreement with the Stations, that primarily consisted of commercial or program time sold.

We incurred a net loss of approximately \$344,820 for the quarter-ended March 31, 2001 as compared with a net loss of \$165,627 for the quarter-ended March 31, 2000. Our operating expenses of \$344,820 consist primarily of accrued consulting fees which were paid in April 2000 through the issuance of common shares. Whereas in the quarter ended March 31, 2000 operating expenses of \$292,438 consisted of broadcast operations, sales and marketing and general and administrative expenses. Such expenses increased by \$52,382 as a result of an increase in accrued consulting fees.

The results of operations for the period ended March 31, 2001 are not necessarily indicative of the results for any future interim period or for the year ending December 31, 2000. We expect to expand upon obtaining capital and financing for our planned principal operations.

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#### **Liquidity and Capital Resources**

Our operating requirements have exceeded our cash flow from operations as we attempt to build our business. Operating activities during the quarter ended March 31, 2001 used cash of \$16,046. Operating activities were primarily funded through advances from Tampa Bay Financial, Inc. of \$16,360. At March 31, 2001 we had cash and cash equivalents of \$500. Our accrued expenses were substantially converted to equity in April 2000 through the issuance of common shares.

Based upon the Company's current plans, the Company anticipates that it will need

to seek additional funding. The Company is pursuing acquisitions. Pursuit of acquisitions are in their early stages, however, and it is difficult to predict what revenue stream, if any, they will generate.

The Company does not expect its revenue stream to be sufficient to cover costs of operations in the immediate future. The Company expects that it will continue to be required to raise capital to fund operations for the next year as targeted acquisitions may need cash to fund their operations. The Company will attempt to raise this capital by borrowing, but no lender has issued a binding commitment to the Company. Therefore, the Company expects to engage in one or more private placements of common stock to fund its operating needs. The Company has engaged in discussions with several parties who have expressed interest in assisting the Company in such a private offering, based on potential acquisitions. Management is confident that private equity or debt financing will be available to fund it until revenues from operations are sufficient to fund operations.

#### **CAUTIONARY STATEMENT**

This Form 10-QSB, press releases and certain information provided periodically in writing or orally by the Company's officers or its agents contain statements which constitute forward-looking statements within the meaning of Section 27A of the Securities Act, as amended and Section 21E of the Securities Exchange Act of 1934. The words expect, anticipate, believe, goal, plan, intend, estimate and similar expressions and variations thereof if used are intended to specifically identify forward-looking statements. Those statements appear in a number of places in this Form 10-QSB and in other places, particularly, Management's Discussion and Analysis of Financial Condition and Results of Operations, and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things: (i) the Company's liquidity and capital resources; (ii) the Company's financing opportunities and plans and (iii) the Company's future performance and operating results. Investors and prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. The factors that might cause such differences include, among others, the following: (i) any material inability of the Company to successfully identify, consummate and integrate acquisitions at reasonable and anticipated costs to the Company; (ii) any material inability of the Company to successfully internally develop its products; (iii) any adverse effect or limitations caused by Governmental regulations; (iv) any

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adverse effect on the Company's continued positive cash flow and abilities to obtain acceptable financing in connection with its growth plans; (v) any increased competition in business; (vi) any inability of the Company to successfully conduct its business in new markets; and (vii) other risks including those identified in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise the forward looking statements made in this Form 10-QSB to reflect events or circumstances after the date of this Form 10-QSB or to reflect the occurrence of unanticipated events.

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#### **PART II. - OTHER INFORMATION**

Item 1. Legal Proceedings

NONE

Item 2. Changes in Securities

NONE

Item 3. Defaults Upon Senior Securities

NONE

Item 4. Submission of Matters to a Vote of Securities Holders

NONE

Item 5. Other Information

NONE

Item 6. Exhibits and Reports on Form 8-K

NONE

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

05/15/2001  
Date

/s/ Matthew A. Veal  
Mathew A. Veal, Director, Chief financial  
and Accounting officer



## CONSULTING FEE AGREEMENT

Agreement dated April 26, 2001, covering the period from November 2000 to the present, by and among American Communications Enterprises, Inc., a Nevada corporation whose principal place of business is located at 355 Interstate Boulevard, Sarasota, Florida, 34240 (the "Company"), and Vikki C. Cook, a Florida resident, whose principal place of business is located at 7701 Iguana Drive, Sarasota, Florida, 34241 (the "Consultant").

### BACKGROUND INFORMATION

The Company desires to retain the services of the Consultant to provide consulting services to the Company and the Consultant desires to provide such services upon the terms and conditions set forth herein in accordance with the Company's 2001 stock plan. Accordingly, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

### OPERATIVE PROVISIONS

1. Consultant and Acquisition Services. Subject to the terms and conditions of this Agreement, the Consultant shall provide consulting services to the Company in connection with its various business affairs including acquisitions. The Consultant has no minimum or maximum time limits in performing its duties hereunder. The Consultant is required to assist the Company on an as-needed basis including but not limited to the following areas:

- Accounting & Administrative Services
- Facilities
- Raising of Line of Credit Commitment/Debt
- Negotiation Services

2. Compensation. The Company shall pay the Consultant on a fair market value basis, payable in stock, determined based on the services performed.

3. Expenses. The Company shall reimburse the Consultant for all ordinary and necessary out-of-pocket expenses incurred on behalf of the Company. The Consultant shall furnish such receipts or other evidence of payment of such expenses as may be reasonably necessary to substantiate the same.

4. Confidential Information. The Consultant acknowledges that in the course of performance of this Agreement, it will have access to and will acquire Confidential Information (as hereinafter described) concerning the Company, its

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business and operations. The Consultant agrees that it will not disclose any Confidential Information to third parties or use any Confidential Information for any purpose other than the performance of this Agreement except as disclosure may be necessary or appropriate in the course of performing this Agreement and except for disclosures made to affiliated companies and all necessary Officers, Directors, Employees and Advisors. The term "Confidential Information" shall include all information relating to the business of the Company and all processes, services and other activities engaged in by the Company during the term of this Agreement; provided, however, that the term "Confidential Information" shall not include any information which at the time of disclosure to the Consultant is in the public domain, or which subsequently becomes a part of the public domain by publication or otherwise through no fault of the Consultant, or which the Consultant can show was in its possession or in the possession of any of its employees at or prior to the time of disclosure, or which is subsequently disclosed to the Consultant or its employees by a third party not in violation of any rights or obligations owed by such third party to the Company.

5. Indemnification. Each party to this Agreement (hereinafter an "Indemnifying Party") hereby agrees to indemnify each of the other parties to this Agreement (hereinafter an "Indemnified Party") for and hold the Indemnified Party harmless against the following: (a) any and all loss, liability or damage resulting from any breach or non-fulfillment of any agreement or obligation of the Indemnifying Party under this Agreement; and (b) any and all actions, suits, proceedings, damages, assessments, judgements, settlements, costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Party as a result of the failure or refusal of the Indemnifying Party to defend any claim incident to or otherwise honor the foregoing provisions after having been given notice of and an opportunity to do so.

If any claim or liability shall be asserted against an Indemnified Party which would give rise to a claim by the Indemnified Party against an Indemnifying Party for indemnification under the provisions of this Paragraph 5, the Indemnified Party shall promptly notify the Indemnifying Party in writing of the same and, subject to the prior approval of the Indemnified Party, which approval shall not be unreasonably withheld, the Indemnifying Party shall be entitled at its own expense to compromise or defend any such claim. The Indemnifying Party shall keep the Indemnified Party informed of developments with respect to such claim, including any litigation, and the Indemnified Party shall not compromise or settle any action, claim, demand or litigation without the prior written consent of the Indemnifying Party, in breach of which the Indemnified Party shall have no right to indemnification under this Agreement in respect of such compromise or settlement.

6. Term; Termination. This Agreement shall remain in effect unless and until terminated as hereinafter provided. This Agreement may be terminated (a) by the Consultant with cause upon forty-five (45) days notice in writing to the Company; and (b) by the Company with cause upon forty-five (45) days notice in writing to

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the Consultant if the Consultant fails to perform its obligations under this Agreement and shall fail to cure such default prior to the effective date of termination.

7. Independent Contractor. The Company and the Consultant agree that the Consultant is an independent contractor under the terms and conditions of this Agreement and shall not be deemed to be the Company's agent for any purpose whatsoever and is not granted any right or authority under this Agreement to assume or create any obligation or liability, whether expressed or implied, absolute or contingent, on the Company's behalf, or to bind the Company in any manner.

8. Miscellaneous Provisions

8.1 Notices: All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if hand delivered, mailed from within the United States by certified or registered mail, or sent by prepaid telegram to the applicable addresses appearing in the preamble to this Agreement, or to such other address as a party may have designated by like notice forwarded to the other parties hereto. All notices, except notices of change of address, shall be deemed given when mailed or hand delivered and notices of change of address shall be deemed given when received.

8.2 Binding Agreement; Non-Assignability: Each of the provisions and agreements herein contained shall be binding upon and inure to the benefit of the personal representatives, heirs, devisees, successors and permitted assigns of the respective parties hereto, however none of the rights or obligations attaching to any party shall be assignable, without the express written consent of the non-assigning party.

8.3 Entire Agreement: This Agreement, and the other documents referenced herein, constitute the entire understanding of the parties hereto with respect to the subject matter hereof, and no amendment, modification or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly approved and executed by each of the parties hereto.

8.4 Severability: Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

8.5 Headings: The headings of this Agreement are inserted for convenience and identification only, and are in no way intended to describe, interpret, define or limit the scope, extent or intent hereof.

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8.6 Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.7 Application of Florida Law: This Agreement, and the application or interpretation thereof, shall be governed exclusively by its terms and by the laws of the State of Florida. Venue for all purposes shall be deemed to lie within Sarasota County, Florida.

8.8 Legal Fees and Costs: If a legal action is initiated by any party to this Agreement against another, arising out of or relating to the alleged performance or non-performance of any right or obligation established hereunder, or any dispute concerning the same, any and all fees, costs and expenses reasonably incurred by each successful party or his assigns, or its legal counsel in investigating, preparing for, prosecuting, defending against, or providing evidence, producing documents or taking any other action in respect of, such action shall be the joint and several obligation of and shall be paid or reimbursed by the unsuccessful party.

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement the day and year first written above.

Consultant

By: /s/ Vikki C. Cook  
Vikki C. Cook

American Communications Enterprises, Inc.

By: \_\_\_\_\_

## **CONSULTING FEE AGREEMENT**

Agreement dated April 26, 2001, covering the period from November 2000 to the present, by and among Matthew A. Veal, a Florida resident, whose principal place of business is located at 1004 Marlin Lakes Circle, #211, Sarasota, Florida, 34232 (the "Consultant") and American Communications Enterprises, Inc., a Nevada corporation whose principal place of business is located at 355 Interstate Boulevard, Sarasota, Florida, 34240, (the "Company").

## **BACKGROUND INFORMATION**

The Company desires to retain the services of the Consultant to provide consulting services to the Company and the Consultant desires to provide such services upon the terms and conditions set forth herein. Accordingly, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

## **OPERATIVE PROVISIONS**

1. **Consultant and Acquisition Services.** Subject to the terms and conditions of this Agreement, the Consultant shall provide consulting services to the Company in connection with its various business and acquisition projects. The Consultant has no minimum or maximum time limits in performing its duties hereunder. Services shall include but not be limited to the following:

- Performance of duties as Corporate Secretary
- Performance of duties as Chief Financial Officer
- Performance of duties as a director on the Company's Board

2. **Compensation.** The Company shall pay the Consultant on a fair-market value basis, payable in stock, to be determined based on the services performed.

3. **Expenses.** The Company shall reimburse the Consultant for all ordinary and necessary out-of-pocket expenses incurred on behalf of the Company. The Consultant shall furnish such receipts or other evidence of payment of such expenses as may be reasonably necessary to substantiate the same.

4. **Confidential Information.** The Consultant acknowledges that in the course of performance of this Agreement, it will have access to and will acquire Confidential Information (as hereinafter described) concerning the Company, its

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business and operations. The Consultant agrees that it will not disclose any Confidential Information to third parties or use any Confidential Information for any purpose other than the performance of this Agreement except as disclosure may be necessary or appropriate in the course of performing this Agreement and except for disclosures made to affiliated companies and all necessary Officers, Directors, Employees and Advisors. The term "Confidential Information" shall include all information relating to the business of the Company and all processes, services and other activities engaged in by the Company during the term of this Agreement; provided, however, that the term "Confidential Information" shall not include any information which at the time of disclosure to the Consultant is in the public domain, or which subsequently becomes a part of the public domain by publication or otherwise through no fault of the Consultant, or which the Consultant can show was in its possession or in the possession of any of its employees at or prior to the time of disclosure, or which is subsequently disclosed to the Consultant or its employees by a third party not in violation of any rights or obligations owed by such third party to the Company.

5. **Indemnification.** Each party to this Agreement (hereinafter an "Indemnifying Party") hereby agrees to indemnify each of the other parties to this Agreement (hereinafter an "Indemnified Party") for and hold the Indemnified Party harmless against the following: (a) any and all loss, liability or damage resulting from any breach or non-fulfillment of any agreement or obligation of the Indemnifying Party under this Agreement; and (b) any and all actions, suits, proceedings, damages, assessments, judgements, settlements, costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Party as a result of the failure or refusal of the Indemnifying Party to defend any claim incident to or otherwise honor the foregoing provisions after having been given notice of and an opportunity to do so.

If any claim or liability shall be asserted against an Indemnified Party

which would give rise to a claim by the Indemnified Party against an Indemnifying Party for indemnification under the provisions of this Paragraph 5, the Indemnified Party shall promptly notify the Indemnifying Party in writing of the same and, subject to the prior approval of the Indemnified Party, which approval shall not be unreasonably withheld, the Indemnifying Party shall be entitled at its own expense to compromise or defend any such claim. The Indemnifying Party shall keep the Indemnified Party informed of developments with respect to such claim, including any litigation, and the Indemnified Party shall not compromise or settle any action, claim, demand or litigation without the prior written consent of the Indemnifying Party, in breach of which the Indemnified Party shall have no right to indemnification under this Agreement in respect of such compromise or settlement.

6. Term; Termination. This Agreement shall remain in effect unless and until terminated as hereinafter provided. This Agreement may be terminated (a) by the Consultant with cause upon forty-five (45) days notice in writing to the Company; and (b) by the Company with cause upon forty-five (45) days notice in writing to

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the Consultant if the Consultant fails to perform its obligations under this Agreement and shall fail to cure such default prior to the effective date of termination.

7. Independent Contractor. The Company and the Consultant agree that the Consultant is an independent contractor under the terms and conditions of this Agreement and shall not be deemed to be the Company's agent for any purpose whatsoever and is not granted any right or authority under this Agreement to assume or create any obligation or liability, whether expressed or implied, absolute or contingent, on the Company's behalf, or to bind the Company in any manner.

8. Miscellaneous Provisions

8.1 Notices: All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if hand delivered, mailed from within the United States by certified or registered mail, or sent by prepaid telegram to the applicable addresses appearing in the preamble to this Agreement, or to such other address as a party may have designated by like notice forwarded to the other parties hereto. All notices, except notices of change of address, shall be deemed given when mailed or hand delivered and notices of change of address shall be deemed given when received.

8.2 Binding Agreement; Non-Assignability: Each of the provisions and agreements herein contained shall be binding upon and inure to the benefit of the personal representatives, heirs, devisees, successors and permitted assigns of the respective parties hereto, however none of the rights or obligations attaching to any party shall be assignable, without the express written consent of the non-assigning party.

8.3 Entire Agreement: This Agreement, and the other documents referenced herein, constitute the entire understanding of the parties hereto with respect to the subject matter hereof, and no amendment, modification or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly approved and executed by each of the parties hereto.

8.4 Severability: Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

8.5 Headings: The headings of this Agreement are inserted for convenience and identification only, and are in no way intended to describe, interpret, define or limit the scope, extent or intent hereof.

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8.6 Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.7 Application of Florida Law: This Agreement, and the application or interpretation thereof, shall be governed exclusively by its terms and by the

laws of the State of Florida. Venue for all purposes shall be deemed to lie within Sarasota County, Florida.

8.8 Legal Fees and Costs: If a legal action is initiated by any party to this Agreement against another, arising out of or relating to the alleged performance or non-performance of any right or obligation established hereunder, or any dispute concerning the same, any and all fees, costs and expenses reasonably incurred by each successful party or his assigns, or its legal counsel in investigating, preparing for, prosecuting, defending against, or providing evidence, producing documents or taking any other action in respect of, such action shall be the joint and several obligation of and shall be paid or reimbursed by the unsuccessful party.

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement the day and year first written above.

Consultant

By: /s/ Matthew A. Veal  
Matthew A. Veal

American Communications Enterprises, Inc.

By: \_\_\_\_\_

## CONSULTING FEE AGREEMENT

Agreement dated April 26, 2001, covering the period from November 2000 to the present, by and among Carl L. Smith, III, a Florida resident, whose principal place of business is located at 5325 Ashley Parkway Sarasota, Florida, 34241 (the "Consultant") and American Communications Enterprises, Inc., a Nevada corporation whose principal place of business is located at 355 Interstate Boulevard, Sarasota, Florida, 34240, (the "Company").

### BACKGROUND INFORMATION

The Company desires to retain the services of the Consultant to provide consulting services to the Company and the Consultant desires to provide such services upon the terms and conditions set forth herein. Accordingly, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

### OPERATIVE PROVISIONS

1. Consultant and Acquisition Services. Subject to the terms and conditions of this Agreement, the Consultant shall provide consulting services to the Company in connection with its various business and acquisition projects. The Consultant has no minimum or maximum time limits in performing its duties hereunder.
2. Compensation. The Company shall pay the Consultant on a fair-market value basis, payable in stock, to be determined based on the services performed. Services shall include but not be limited to the following:
  - assist in negotiations
  - due diligence
3. Expenses. The Company shall reimburse the Consultant for all ordinary and necessary out-of-pocket expenses incurred on behalf of the Company. The Consultant shall furnish such receipts or other evidence of payment of such expenses as may be reasonably necessary to substantiate the same.
4. Confidential Information. The Consultant acknowledges that in the course of performance of this Agreement, it will have access to and will acquire Confidential Information (as hereinafter described) concerning the Company, its

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business and operations. The Consultant agrees that it will not disclose any Confidential Information to third parties or use any Confidential Information for any purpose other than the performance of this Agreement except as disclosure may be necessary or appropriate in the course of performing this Agreement and except for disclosures made to affiliated companies and all necessary Officers, Directors, Employees and Advisors. The term "Confidential Information" shall include all information relating to the business of the Company and all processes, services and other activities engaged in by the Company during the term of this Agreement; provided, however, that the term "Confidential Information" shall not include any information which at the time of disclosure to the Consultant is in the public domain, or which subsequently becomes a part of the public domain by publication or otherwise through no fault of the Consultant, or which the Consultant can show was in its possession or in the possession of any of its employees at or prior to the time of disclosure, or which is subsequently disclosed to the Consultant or its employees by a third party not in violation of any rights or obligations owed by such third party to the Company.

5. Indemnification. Each party to this Agreement (hereinafter an "Indemnifying Party") hereby agrees to indemnify each of the other parties to this Agreement (hereinafter an "Indemnified Party") for and hold the Indemnified Party harmless against the following: (a) any and all loss, liability or damage resulting from any breach or non-fulfillment of any agreement or obligation of the Indemnifying Party under this Agreement; and (b) any and all actions, suits, proceedings, damages, assessments, judgements, settlements, costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Party as a result of the failure or refusal of the Indemnifying Party to defend any claim incident to or otherwise honor the foregoing provisions after having been given notice of and an opportunity to do so.

If any claim or liability shall be asserted against an Indemnified Party which would give rise to a claim by the Indemnified Party against an Indemnifying

Party for indemnification under the provisions of this Paragraph 5, the Indemnified Party shall promptly notify the Indemnifying Party in writing of the same and, subject to the prior approval of the Indemnified Party, which approval shall not be unreasonably withheld, the Indemnifying Party shall be entitled at its own expense to compromise or defend any such claim. The Indemnifying Party shall keep the Indemnified Party informed of developments with respect to such claim, including any litigation, and the Indemnified Party shall not compromise or settle any action, claim, demand or litigation without the prior written consent of the Indemnifying Party, in breach of which the Indemnified Party shall have no right to indemnification under this Agreement in respect of such compromise or settlement.

6. Term; Termination. This Agreement shall remain in effect unless and until terminated as hereinafter provided. This Agreement may be terminated (a) by the Consultant with cause upon forty-five (45) days notice in writing to the Company; and (b) by the Company with cause upon forty-five (45) days notice in writing to

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the Consultant if the Consultant fails to perform its obligations under this Agreement and shall fail to cure such default prior to the effective date of termination.

7. Independent Contractor. The Company and the Consultant agree that the Consultant is an independent contractor under the terms and conditions of this Agreement and shall not be deemed to be the Company's agent for any purpose whatsoever and is not granted any right or authority under this Agreement to assume or create any obligation or liability, whether expressed or implied, absolute or contingent, on the Company's behalf, or to bind the Company in any manner.

8. Miscellaneous Provisions

8.1 Notices: All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if hand delivered, mailed from within the United States by certified or registered mail, or sent by prepaid telegram to the applicable addresses appearing in the preamble to this Agreement, or to such other address as a party may have designated by like notice forwarded to the other parties hereto. All notices, except notices of change of address, shall be deemed given when mailed or hand delivered and notices of change of address shall be deemed given when received.

8.2 Binding Agreement; Non-Assignability: Each of the provisions and agreements herein contained shall be binding upon and inure to the benefit of the personal representatives, heirs, devisees, successors and permitted assigns of the respective parties hereto, however none of the rights or obligations attaching to any party shall be assignable, without the express written consent of the non-assigning party.

8.3 Entire Agreement: This Agreement, and the other documents referenced herein, constitute the entire understanding of the parties hereto with respect to the subject matter hereof, and no amendment, modification or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly approved and executed by each of the parties hereto.

8.4 Severability: Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

8.5 Headings: The headings of this Agreement are inserted for convenience and identification only, and are in no way intended to describe, interpret, define or limit the scope, extent or intent hereof.

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8.6 Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.7 Application of Florida Law: This Agreement, and the application or interpretation thereof, shall be governed exclusively by its terms and by the laws of the State of Florida. Venue for all purposes shall be deemed to lie within



Sarasota County, Florida.

8.8 Legal Fees and Costs: If a legal action is initiated by any party to this Agreement against another, arising out of or relating to the alleged performance or non-performance of any right or obligation established hereunder, or any dispute concerning the same, any and all fees, costs and expenses reasonably incurred by each successful party or his assigns, or its legal counsel in investigating, preparing for, prosecuting, defending against, or providing evidence, producing documents or taking any other action in respect of, such action shall be the joint and several obligation of and shall be paid or reimbursed by the unsuccessful party.

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement the day and year first written above.

Consultant

By: /s/ Carl L. Smith  
Carl L. Smith

American Communications Enterprises, Inc.

By: \_\_\_\_\_

## **CONSULTING FEE AGREEMENT**

Agreement dated April 26, 2001, covering the period from November 2000 to the present, by and among Stephen T. Wagoner, a Florida resident, whose principal place of business is located at 56 Pleasant Drive, Ormond Beach, Florida, 32176 (the "Consultant") and American Communications Enterprises, Inc., a Nevada corporation whose principal place of business is located at 355 Interstate Boulevard, Sarasota, Florida, 34240, (the "Company").

## **BACKGROUND INFORMATION**

The Company desires to retain the services of the Consultant to provide consulting services to the Company and the Consultant desires to provide such services upon the terms and conditions set forth herein. Accordingly, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

## **OPERATIVE PROVISIONS**

1. **Consultant and Acquisition Services.** Subject to the terms and conditions of this Agreement, the Consultant shall provide consulting services to the Company in connection with its various business and acquisition projects. The Consultant has no minimum or maximum time limits in performing its duties hereunder. Services shall include but not be limited to the following:

Due Diligence Evaluation of Potential Acquisition

2. **Compensation.** The Company shall pay the Consultant on a fair-market value basis, payable in stock, to be determined based on the services performed.

3. **Expenses.** The Company shall reimburse the Consultant for all ordinary and necessary out-of-pocket expenses incurred on behalf of the Company. The Consultant shall furnish such receipts or other evidence of payment of such expenses as may be reasonably necessary to substantiate the same.

4. **Confidential Information.** The Consultant acknowledges that in the course of performance of this Agreement, it will have access to and will acquire Confidential Information (as hereinafter described) concerning the Company, its

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business and operations. The Consultant agrees that it will not disclose any Confidential Information to third parties or use any Confidential Information for any purpose other than the performance of this Agreement except as disclosure may be necessary or appropriate in the course of performing this Agreement and except for disclosures made to affiliated companies and all necessary Officers, Directors, Employees and Advisors. The term "Confidential Information" shall include all information relating to the business of the Company and all processes, services and other activities engaged in by the Company during the term of this Agreement; provided, however, that the term "Confidential Information" shall not include any information which at the time of disclosure to the Consultant is in the public domain, or which subsequently becomes a part of the public domain by publication or otherwise through no fault of the Consultant, or which the Consultant can show was in its possession or in the possession of any of its employees at or prior to the time of disclosure, or which is subsequently disclosed to the Consultant or its employees by a third party not in violation of any rights or obligations owed by such third party to the Company.

5. **Indemnification.** Each party to this Agreement (hereinafter an "Indemnifying Party") hereby agrees to indemnify each of the other parties to this Agreement (hereinafter an "Indemnified Party") for and hold the Indemnified Party harmless against the following: (a) any and all loss, liability or damage resulting from any breach or non-fulfillment of any agreement or obligation of the Indemnifying Party under this Agreement; and (b) any and all actions, suits, proceedings, damages, assessments, judgements, settlements, costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Party as a result of the failure or refusal of the Indemnifying Party to defend any claim incident to or otherwise honor the foregoing provisions after having been given notice of and an opportunity to do so.

If any claim or liability shall be asserted against an Indemnified Party which would give rise to a claim by the Indemnified Party against an Indemnifying Party for indemnification under the provisions of this Paragraph 5, the Indemnified

Party shall promptly notify the Indemnifying Party in writing of the same and, subject to the prior approval of the Indemnified Party, which approval shall not be unreasonably withheld, the Indemnifying Party shall be entitled at its own expense to compromise or defend any such claim. The Indemnifying Party shall keep the Indemnified Party informed of developments with respect to such claim, including any litigation, and the Indemnified Party shall not compromise or settle any action, claim, demand or litigation without the prior written consent of the Indemnifying Party, in breach of which the Indemnified Party shall have no right to indemnification under this Agreement in respect of such compromise or settlement.

6. Term; Termination. This Agreement shall remain in effect unless and until terminated as hereinafter provided. This Agreement may be terminated (a) by the Consultant with cause upon forty-five (45) days notice in writing to the Company; and (b) by the Company with cause upon forty-five (45) days notice in writing to

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the Consultant if the Consultant fails to perform its obligations under this Agreement and shall fail to cure such default prior to the effective date of termination.

7. Independent Contractor. The Company and the Consultant agree that the Consultant is an independent contractor under the terms and conditions of this Agreement and shall not be deemed to be the Company's agent for any purpose whatsoever and is not granted any right or authority under this Agreement to assume or create any obligation or liability, whether expressed or implied, absolute or contingent, on the Company's behalf, or to bind the Company in any manner.

8. Miscellaneous Provisions

8.1 Notices: All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if hand delivered, mailed from within the United States by certified or registered mail, or sent by prepaid telegram to the applicable addresses appearing in the preamble to this Agreement, or to such other address as a party may have designated by like notice forwarded to the other parties hereto. All notices, except notices of change of address, shall be deemed given when mailed or hand delivered and notices of change of address shall be deemed given when received.

8.2 Binding Agreement; Non-Assignability: Each of the provisions and agreements herein contained shall be binding upon and inure to the benefit of the personal representatives, heirs, devisees, successors and permitted assigns of the respective parties hereto, however none of the rights or obligations attaching to any party shall be assignable, without the express written consent of the non-assigning party.

8.3 Entire Agreement: This Agreement, and the other documents referenced herein, constitute the entire understanding of the parties hereto with respect to the subject matter hereof, and no amendment, modification or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly approved and executed by each of the parties hereto.

8.4 Severability: Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

8.5 Headings: The headings of this Agreement are inserted for convenience and identification only, and are in no way intended to describe, interpret, define or limit the scope, extent or intent hereof.

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8.6 Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.7 Application of Florida Law: This Agreement, and the application or interpretation thereof, shall be governed exclusively by its terms and by the laws of the State of Florida. Venue for all purposes shall be deemed to lie within Sarasota County, Florida.

8.8 Legal Fees and Costs: If a legal action is initiated by any party to this Agreement against another, arising out of or relating to the alleged performance or non-performance of any right or obligation established hereunder, or any dispute concerning the same, any and all fees, costs and expenses reasonably incurred by each successful party or his assigns, or its legal counsel in investigating, preparing for, prosecuting, defending against, or providing evidence, producing documents or taking any other action in respect of, such action shall be the joint and several obligation of and shall be paid or reimbursed by the unsuccessful party.

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement the day and year first written above.

Consultant

By: /s/ Stephen T. Wagoner  
Stephen T. Wagoner

American Communications Enterprises, Inc.

By: \_\_\_\_\_

## **CONSULTING FEE AGREEMENT**

Agreement dated April 26, 2001, including services from November 2000 to the present, by and among Richard Craig Hall, its subsidiaries and assigns, a Florida resident, whose principal place of business is located at 4925 Oxford Drive, Sarasota, Florida, 34242 (the "Consultant") and American Communications Enterprises, Inc., a Nevada corporation whose principal place of business is located at 355 Interstate Boulevard, Sarasota, Florida, 34240, (the "Company").

## **BACKGROUND INFORMATION**

The Company desires to retain the services of the Consultant to provide consulting services to the Company and the Consultant desires to provide such services upon the terms and conditions set forth herein. Accordingly, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

## **OPERATIVE PROVISIONS**

1. Consultant and Acquisition Services. Subject to the terms and conditions of this Agreement, the Consultant shall provide consulting services to the Company in connection with its various business and acquisition projects. The Consultant has no minimum or maximum time limits in performing its duties hereunder. Services shall include but not be limited to the following:

Due Diligence Evaluation of Potential Acquisition

2. Compensation. The Company shall pay the Consultant on a fair-market value basis, payable in stock, to be determined based on the market value of the services to be performed.

3. Expenses. The Company shall reimburse the Consultant for all ordinary and necessary out-of-pocket expenses incurred on behalf of the Company. The Consultant shall furnish such receipts or other evidence of payment of such expenses as may be reasonably necessary to substantiate the same.

4. Confidential Information. The Consultant acknowledges that in the course of performance of this Agreement, it will have access to and will acquire Confidential Information (as hereinafter described) concerning the Company, its

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business and operations. The Consultant agrees that it will not disclose any Confidential Information to third parties or use any Confidential Information for any purpose other than the performance of this Agreement except as disclosure may be necessary or appropriate in the course of performing this Agreement and except for disclosures made to affiliated companies and all necessary Officers, Directors, Employees and Advisors. The term "Confidential Information" shall include all information relating to the business of the Company and all processes, services and other activities engaged in by the Company during the term of this Agreement; provided, however, that the term "Confidential Information" shall not include any information which at the time of disclosure to the Consultant is in the public domain, or which subsequently becomes a part of the public domain by publication or otherwise through no fault of the Consultant, or which the Consultant can show was in its possession or in the possession of any of its employees at or prior to the time of disclosure, or which is subsequently disclosed to the Consultant or its employees by a third party not in violation of any rights or obligations owed by such third party to the Company.

5. Indemnification. Each party to this Agreement (hereinafter an "Indemnifying Party") hereby agrees to indemnify each of the other parties to this Agreement (hereinafter an "Indemnified Party") for and hold the Indemnified Party harmless against the following: (a) any and all loss, liability or damage resulting from any breach or non-fulfillment of any agreement or obligation of the Indemnifying Party under this Agreement; and (b) any and all actions, suits, proceedings, damages, assessments, judgements, settlements, costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Party as a result of the failure or refusal of the Indemnifying Party to defend any claim incident to or otherwise honor the foregoing provisions after having been given notice of and an opportunity to do so.

If any claim or liability shall be asserted against an Indemnified Party which would give rise to a claim by the Indemnified Party against an Indemnifying

Party for indemnification under the provisions of this Paragraph 5, the Indemnified Party shall promptly notify the Indemnifying Party in writing of the same and, subject to the prior approval of the Indemnified Party, which approval shall not be unreasonably withheld, the Indemnifying Party shall be entitled at its own expense to compromise or defend any such claim. The Indemnifying Party shall keep the Indemnified Party informed of developments with respect to such claim, including any litigation, and the Indemnified Party shall not compromise or settle any action, claim, demand or litigation without the prior written consent of the Indemnifying Party, in breach of which the Indemnified Party shall have no right to indemnification under this Agreement in respect of such compromise or settlement.

6. Term; Termination. This Agreement shall remain in effect unless and until terminated as hereinafter provided. This Agreement may be terminated (a) by the Consultant with cause upon forty-five (45) days notice in writing to the Company; and (b) by the Company with cause upon forty-five (45) days notice in writing to

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the Consultant if the Consultant fails to perform its obligations under this Agreement and shall fail to cure such default prior to the effective date of termination.

7. Independent Contractor. The Company and the Consultant agree that the Consultant is an independent contractor under the terms and conditions of this Agreement and shall not be deemed to be the Company's agent for any purpose whatsoever and is not granted any right or authority under this Agreement to assume or create any obligation or liability, whether expressed or implied, absolute or contingent, on the Company's behalf, or to bind the Company in any manner.

8. Miscellaneous Provisions

8.1 Notices: All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if hand delivered, mailed from within the United States by certified or registered mail, or sent by prepaid telegram to the applicable addresses appearing in the preamble to this Agreement, or to such other address as a party may have designated by like notice forwarded to the other parties hereto. All notices, except notices of change of address, shall be deemed given when mailed or hand delivered and notices of change of address shall be deemed given when received.

8.2 Binding Agreement; Non-Assignability: Each of the provisions and agreements herein contained shall be binding upon and inure to the benefit of the personal representatives, heirs, devisees, successors and permitted assigns of the respective parties hereto, however none of the rights or obligations attaching to any party shall be assignable, without the express written consent of the non-assigning party.

8.3 Entire Agreement: This Agreement, and the other documents referenced herein, constitute the entire understanding of the parties hereto with respect to the subject matter hereof, and no amendment, modification or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly approved and executed by each of the parties hereto.

8.4 Severability: Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

8.5 Headings: The headings of this Agreement are inserted for convenience and identification only, and are in no way intended to describe, interpret, define or limit the scope, extent or intent hereof.

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8.6 Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.7 Application of Florida Law: This Agreement, and the application or interpretation thereof, shall be governed exclusively by its terms and by the laws of the State of Florida. Venue for all purposes shall be deemed to lie within

Sarasota County, Florida.

8.8 Legal Fees and Costs: If a legal action is initiated by any party to this Agreement against another, arising out of or relating to the alleged performance or non-performance of any right or obligation established hereunder, or any dispute concerning the same, any and all fees, costs and expenses reasonably incurred by each successful party or his assigns, or its legal counsel in investigating, preparing for, prosecuting, defending against, or providing evidence, producing documents or taking any other action in respect of, such action shall be the joint and several obligation of and shall be paid or reimbursed by the unsuccessful party.

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement the day and year first written above.

Consultant

By: /s/ Richard Craig Hall  
Richard Craig Hall

American Communications Enterprises, Inc.

By: \_\_\_\_\_

## **CONSULTING FEE AGREEMENT**

Agreement dated April 26, 2001, including services from November 2000 to the present, by and among Christopher R. Smith, a Georgia resident, whose principal place of business is located at 321 Adams Street, Decatur, Georgia, 30030 (the "Consultant") and American Communications Enterprises, Inc., a Nevada corporation whose principal place of business is located at 355 Interstate Boulevard, Sarasota, Florida, 34240, (the "Company").

## **BACKGROUND INFORMATION**

The Company desires to retain the services of the Consultant to provide consulting services to the Company and the Consultant desires to provide such services upon the terms and conditions set forth herein. Accordingly, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

## **OPERATIVE PROVISIONS**

1. **Consultant and Acquisition Services.** Subject to the terms and conditions of this Agreement, the Consultant shall provide services to the Company in connection with its acquisition projects. The Consultant has no minimum or maximum time limits in performing its duties hereunder. Services shall include but not be limited to the following:

Finding of Potential Acquisitions  
Due Diligence Evaluation of Potential Acquisition  
Assistance in Negotiation of Such Projects

2. **Compensation.** The Company shall pay the Consultant on a fair-market value basis, payable in stock, to be determined based on the services to be performed.

3. **Expenses.** The Company shall reimburse the Consultant for all ordinary and necessary out-of-pocket expenses incurred on behalf of the Company. The Consultant shall furnish such receipts or other evidence of payment of such expenses as may be reasonably necessary to substantiate the same.

4. **Confidential Information.** The Consultant acknowledges that in the course of performance of this Agreement, it will have access to and will acquire Confidential Information (as hereinafter described) concerning the Company, its

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business and operations. The Consultant agrees that it will not disclose any Confidential Information to third parties or use any Confidential Information for any purpose other than the performance of this Agreement except as disclosure may be necessary or appropriate in the course of performing this Agreement and except for disclosures made to affiliated companies and all necessary Officers, Directors, Employees and Advisors. The term "Confidential Information" shall include all information relating to the business of the Company and all processes, services and other activities engaged in by the Company during the term of this Agreement; provided, however, that the term "Confidential Information" shall not include any information which at the time of disclosure to the Consultant is in the public domain, or which subsequently becomes a part of the public domain by publication or otherwise through no fault of the Consultant, or which the Consultant can show was in its possession or in the possession of any of its employees at or prior to the time of disclosure, or which is subsequently disclosed to the Consultant or its employees by a third party not in violation of any rights or obligations owed by such third party to the Company.

5. **Indemnification.** Each party to this Agreement (hereinafter an "Indemnifying Party") hereby agrees to indemnify each of the other parties to this Agreement (hereinafter an "Indemnified Party") for and hold the Indemnified Party harmless against the following: (a) any and all loss, liability or damage resulting from any breach or non-fulfillment of any agreement or obligation of the Indemnifying Party under this Agreement; and (b) any and all actions, suits, proceedings, damages, assessments, judgements, settlements, costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Party as a result of the failure or refusal of the Indemnifying Party to defend any claim incident to or otherwise honor the foregoing provisions after having been given notice of and an opportunity to do so.



If any claim or liability shall be asserted against an Indemnified Party which would give rise to a claim by the Indemnified Party against an Indemnifying Party for indemnification under the provisions of this Paragraph 5, the Indemnified Party shall promptly notify the Indemnifying Party in writing of the same and, subject to the prior approval of the Indemnified Party, which approval shall not be unreasonably withheld, the Indemnifying Party shall be entitled at its own expense to compromise or defend any such claim. The Indemnifying Party shall keep the Indemnified Party informed of developments with respect to such claim, including any litigation, and the Indemnified Party shall not compromise or settle any action, claim, demand or litigation without the prior written consent of the Indemnifying Party, in breach of which the Indemnified Party shall have no right to indemnification under this Agreement in respect of such compromise or settlement.

6. Term; Termination. This Agreement shall remain in effect unless and until terminated as hereinafter provided. This Agreement may be terminated (a) by the Consultant with cause upon forty-five (45) days notice in writing to the Company; and (b) by the Company with cause upon forty-five (45) days notice in writing to

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the Consultant if the Consultant fails to perform its obligations under this Agreement and shall fail to cure such default prior to the effective date of termination.

7. Independent Contractor. The Company and the Consultant agree that the Consultant is an independent contractor under the terms and conditions of this Agreement and shall not be deemed to be the Company's agent for any purpose whatsoever and is not granted any right or authority under this Agreement to assume or create any obligation or liability, whether expressed or implied, absolute or contingent, on the Company's behalf, or to bind the Company in any manner.

8. Miscellaneous Provisions

8.1 Notices: All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if hand delivered, mailed from within the United States by certified or registered mail, or sent by prepaid telegram to the applicable addresses appearing in the preamble to this Agreement, or to such other address as a party may have designated by like notice forwarded to the other parties hereto. All notices, except notices of change of address, shall be deemed given when mailed or hand delivered and notices of change of address shall be deemed given when received.

8.2 Binding Agreement; Non-Assignability: Each of the provisions and agreements herein contained shall be binding upon and inure to the benefit of the personal representatives, heirs, devisees, successors and permitted assigns of the respective parties hereto, however none of the rights or obligations attaching to any party shall be assignable, without the express written consent of the non-assigning party.

8.3 Entire Agreement: This Agreement, and the other documents referenced herein, constitute the entire understanding of the parties hereto with respect to the subject matter hereof, and no amendment, modification or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly approved and executed by each of the parties hereto.

8.4 Severability: Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

8.5 Headings: The headings of this Agreement are inserted for convenience and identification only, and are in no way intended to describe, interpret, define or limit the scope, extent or intent hereof.

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8.6 Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.7 Application of Florida Law: This Agreement, and the application

or interpretation thereof, shall be governed exclusively by its terms and by the laws of the State of Florida. Venue for all purposes shall be deemed to lie within Sarasota County, Florida.

8.8 Legal Fees and Costs: If a legal action is initiated by any party to this Agreement against another, arising out of or relating to the alleged performance or non-performance of any right or obligation established hereunder, or any dispute concerning the same, any and all fees, costs and expenses reasonably incurred by each successful party or his assigns, or its legal counsel in investigating, preparing for, prosecuting, defending against, or providing evidence, producing documents or taking any other action in respect of, such action shall be the joint and several obligation of and shall be paid or reimbursed by the unsuccessful party.

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement the day and year first written above.

Consultant

By: /s/ Christopher R. Smith  
Christopher R. Smith

American Communications Enterprises, Inc.

By: \_\_\_\_\_

## **CONSULTING FEE AGREEMENT**

Agreement dated April 26, 2001, covering the period from November 2000 to the present, by and among Brenda D. Shepard, a Florida resident, whose principal place of business is located at 4701 Glenbrook Terrace, Sarasota, Florida, 34243 (the "Consultant") and American Communications Enterprises, Inc., a Nevada corporation whose principal place of business is located at 355 Interstate Boulevard, Sarasota, Florida, 34240, (the "Company").

## **BACKGROUND INFORMATION**

The Company desires to retain the services of the Consultant to provide consulting services to the Company and the Consultant desires to provide such services upon the terms and conditions set forth herein. Accordingly, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

## **OPERATIVE PROVISIONS**

1. **Consultant and Acquisition Services.** Subject to the terms and conditions of this Agreement, the Consultant shall provide services to the Company in connection with its business projects. The Consultant has no minimum or maximum time limits in performing its duties hereunder.

Services shall consist of secretarial and receptionist services.

2. **Compensation.** The Company shall pay the Consultant on a monthly basis of one thousand dollars (\$1000.00) per month not to exceed six thousand dollars (\$6000.00).

3. **Expenses.** The Company shall reimburse the Consultant for all ordinary and necessary out-of-pocket expenses incurred on behalf of the Company. The Consultant shall furnish such receipts or other evidence of payment of such expenses as may be reasonably necessary to substantiate the same.

4. **Confidential Information.** The Consultant acknowledges that in the course of performance of this Agreement, it will have access to and will acquire Confidential Information (as hereinafter described) concerning the Company, its

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business and operations. The Consultant agrees that it will not disclose any Confidential Information to third parties or use any Confidential Information for any purpose other than the performance of this Agreement except as disclosure may be necessary or appropriate in the course of performing this Agreement and except for disclosures made to affiliated companies and all necessary Officers, Directors, Employees and Advisors. The term "Confidential Information" shall include all information relating to the business of the Company and all processes, services and other activities engaged in by the Company during the term of this Agreement; provided, however, that the term "Confidential Information" shall not include any information which at the time of disclosure to the Consultant is in the public domain, or which subsequently becomes a part of the public domain by publication or otherwise through no fault of the Consultant, or which the Consultant can show was in its possession or in the possession of any of its employees at or prior to the time of disclosure, or which is subsequently disclosed to the Consultant or its employees by a third party not in violation of any rights or obligations owed by such third party to the Company.

5. **Indemnification.** Each party to this Agreement (hereinafter an "Indemnifying Party") hereby agrees to indemnify each of the other parties to this Agreement (hereinafter an "Indemnified Party") for and hold the Indemnified Party harmless against the following: (a) any and all loss, liability or damage resulting from any breach or non-fulfillment of any agreement or obligation of the Indemnifying Party under this Agreement; and (b) any and all actions, suits, proceedings, damages, assessments, judgements, settlements, costs and expenses, including reasonable attorneys' fees, incurred by the Indemnified Party as a result of the failure or refusal of the Indemnifying Party to defend any claim incident to or otherwise honor the foregoing provisions after having been given notice of and an opportunity to do so.

If any claim or liability shall be asserted against an Indemnified Party which would give rise to a claim by the Indemnified Party against an Indemnifying Party for indemnification under the provisions of this Paragraph 5, the Indemnified

Party shall promptly notify the Indemnifying Party in writing of the same and, subject to the prior approval of the Indemnified Party, which approval shall not be unreasonably withheld, the Indemnifying Party shall be entitled at its own expense to compromise or defend any such claim. The Indemnifying Party shall keep the Indemnified Party informed of developments with respect to such claim, including any litigation, and the Indemnified Party shall not compromise or settle any action, claim, demand or litigation without the prior written consent of the Indemnifying Party, in breach of which the Indemnified Party shall have no right to indemnification under this Agreement in respect of such compromise or settlement.

6. Term; Termination. This Agreement shall remain in effect unless and until terminated as hereinafter provided. This Agreement may be terminated (a) by the Consultant with cause upon forty-five (45) days notice in writing to the Company; and (b) by the Company with cause upon forty-five (45) days notice in writing to

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the Consultant if the Consultant fails to perform its obligations under this Agreement and shall fail to cure such default prior to the effective date of termination.

7. Independent Contractor. The Company and the Consultant agree that the Consultant is an independent contractor under the terms and conditions of this Agreement and shall not be deemed to be the Company's agent for any purpose whatsoever and is not granted any right or authority under this Agreement to assume or create any obligation or liability, whether expressed or implied, absolute or contingent, on the Company's behalf, or to bind the Company in any manner.

8. Miscellaneous Provisions

8.1 Notices: All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if hand delivered, mailed from within the United States by certified or registered mail, or sent by prepaid telegram to the applicable addresses appearing in the preamble to this Agreement, or to such other address as a party may have designated by like notice forwarded to the other parties hereto. All notices, except notices of change of address, shall be deemed given when mailed or hand delivered and notices of change of address shall be deemed given when received.

8.2 Binding Agreement; Non-Assignability: Each of the provisions and agreements herein contained shall be binding upon and inure to the benefit of the personal representatives, heirs, devisees, successors and permitted assigns of the respective parties hereto, however none of the rights or obligations attaching to any party shall be assignable, without the express written consent of the non-assigning party.

8.3 Entire Agreement: This Agreement, and the other documents referenced herein, constitute the entire understanding of the parties hereto with respect to the subject matter hereof, and no amendment, modification or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof and duly approved and executed by each of the parties hereto.

8.4 Severability: Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

8.5 Headings: The headings of this Agreement are inserted for convenience and identification only, and are in no way intended to describe, interpret, define or limit the scope, extent or intent hereof.

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8.6 Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.7 Application of Florida Law: This Agreement, and the application or interpretation thereof, shall be governed exclusively by its terms and by the laws of the State of Florida. Venue for all purposes shall be deemed to lie within Sarasota County, Florida.

8.8 Legal Fees and Costs: If a legal action is initiated by any party to this Agreement against another, arising out of or relating to the alleged performance or non-performance of any right or obligation established hereunder, or any dispute concerning the same, any and all fees, costs and expenses reasonably incurred by each successful party or his assigns, or its legal counsel in investigating, preparing for, prosecuting, defending against, or providing evidence, producing documents or taking any other action in respect of, such action shall be the joint and several obligation of and shall be paid or reimbursed by the unsuccessful party.

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement the day and year first written above.

Consultant

By: /s/ Brenda D. Shepard  
Brenda D. Shepard

American Communications Enterprises, Inc.

By: \_\_\_\_\_