

EXHIBIT "D"

FRANCHISE AGREEMENT

TeamLogic IT Business # _____
Contract Date: _____
Expiration Date: _____

FRANCHISE OFFERED:



The Parties to this Franchise Agreement are:

FRANCHISOR: TeamLogic, Inc.,
a California corporation
26722 Plaza Drive
Mission Viejo, CA 92691

AND

FRANCHISEE: _____

HOME ADDRESS: _____

TELEPHONE NUMBER: _____



PROTECTED TERRITORY DESIGNATION
(with map attached)

TeamLogic IT BUSINESS NUMBER: _____

The following is a description of Franchisee's Protected Territory, if any, as outlined on the attached map. The physical boundaries as represented by the written description and shall remain the protected territory for the term of the Franchise Agreement in the event street names, city borders, or zip codes become obsolete or change.

SAMPLE

BUSINESS ADDRESS: _____

Parties:

This TeamLogic IT Franchise Agreement is entered into and becomes effective as of _____ between TeamLogic, Inc., a California corporation (hereinafter "Franchisor") and _____ (hereinafter "Franchisee"), proposing to do business in the state of _____, with reference to the following facts:

RECITALS

A. Franchisor has developed and is engaged in the ongoing development and operation of a "System" (as defined in Section 1 hereof) under certain Service Marks (as defined in Section 1 hereof) operated in accordance with the provisions of this Agreement and Franchisor's "Operations Manual" (as defined in Section 1 hereof), as amended from time to time.

B. Franchisor grants to persons that meet Franchisor's qualifications and are willing to undertake the investment and effort, a franchise to operate a TeamLogic IT Business (as defined in Section 1 hereof) and to utilize the System.

C. Franchisor is the sole and exclusive owner of all proprietary and other rights and interests in and to the trade names and service marks, "TeamLogic IT", and all other names, phrases and logos associated with or having acquired a secondary meaning by use with the TeamLogic IT Network and all variations, similarities and likenesses together with signs, emblems, insignia, color schemes and patterns used and/or associated with, or as part of, the TeamLogic IT System; and all confidential and proprietary operations manuals, instruction materials, proprietary software, and other information contained in its publications, memos and bulletins; and

D. Franchisee desires to acquire the right to become a part of the TeamLogic IT Network and use the TeamLogic IT System, trademarks, trade names and trade secrets in connection with the operation of a TeamLogic IT Business.

Acknowledging the above recitals, the parties hereto mutually agree as follows:

SECTION I. DEFINITIONS

1.1. The following terms shall have the following meanings when they appear capitalized in this Agreement.

Business – The term "Business" shall mean the business operations of the TeamLogic IT Franchise pursuant to this Franchise Agreement.

Business Management Software System – The Business Management Software System is the proprietary technology that is used has been created to support the TeamLogic IT Franchisees with their business operations. It includes customer relationship management tools, a financial component to help track payables and receivables, a scheduling tool to assist in managing technicians and it also includes the

technological infrastructure to enable the TeamLogic IT Franchises to offer and enable their customers the Preventative Maintenance Packages.

Certified Technicians – The term “Certified Technician” shall mean Franchisor will maintain a list of acceptable and approved third-party endorsed Certifications from vendors (i.e. CompTIA, Microsoft) and/or others that TeamLogic IT Franchisees and/or their technicians must hold. This list will be maintained in the Operations Manual and may be modified from time-to-time. Franchisor has the right to build and issue its own IT approved standards and issue TeamLogic IT authorized Certifications and, if so, these Certifications can supersede the third-party endorsed certifications.

Level 1 Certified Technician – The term “Level 1 Certified Technician” shall mean a technician that has a minimum of one (1) of the approved third-party or TeamLogic IT endorsed Certifications.

Level 2 Certified Technician – The term “Level 2 Certified Technician” shall mean a technician that has a minimum of two (2) of the approved third-party or TeamLogic IT endorsed Certifications.

Level 3 Certified Technician – The term “Level 3 Certified Technician” shall mean technician that has a minimum of three (3) of the approved third-party or TeamLogic IT endorsed Certifications.

Core Services – The term “Core Services” shall mean Franchisor will maintain a list of the products and services that are considered to be standard and that all TeamLogic IT Franchisees must offer their customers. This list will be used for marketing materials and for major account sales efforts. It is the responsibility of the Franchisee to ensure that he or she has the technical skills on staff to perform all of the Core Services. This list will be maintained in the Operations Manual and may be modified from time to time.

Gross Sales - The term “Gross Sales” shall mean all sales by your Business (other than revenue from Preventative Maintenance Packages and the sale of any hardware and software) for all services, goods, products, and hardware and software installation, for cash, check, credit, and barter without deduction for failure to collect. Gross Sales does not include any sales taxes or use taxes.

Network – The term “Network” shall mean all of the TeamLogic IT Franchisees and Franchisor owned TeamLogic IT locations.

Non-Core Services – The term “Non-Core Services” shall mean, in addition to the Core Services listing of products and services, Franchisee may offer their customers additional non-core IT-related services assuming they have access to performing these services by a capable technician either through a brokered agreement or on staff.

Operations Manual – The term “Operations Manual” shall mean the proprietary manual containing policies and procedures to be adhered to by Franchisee in performing under this Agreement, including all updates and supplements thereto provided to Franchisee by Franchisor.

Preventative Maintenance Packages – The term “Preventative Maintenance Package” shall mean, in addition to the Core Services and Non-Core Services, the Franchisee has the ability to market and sell a recurring revenue product referred to as Preventative Maintenance Packages. These Packages will provide Franchisees’ clients with technology that will monitor and check the client’s IT infrastructure and

help to detect problems. In addition, the system can provide the client with local and real-time remote back up of their data that will be encrypted and housed at one of several co-locations, monitor servers and desktops for virus protection, inspect the integrity of a client's firewall system and provide reports on performance optimization of the client's system. In addition to the technology, these Preventative Maintenance Packages may include one hour of on-site consultation provided by the Franchisee where he or she will proactively review reports and work with the client on any issues that may cause the client trouble with their network in the foreseeable future. The revenue generated from these Preventative Maintenance Packages each month will serve as an important source of recurring revenue for the Franchisee. In the Operations Manual, the Franchisor will outline one or more Preventative Maintenance Packages that Franchisees will be able to offer their customers. Descriptions of these Packages, along with selling price guidelines, will be maintained in the Operations Manual and may be modified from time to time.

Service Marks – The terms “Service Marks” shall mean the proprietary marks owned by Franchisor and registered or pending registration with the United States Patent and Trademark Office, and common law trademarks and service marks, trade names, logos, tag lines, descriptors, designs and other commercial symbols which Franchisor now or hereafter is authorized to use and does use to identify the TeamLogic IT Business.

System – The term “System” shall mean the comprehensive marketing and operations system prescribed by Franchisor, to be used in the conduct of the Business, as set forth in this Agreement and the Operations Manual, as amended from time to time. All elements of the System are confidential and proprietary and are considered trade secrets, and belong to Franchisor. Franchisee shall not receive any rights to the System other than a conditional license to use the System outlined herein. The System shall include, among other things, the Service Marks, Core Services, Non-Core Services, the Operations Manual, the Business Management Software System, and all Franchisor-produced advertising, marketing and sales programs and techniques, and all associated TeamLogic IT websites. In its sole discretion, Franchisor may improve and/or change the System from time to time for the intended purpose of making the System more effective, efficient, economical, or competitive.

Territory – The term “Territory” shall mean that designated geographical area defined on the Protected Territory Designation Sheet.

SECTION II. GRANT OF FRANCHISE

2.1. Grant of Franchise. Subject to the terms of this Agreement, Franchisor hereby grants and the Franchisee does hereby accept a franchise to operate one (1) TeamLogic IT Business within the designated territory only, throughout the term of this Agreement. Franchisee further agrees to continuously operate the Business only under the brand name TeamLogic IT throughout the term of this Agreement, and that Franchisee will operate no other business under any other trademark, service mark, name or license, except that of a TeamLogic IT Business, at said franchised location during the term of this Agreement.

2.2. License of Marks. Franchisor hereby grants to Franchisee the right, during the term hereof, to use and display the Service Marks in accordance with this Agreement and the Operations Manual, solely in connection with the operation of the Franchised Business. Franchisee acknowledges that the Service Marks are the exclusive property of Franchisor and Franchisee does not, and will not in the future, assert

any claim to any goodwill, reputation, or ownership of the Service Marks by virtue of Franchisee's use thereof.

2.3 License to Business Management Software System. Franchisor hereby grants to Franchisee a conditional and non-exclusive license to use and utilize the Business Management Software System in connection with the TeamLogic IT Business, for the term of this Agreement and only as authorized by Franchisor.

SECTION III. PAYMENTS BY FRANCHISEE

3.1. Initial Franchise Fee. Concurrently with the execution of this Agreement, Franchisee shall pay to Franchisor a non-refundable Initial Franchise Fee in the amount of twenty five thousand dollars (\$25,000.00).

3.2. Minimum and Continuing Franchise Fees. Franchisee shall pay to Franchisor or its designees a Continuing Franchise Fee equal to the greater of (a) ten percent (10%) of Franchisee's weekly Gross Sales (as defined in Section 1) or (b) one hundred twenty five dollars (\$125) per week. Continuing Franchise Fees shall be paid electronically on a weekly basis via automatic withdrawal from a pre-authorized account each Friday for the preceding week's Gross Sales. No offset is permitted against Continuing Franchise Fees for amounts due or allegedly due Franchisee by Franchisor. The minimum weekly fee of one hundred twenty-five dollars (\$125) is waived for the first (1st) six (6) months of operation if the ten percent (10%) of weekly Gross Sales is less than one hundred twenty-five dollars (\$125).

3.3. Minimum and Continuing Advertising Fee. Franchisee shall pay to Franchisor or its designees an Advertising Fee in the amount of fifty dollars (\$50) per week or two percent (2%) of the Business's weekly Gross Sales, whichever is greater. The Advertising Fee shall be paid electronically on a weekly basis via electronic withdrawal from a pre-authorized account, each Friday for the preceding week's Gross Sales. The minimum weekly fee of fifty dollars (\$50) is waived for the first (1st) six (6) months of operation, if two percent (2%) of the weekly Gross Sales is less than fifty dollars (\$50). These amounts will be deposited in an Advertising Fund and used by the Franchisor to conduct advertising, public relations, and promotional programs designed to develop brand awareness and build sales volumes of all TeamLogic IT Businesses on a Network-wide basis and not in any specific geographic area. Methods and media employed, contents of advertising, and terms and conditions of advertising campaigns and promotional programs shall be within the sole discretion of Franchisor. Franchisee shall not offset any advertising fees based upon Franchisee's dislike or non-use of the marketing and advertising programs and materials created from the Network-wide Advertising Fund. No offset is permitted against advertising fees for amounts due or allegedly due Franchisee by Franchisor. Franchisor does not guarantee that the Network-wide advertising will appear in Franchisee's geographic area in proportion to Franchisee's specific contributions in any given year. The purpose of the Advertising Fund is to enhance the brand on a national basis.

3.4. Local Advertising. Should the Franchisor, in cooperation with the majority of the Franchisees situated within a specific designated market area, as determined by the Franchisor, establish a local marketing and advertising cooperative for the purpose of conducting local advertising, Franchisee shall join the local advertising cooperative. The cost of belonging to the advertising cooperative is determined by the member Franchisees. The typical monthly cost of a local cooperative is estimated to be between

fifty (\$50) and five hundred dollars (\$500) per Business and is in addition to the Advertising Fees required by Section 3.3.

3.5. Preventative Maintenance Package Fee. Franchisee shall pay to Franchisor a shared revenue fee on all Preventative Maintenance Packages sold which range from seven dollars (\$7) to fifty dollars (\$50) per machine, per month.. This fee is based on the particular level of the package sold. the greater of thirty percent (30%) of the total month's selling price per month or a minimum of fifteen dollars (\$15) per machine per month. A "machine" is defined as any piece of hardware that is connected to the Business Management Software System. There are five (5) packages which are detailed in the Operations Manual. Franchisor shall provide pricing guidelines although Franchisee shall set the selling price of the Preventative Maintenance Packages. Preventative Maintenance Package Fees will be paid electronically on a monthly basis via electronic withdrawal from a pre-authorized account, on the thirtieth (30th) day of the month for prior month's Preventative Maintenance Packages sales, regardless of whether or not Franchisee has actually collected the sales price from any particular customer. No offset is permitted against any other amounts due or allegedly due Franchisee by Franchisor.

3.6. Interest on Delinquent Charges. If Franchisee fails to pay Franchisor any amount when due under this Agreement, or any other agreement with Franchisor, Franchisee must pay interest on the delinquent amount at the highest rate of interest allowable in the state where Franchisee is located for all unpaid amount. In addition, Franchisee shall pay any expenses incurred by Franchisor in the collection of such delinquent amounts.

SECTION IV. OBLIGATIONS OF FRANCHISOR

4.1. Pre-Opening Obligations. Prior to the opening of your TeamLogic IT Business, TeamLogic, Inc. will:

a. Provide one copy of our proprietary Operations Manual and provide updates and changes to the Operations Manual, which may be provided for you electronically. This Manual is confidential and remains TeamLogic, Inc.'s property. TeamLogic, Inc. may modify, add to, or delete from the manual; the modifications will not alter your status or rights under the Franchise Agreement.

b. Award a Protected Territory. A review of Franchisee's preferred market area will be conducted to determine if the territory is available and, if it meets the business count requirements of a Franchisor for a TeamLogic IT Business.

c. Provide Initial Training. This Initial Training will include one week (5 days) of classroom instruction at TeamLogic, Inc. headquarters in Mission Viejo, California. The objective of the Initial Training is to train you in the four operating systems for your Business: Business Technology Management, Employee Management, Marketing Management, and Financial Management. The Initial Training must be scheduled and completed within two (2) months after signing the Franchise Agreement. You must also complete a mandatory series of online technology training courses prior to opening your TeamLogic IT Business. The online curriculum will provide you with the necessary technology training to help you market your business. Franchisee and any appropriate management personnel must take this training prior to the opening of the TeamLogic IT Business. Your Franchise Fee pays for the Initial Training at Franchisor's headquarters, including travel, lodging, and some meals and online training for one (1) person. A second trainee may attend the Initial Training and take the online courses at no

additional training fee, however, Franchisee (or the trainee) is responsible for all travel, lodging, meals, and any additional expenses. Additional trainees beyond two (2) must pay the current training fee for the Initial Training and the current online training fees, as well as transportation, lodging, meals, and any additional expenses.

d. Provide the initial supply of sales, marketing, and advertising tools and materials. You will use these tools and materials as you implement the TeamLogic IT Marketing System in your market area. The initial supply is intended to last you for the first three to six months of your Business operation. Additional tools and materials will be available if desired by Franchisee, for ordering and purchase through Franchisor's marketing department or outside vendors, on an as-needed basis.

e. Provide signage specifications for your TeamLogic IT location. The latest version of signage specifications including layout and color options will be made available to help you prepare the most appropriate layout to meet the requirements of your landlord or building management firm.

f. Provide specifications for the Vehicle Graphics Package. It is important that consistency of vehicles and their graphics be maintained throughout the TeamLogic IT Network in order to build brand awareness as the network grows. All the detail that you will need to properly outfit your vehicle will be provided including the design, color, and placement specifications.

g. Provide you with specifications for the required hardware and software you will need to operate your TeamLogic IT Business. This will include the hardware and software you will use internally for the day-to-day operations of the Business as well as the inventory of hardware and peripherals that you will carry in your vehicle and use for resale to your client base.

h. Provide the specifications for required third party vendor software licenses. In order for you to access and operate the Business Management Software System, you must have several software licenses. These specific licenses may change from time to time as the vendor's upgrade/modify their software licenses. Franchisor will provide Franchisee with the specific list and accompanying costs of the necessary current versions, which are available at the time, you sign this Agreement.

i. Provide the specifications for the certified technicians beyond the minimum Level 1 Certified Technician. You will be given the detailed guidelines on the most up-to-date specifications of third-party authorized certifications that will be used in the designation of Level 2 and Level 3 Certified Technicians.

j. Provide access to our proprietary Business Management Software System. The IT department at TeamLogic, Inc. will ensure that you have the proper access and understand the guidelines for using this software system that will help you manage the day-to-day operations of your TeamLogic IT Business as well as enable you with the tools you will need to market and engage your clients with the Preventative Maintenance Packages.

k. Provide a website URL and a TeamLogic IT website with a link to the master website: www.teamlogicIT.com.

4.2. Continuing Obligations. Once your TeamLogic IT Business is open, TeamLogic, Inc. will:

a. Provide you with current available resources, which as of 2004, 2005, 2006, include:

- Periodic consulting and assistance by a TeamLogic, Inc. representatives;
- Toll-free support line for telephone consulting;
- Periodic marketing materials and assistance;
- Periodic seminars and regional meetings;
- Monthly newsletter;
- Advice and information about new developments in the computer consultation repair and maintenance industry;
- Advertising materials; and
- Ongoing access to the Business Management Software System.

b. When established, administer the Network-wide Advertising Fund.

TeamLogic, Inc. is not obligated to perform these services to your particular level of satisfaction, but as a function of our experience, knowledge, and judgment.

SECTION V. TERRITORY AND LOCATION OF BUSINESS

5.1. Territory. Franchisor hereby grants to Franchisee the right to locate the Business within the geographical boundaries defined in the Protected Territory Designation Sheet (the "Territory") according to the following conditions:

a. Franchisor shall not, during the term of this Agreement and any renewal hereof, own or operate, or grant a franchise to a third party to own or operate a TeamLogic IT Business located in the Territory;

b. Franchisee expressly acknowledges and agrees that Franchisor and its affiliates have and retain the rights, among others to: (i) own and/or operate a TeamLogic IT Business located outside of the Territory, (ii) grant a franchise, or other rights, to third parties to own and/or operate TeamLogic IT Businesses located outside of the Territory, (iii) directly or indirectly market and/or sell, within or outside the Territory, products and services that are not sold through TeamLogic IT Businesses, whether or not they use the Service Marks and (iv) market and negotiate pricing for National Accounts, as described below, within or outside the Territory;

c. The Territory is usually designated by street description with a map and will be identified in the Protected Territory Designation Sheet, which may be identified and completed after the Franchise Agreement is signed; and

d. The Territory shall not be construed as a limitation on Franchise's advertising and marketing, or on the customers Franchisee may serve (except for National Account customers, as defined in Section 10 below), and Franchisee may service customers located in another franchisee's Territory (except for National Account customers), and other franchisees may serve customers in your Territory (except for National Account customers).

5.2. Business Location. Franchisee is required to obtain a business location within the Territory within ninety (90) days of the execution of this Agreement. Franchisee assumes all costs, liability, expense, and responsibility for locating, obtaining, and equipping a location (leasehold improvements, furniture, fixtures, equipment and supplies) for the Business according to the specifications set out in the Operations Manual.

5.3. Relocation. Franchisee must request Franchisor's approval to relocate its Business. Franchisee must make a written request to Franchisor at least thirty (30) days prior to any relocation, for Franchisor's approval, which will not be unreasonably withheld. Franchisor will notify Franchisee in writing of its approval or disapproval. Franchisee may not relocate outside its Protected Territory or inside another TeamLogic IT franchisee's Protected Territory.

SECTION VI.
FRANCHISEE'S OBLIGATIONS FOR MAINTENANCE
AND OPERATION OF BUSINESS

6.1. Authorized Sales and Services. You are authorized and obligated to sell TeamLogic IT products, services, and equipment including Core Services, Non-Core Services, and Preventative Maintenance Packages in accordance with this Agreement and the Operations Manual.

6.2. Certified Technician. Prior to opening and operating the Business, and at all times during the conduct of the Business, you must have on staff a minimum of one (1) Level 1 Certified Technician in order to offer the minimum required IT consultation services, Preventative Maintenance Packages, and Core repair services to its customer base.

6.3. Vehicles and Vehicle Graphics. Prior to opening and operating the Business, Franchisee is required to obtain an approved vehicle to be used in the Business and must outfit such vehicle with the required vehicle graphics package as outlined in the Operations Manual, at Franchisee's cost.

6.4. Training. Prior to opening the Business, Franchisee must attend and successfully complete Franchisor's Initial Training, as well as the required online technology training.

6.5. Bank Account. Prior to opening the Business, Franchisee must establish a bank account for the TeamLogic IT Business that will allow electronic transfer of funds with Franchisor's account; and shall execute all documents necessary to set up such preauthorized transfers.

6.6. Maintenance and Repairs. Franchisee must at all times maintain the Business location and the Business Vehicle in a clean, orderly condition and in accordance with all maintenance and operating standards set forth in the Operations Manual. Franchisee must make all repairs, upgrades, and replacements, at Franchisee's expense, as Franchisor deems reasonably necessary.

6.7. Signage. Franchisee must display at the Business location the Service Marks in the manner prescribed in the Operations Manual.

6.8. Equipment. Franchisee must at all times maintain equipment for providing the services of the Business in accordance with the specifications set out in the Operations Manual or prescribed by Franchisor from time to time. The current required equipment is: two (2) Windows based computers capable of accessing the Business Management Software System, one being a laptop version. In addition, each technician that is hired must have a Personal Digital Assistant. The other equipment that the Business will need is a telephone system that is capable of forwarding calls to remote numbers and has a voicemail system that can be easily accessed from the field. This equipment may be obtained from any source. Franchisee must upgrade such equipment whenever necessary in order to maintain adherence to the specifications set out by Franchisor.

6.9. Preventative Maintenance Packages. Franchisee shall use the Franchisor-produced form contract in selling Preventative Maintenance Packages to its customers. Franchisee does not have the authority to modify the service terms of the contracts for Preventative Maintenance Packages. However, Franchisee may charge any price and may increase prices from time to time. Franchisee may not create its own service package or contract, without specific written approval of Franchisor.

6.10. Operations Manual. Franchisee shall operate the Business in accordance with the Operations Manual, a copy of which shall be loaned to Franchisee upon payment of the initial Franchise Fee. Franchisor has the right to modify the Operations Manual at any time by addition, deletion, or other modification. All such additions, deletions, or modifications may be posted on the company intranet and shall be effective three (3) business days after such posting. Franchisee shall timely implement and adhere to all modifications. Franchisee acknowledges that the Operations Manual contains trade secrets and confidential information and Franchisee may not disclose such information to any other person except employees and agents of Franchisee. Franchisee shall regularly check the company intranet for such modifications.

6.11. Business Management Software System. Franchisee understands and agrees Franchisee shall operate, record and manage all Business activity through the Business Management Software System ("BMSS"). Franchisee must utilize this system for among other things, scheduling of all sales appointments, customer service and repair history, accounts payable and accounts receivable, and technician scheduling. In order to access the BMSS, you must purchase and maintain general third party software licenses. These specific licenses may change from time to time as the vendors' upgrade/modify their software licenses. Franchisor will provide Franchisee with the specific list and accompanying costs of the necessary current versions, which are available at the time, you sign this agreement.

6.12. Telephone Listings. Franchisee must obtain and maintain, at its expense, appropriate telephone directory listings, using the Service Marks, in the form, size, and content prescribed by the Operations Manual, in at least one telephone directory of general distribution covering the Territory.

6.13. Internet and Website. Franchisee must have and maintain, at its expense, high-speed Internet access. Upon payment of the Initial Franchise Fee. Prior to opening and operating the Business, a website URL will be assigned to the Business. Upon opening the Business, a standard TeamLogic IT website will be created for the Business and be linked and available from the Franchisor website (www.teamlogicIT.com). If Franchisee desires to create a separate TeamLogic IT website for Franchisee's Business, Franchisee must obtain prior approval for the design and content of this site and must use a specific website URL address which Franchisor shall assign to Franchisee. The Franchisee cannot establish and use a different URL address to promote any aspect of the TeamLogic IT Business. The creation and maintenance of any separate Franchisee TeamLogic IT website shall be at Franchisee's costs.

6.14. Credit Cards. Franchisee must accept payment for sales and services from the Business by way of credit cards, including Visa[®], and MasterCard[®], and Discover[®], and take all such steps necessary to set up required accounts with those vendors at Franchisee's cost prior to opening the Business.

6.15. Business Insurance. Franchisee must procure, prior to commencing the Business, and must maintain in full force and effect during the term of this, at Franchisee's sole expense, the following insurance coverage, and any other coverage as indicated in the Operations Manual:

a. Comprehensive general liability insurance, including coverage for business operations, contractual liability, personal injury, fire damage, medical expenses, with limits per occurrence for bodily injury and general liability of one million dollars (\$1,000,000.00) and for property damage, three hundred thousand dollars (\$300,000.00);

b. Automobile liability coverage for owned, non-owned, scheduled, and hired vehicles having limits for bodily injuries of one million dollars (\$1,000,000.00) per accident, and property damage limits of three hundred thousand dollars (\$300,000.00) per occurrence;

c. Employer's liability and worker's compensation insurance as required by the state where the TeamLogic IT Business is located; and

d. Comprehensive crime and blanket employee dishonesty insurance in an amount of not less than one hundred thousand dollars (\$100,000.00).

All such coverage will be on an occurrence basis and will provide for waivers and subrogation. TeamLogic, Inc. must be an additional named insured on each policy of insurance. Franchisee must deliver a certificate of insurance evidencing each policy to Franchisor within ten (10) days after each policy is issued or renewed. Each policy must contain a provision that it cannot be canceled without thirty (30) days written notice to Franchisor.

6.16. Compliance with Law. Franchisee must operate the Business in compliance with all federal, state, and local laws, regulations and ordinances including obtaining and maintaining all necessary permits, certificates, licenses and registrations, at Franchisee's expense.

6.17. Covenant Not to Compete. Franchisee must use the System and the Service Marks for operation of the TeamLogic IT Business only and must not use them in connection with any other operation, business, or activity. Franchisee shall not, during the time of this Agreement, be involved in any capacity, directly or indirectly, or cause any third party to be involved in any capacity, directly or indirectly, in or with any operation, business or activity which provides products and services the same or similar to the products and services of a TeamLogic IT Franchise within a one hundred (100) mile radius of any TeamLogic IT location without prior written consent from Franchisor. The foregoing shall not apply to ownership of stock in a publicly held company. Franchisee acknowledges that the use, duplication or disclosure of any part of the System, except as expressly permitted by this Agreement, would constitute an unfair method of competition and that Franchisor and its other franchisees will suffer irreparable injury thereby.

6.18. Confidentiality of the System. Franchisee acknowledges that the System is proprietary and confidential and contains trade secrets. Franchisee shall not disclose or disseminate to any third parties, without the express written consent of Franchisor, any part of the System, including but not limited to, the Operations Manual, newsletters, bulletins, operations materials, advertising campaigns, marketing or promotion materials. Franchisee shall at all times keep these items in a safe place and treat them as confidential. Further, Franchisee agrees not to copy, publish, post or otherwise duplicate any part of these items or the System nor permit others to do so and may only disclose the same only in the ordinary course of business to the extent necessary. Franchisor remains the owner of the System and all components thereof.

6.19. Franchisor's Right to Electronic Access of Records/Inspection and Audit. Franchisee acknowledges that Franchisor has electronic access to most operational aspects of Franchisee's business through the Business Management Software System, including but not limited to customer identity, sales history, sales forecasting, appointments, invoicing, technician scheduling, etc. Franchisee shall not take any steps to block or disengage Franchisor's access in any manner. Franchisor will not use the information gained through the Business Management Software System for any purposes not connected to the TeamLogic IT System. Franchisee acknowledges that Franchisor may use this information for internal audit purposes of Franchisee's Business, and may also conduct on site audits and inspections as well, during reasonable hours upon reasonable notice. Any discrepancy between the on-site information and the online information shall be reconciled accordingly. Costs of audits, which result in discrepancies of sales revenues underreported to Franchisor, will be born by Franchisee.

SECTION VII.

TERM

7.1. Initial Term. The initial term of this Agreement shall be for ten (10) years from the date TeamLogic, Inc signs this Agreement.

7.2. Additional Terms. Franchisee shall have the right to extend the TeamLogic IT Franchise Agreement for additional ten (10) year terms upon the following terms and conditions:

- a. Franchisee must notify Franchisor of its intent to renew not less than six (6) months and not more than twelve (12) months prior to the expiration of this Agreement;
- b. Franchisee must not be in material default of this Agreement or any other agreement with Franchisor;
- c. Franchisee must be current with all monetary obligations to Franchisor, its affiliates, approved vendors, or other TeamLogic IT Franchisees;
- d. Franchisee must execute Franchisor's then current form of Franchise Agreement, which may contain terms and conditions materially different from those in this Agreement;
- e. Franchisee must pay a two thousand dollar (\$2,000) franchise renewal fee;
- f. Franchisee must satisfy Franchisor's then current qualifications and training requirements for new Franchisees, at franchisee's expense; and
- g. Franchisee must bring the TeamLogic IT Business location and Business Vehicle up to current standards for look, design, and function as is required of all new TeamLogic IT Franchisees.
- h. Franchisee must execute a general release, in the form prescribed by Franchisor, of any and all claims against Franchisors and its officers, affiliates and agents.

SECTION VIII. SERVICE MARKS

8.1. Use of Service Marks. Franchisee must use the Service Marks in connection with the operation of the TeamLogic IT Business in the manner authorized by us and in no other manner, and must prominently display the Service Marks in the manner as designated by Franchisor and may not use other trademarks, service marks, logotypes, trade dress, product identifiers, tag lines, etc., other than the Service Marks, as designated from time to time.

8.2. Corporate Name. Franchisee may not use the name "TeamLogic IT" (or any substantially similar name) or any of the Service Marks as a part of the legal name of any corporation or other entity, but must obtain the fictitious or assumed name registrations that may be required under applicable law. Franchisee must be identified as the owner of the Business by displaying Franchisee's legal name on all licenses and permits for the Business and on all checks, invoices, receipts, contracts, and other documents that bear any of the Service Marks. On all printed materials, Franchisee's name must be followed by the phrase "An independently owned and operated franchise of TeamLogic, Inc." or such other phrase as designated from time to time. In addition, use of the Service Marks must be accompanied by the registration ®, service mark sm, trademark tm or other symbol, as designated by Franchisor, in close proximity to the Service Marks.

8.3. Franchisor Retained Rights. Franchisee's usage of the Service Marks granted hereunder is nonexclusive, and Franchisor retains the right to, among other things: (a) use the Service Marks in connection with selling products and services; (b) grant other licenses for the Service Marks, in addition to those licensees already granted to existing franchisees; (c) develop and establish other systems using the same or similar marks, or any other proprietary marks, and (d) grant licenses or franchises in those systems without providing any rights to you.

8.4. Acts in Derogation of the Service Marks. Franchisee agrees that it will not, and its employees and agents will not, do or permit any act or thing to be done in derogation of any of the Service Marks nor engage in any acts or conduct that materially impair or impugn the name, reputation, market recognition or goodwill associated with the TeamLogic IT network, the System or the Service Marks.

8.5. Modification of Service Marks. Franchisor may add to, substitute, modify, or delete any or all of the Service Marks from time to time, by directive in the Operations Manual. Franchisee will accept, use, display, or cease using, as may be applicable, the Service Marks, including but not limited to, any such modified or additional trade names, trademarks, service marks, descriptors, logos, or commercial symbols, at Franchisee's expense.

8.6. Franchisors Rights in Event of Termination. Franchisee's usage of the Service Marks and any goodwill established thereby is to Franchisor's exclusive benefit and Franchisee retains no right or rights in the Service Marks upon the termination or expiration of this Agreement. Upon termination or expiration of this Agreement, Franchisee must completely and permanently discontinue all usage of all of the Service Marks, and Franchisor may, if Franchisee does not do so, execute in Franchisee's name and on Franchisee's behalf any and all documents necessary, in Franchisor's judgment, to end and cause a

discontinuance of the use by Franchisee of the Service Marks including any fictitious or assumed name registrations and Franchisor is hereby irrevocably appointed and designated as Franchisee's attorney-in-fact to do so.

8.7. Service Mark Infringement Claims and Defense of Service Marks. If Franchisee receives notice or otherwise becomes aware of any claim, suit or demand against it by any party other than Franchisor on account of any alleged infringement, unfair competition or similar matter arising from its use of the Service Marks, Franchisee shall promptly notify Franchisor of any such claim, suit or demand. Franchisor shall determine, in its sole discretion, whether to defend, compromise or settle any such claim, suit or demand at Franchisor's cost and expense, and Franchisee shall cooperate fully in such matter.

SECTION IX. NATIONAL ACCOUNTS

Franchisor may contract with large companies with multiple national and/or regional locations who will desire to receive TeamLogic IT goods and/or services through a uniform pricing structure, for all or many of their locations ("National Accounts"). Franchisor is and will remain the owner of all National Account contracts. Should you choose to participate, Franchisor will give you a first right of refusal to provide products and/or services (other than Preventative Maintenance Packages) to any National Account customer in your Protected Territory if Franchisor determines, in its sole discretion, exercised in good faith, that you are qualified to provide such services and that the customer will be satisfied to have you provide the products and/or services. If you wish to provide the products and/or services, you must do so at the fee negotiated by Franchisor. Franchisor may invoice the customer, and pay you upon receipt of payment from the customer, less the Continuing Franchise Fee and advertising fees and an administration fee retained by Franchisor not to exceed two percent (2%) of the sale. If you are not authorized or qualified to provide the products and/or services, or if you elect not to, then Franchisor may provide the products or services itself or through others, without compensation to you. You agree to coordinate any sales to National Accounts (having locations inside your Territory) through Franchisor. You must forward any National Account lead or inquiry to Franchisor, and you may not negotiate terms of a contract that will impact other TeamLogic IT Businesses with any such National Account.

SECTION X. TERMINATION OF THE FRANCHISE

10.1. Termination Without Opportunity to Cure. The Franchisor may terminate the Franchise Agreement immediately without opportunity to cure if:

- a. Franchisee becomes insolvent or makes a general assignment for benefit of creditors; a petition in bankruptcy is filed by Franchisee or a petition is filed against Franchisee and consented to by Franchisee; Franchisee is adjudicated bankrupt; a receiver is appointed; or proceedings for composition with creditors is instituted;
- b. If Franchisee is convicted of a felony;
- c. If Franchisee knowingly maintains false books or records or submits false reports to Franchisor;

d. If Franchisee commits fraud upon Franchisor by making a material misrepresentation on the franchise application or related documents which misrepresentation materially affected Franchisor's determination in accepting Franchisee's application for a TeamLogic IT Franchise; or

e. Franchisee commits three (3) or more defaults in payment to Franchisor within a twelve (12) month period even though cured within the twenty (20) day period on each occasion; or

f. Franchisee fails to conduct business having Gross Sales greater than two thousand five hundred dollars (\$2,500) per week for twelve (12) consecutive weeks (except during the first (1st) six (6) months of operation).

g. Franchisor determines that Franchisee is conducting business in a manner likely to impair the value or reputation of the TeamLogic IT Network and fails to cure same within seven (7) days written notice to Franchisee.

10.2. Termination With Opportunity to Cure. Franchisor may terminate the Franchise Agreement and Franchise for the defaults for which Franchisee has not cured:

a. Franchisee fails to acquire a location for the Franchised Business within ninety (90) days of execution of this Agreement;

b. Franchisee commits a material breach of the Franchise Agreement or materially defaults in the payment of any indebtedness to the Franchisor or to Franchisee's suppliers arising out of the purchase of supplies or equipment and this default is not cured within twenty (20) days of notice to Franchisee;

c. Franchisor determines that Franchisee is conducting business in a manner likely to impair the value or reputation of the TeamLogic IT Network and fails to cure same within seven (7) days written notice to Franchisee; Franchisee commits three (3) or more defaults in payment to Franchisor within a twelve (12) month period even though cured within the twenty (20) day period on each occasion; and

d. Franchisee loses possession of the franchised premises (through no fault of Franchisee) and fails to open for business at a new Franchisor-approved location within ninety (90) days thereafter; or abandons the franchise location and such abandonment remains uncured for seven (7) days after notice by Franchisor (Abandonment is defined to include instances where Franchisee allows his or her Business to remain unmanned and customers remain without service for more than seven (7) consecutive days (other than for a planned vacation), and such closing is not beyond the control of Franchisee and/or without consent of Franchisor). It shall not be considered abandonment if Franchisee transfers or relocates the assets of the TeamLogic IT Business without the TeamLogic IT name or changes the name of the TeamLogic IT Business and continues the operation. In such case, Franchisor may obtain injunctive relief in an appropriate Court, or elect to hold Franchisee responsible for wrongful repudiation of the Franchise Agreement.

LAWS APPLYING TO FRANCHISES OF THE STATE WHERE THE BUSINESS IS LOCATED MAY DIFFER FROM THIS AGREEMENT REGARDING DEFAULT, CURE TIME, NON-RENEWAL AND CAUSE FOR TERMINATION. Should any term of this Agreement be contrary to judicially determined public policy or be considered void or inconsistent with the franchise laws of state wherein the Franchisee's Business is located, then any term or portion thereof so void and any inconsistency shall be construed and governed by that state's law to the extent so void or inconsistent.

10.3. Termination by Franchisee. There are no terms of this Agreement providing a right to Franchisee to terminate. If Franchisee takes any action to terminate this Agreement or to convert Franchisee's Business to another business at the same or different location, then such action by Franchisee shall be deemed a wrongful repudiation of the Franchise Agreement and Franchisee shall continue to be obligated to the Franchisor for all anticipated and estimated fees due hereunder until such time as this Agreement expires.

Where notice of default and demand for performance is not given when and to the extent required, failure to give such notice or demand shall not be a waiver of any other term hereof.

10.4. Effect of Termination by Franchisor. Upon termination, for any reason, or upon expiration of this Agreement, all Franchisee's rights hereunder shall terminate.

a. Service Marks and Proprietary Information. Upon termination of the Franchise Agreement for any reason, or upon expiration of this Agreement, Franchisee shall cease any and all use (including Internet use) of the Service Marks and shall remove all items, graphics, signs and other material bearing the Service Marks and any other items identifying Franchisee as having been associated with Franchisor or the TeamLogic IT System including ceasing to wear apparel bearing any of the TeamLogic IT Service Marks and removing all Service Marks from vehicles and business premises; shall cease to use and shall return to Franchisor all proprietary information, materials with trade secrets, Operations Manuals, advertising and marketing materials, and all other manuals and instruction materials owned by Franchisor as described in other sections of this Agreement whether written or in electronic form; and shall turn over to Franchisor all customer lists and information, whether written or in electronic form. Should Franchisee fail to voluntarily comply with this section upon demand, Franchisor is authorized to enter the premises without notice and physically remove all signs, emblems, markings, displays, manuals and other items bearing Franchisor's trademarks Service Marks, proprietary information, and trade secrets at Franchisee's expense.

b. Telephone listings and numbers. Upon termination of the Franchise Agreement for any reason, or upon expiration of this Agreement, all telephone and other online or traditional directory advertising shall be canceled. Further, all telephone and fax line number(s) servicing the Business shall be disconnected without referral, or at the discretion of the Franchisor, transferred or referred to any other TeamLogic IT Business owner (or as otherwise directed by Franchisor). Franchisor shall have the absolute right to notify the telephone company and all listing agencies of the termination of Franchisee's right to use all telephone numbers and all classified and other directory listings under the TeamLogic IT name and to authorize the telephone company and all listing agencies to transfer to Franchisor or to any other TeamLogic IT Business (or as otherwise directed by Franchisor) all telephone numbers and directory listings for the Franchisee's business. Franchisee acknowledges that Franchisor has the absolute right and interest in and to all telephone numbers and directory listings associated with the TeamLogic IT brand and Franchisee agrees to cooperate and execute any documentation necessary to effect said disconnection, transfer or referral. Franchisor is hereby appointed as Franchisee's irrevocable Attorney in Fact to effect same in name of Franchisee and Franchisee hereby holds the telephone company harmless from acting on this Power of Attorney, which shall supersede any subsequent instructions by Franchisee. This Agreement is evidence of the exclusive rights of Franchisor to such telephone numbers and directory listings and this Agreement shall constitute the authority for the telephone company to transfer the telephone numbers and directory listings as directed by Franchisor. Franchisee shall not use the disconnected number(s) at any time thereafter.

c. Web Site, Business Management Software and Internet use. Upon termination of the Franchise Agreement for any reason, or upon expiration of this Agreement, Franchisee's access shall immediately cease to (i) Franchisor's Intranet web site, (ii) the Franchisor-provided URL address for a Franchisee web site, and (iii) the Business Management Software System. Franchisee acknowledges and agrees that all information contained in or obtained through the Business Management Software System regarding Franchisee's customers and Franchisee's TeamLogic IT Business (the Electronic Information) has been gathered and created under Franchisor's name, System, Service Marks, and Franchisor's good will and therefore belongs to the Franchisor, and upon termination or expiration of the Franchise Agreement, shall revert solely to Franchisor. Franchisee hereby assigns to Franchisor (such assignment effective only upon termination or expiration of the Franchise Agreement) all Franchisee's interest in and to, Franchisee's Preventative Maintenance Package contracts, and in such case Franchisor shall step into the shoes of Franchisee with regard to those contracts, and Franchisee have no further obligation to service such customers, and shall not attempt to service such customers nor purport to represent that it will continue to service such customers. Franchisee acknowledges that Franchisor may further assign its position in the Preventative Maintenance Package contracts to any third party without the consent of Franchisee and without any consideration to Franchisee. Franchisee shall not be entitled to any revenues from the Preventative Maintenance Packages contracts after termination or expiration of the Franchise Agreement. Franchisee is not entitled to copies of any of the Electronic Information and all such copies shall be immediately returned to Franchisor. Franchisor may use such Electronic Information in any manner in connection with its TeamLogic IT franchise network.

d. Monies Owed. Upon termination of the Franchise Agreement for any reason, or upon expiration of this Agreement, Franchisee shall immediately pay all monies due Franchisor.

e. Customer, Supplier Notification. Upon termination of the Franchise Agreement for any reason, or upon expiration of this Agreement, Franchisee shall immediately notify all suppliers and customers that, as of the date of termination/expiration of the Agreement, Franchisee is no longer associated with Franchisor and the TeamLogic IT Network and that such customers will be transferred to a nearby TeamLogic IT Business (or as otherwise directed by Franchisor). Franchisee shall provide Franchisor with a list of all such suppliers and customers and shall cooperate in an orderly transfer of the customer files and customer list to the nearby TeamLogic IT (or as directed by Franchisor). Franchisor shall have the right to notify such suppliers and customers and/or verify that such notification has been given by Franchisee.

f. Non-Competition, Non-Solicitation Agreement. Upon termination or expiration of the Franchise Agreement, the Franchisee shall not be associated directly or indirectly as employee, proprietor, stockholder (other than a publicly traded company), partner, agent, officer, director or consultant with the operation of any business which is the same or substantially similar to the business covered by this Agreement (except with a TeamLogic IT Business), within a radius of five (5) miles of the subject Business or of any TeamLogic IT Business for a period of one (1) year from the date Franchisee has complied with all of the above requirements upon termination. For a period of one (1) year from the date of termination, Franchisee shall not solicit, or cause anyone to solicit, business from or make any contact with, the former TeamLogic IT Business's customers, nor hire, or cause anyone to hire any of the former TeamLogic IT Business employees. Franchisor shall have the right to enforce this provision by way of obtaining an injunction against Franchisee in the state the Business is located. It is agreed that this provision shall specifically survive the termination of the Franchise Agreement, and the rejection of the Franchise Agreement in any bankruptcy proceeding. Franchisee shall be responsible to pay Franchisor Continuing Franchise Fees and other damages during any period of violation of this section.

SECTION XI.
TRANSFER BY FRANCHISEE

11.1. Consent to Transfer Required. The Franchisee shall not, without the Franchisor's prior written consent, which will not be unreasonably withheld, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey to any person, firm or corporation, or encumber any portion of his interest in this Agreement, and/or in the franchise granted hereby, or in the assets of the business, or in any location lease, or offer to do so, or permit the same, and any purported transfer without Franchisor's consent shall constitute a material default hereunder and shall be null and void.

11.2. Requirements to Obtain Franchisor's Approval of a Transfer. Franchisor may reasonably refuse approval to a proposed transfer unless all the following are met:

a. Transferee must meet those standards of qualification as expected of all Franchisees purchasing a new TeamLogic IT Franchise;

b. All of Franchisee's debts and obligations owing to Franchisor including Continuing Franchise Fees, Advertising Fees, Preventative Maintenance Package fees, etc. must be paid before or concurrently with the transfer;

c. Franchisee or the transferee must bring the Business and the Business Vehicle up to the current standards of appearance, design and décor, equipment and safety requirements as required by the Franchisor;

d. Before the effectiveness of the transfer, Franchisee must pay to the Franchisor the then current transfer fee (\$10,000 in year 2006). The transfer fee is waived in the event the TeamLogic IT Business is transferred to a member of Franchisee's immediate family who has actively participated in the operations of the Business;

e. Franchisee must enter into a Mutual Release Agreement with Franchisor. Franchisee hereby consents to Franchisor releasing any information concerning the Business to the transferee (new Franchisee) which Franchisee has reported to Franchisor; and

f. Franchisor and the transferee must enter into a new Franchise Agreement upon the then current standard form being offered by Franchisor to new Franchisees and the old Franchise Agreement will be deemed terminated subject to all post-termination obligations.

11.3. Transfer to a related corporation/limited liability company. A transfer may be made to a related corporation/limited liability company, without a transfer fee, providing that Franchisee shall remain the legal and beneficial owner of at least fifty-one percent (51%) of all the shares of stock of such corporation/limited liability company during the term and/or renewal term of this Agreement and shall personally guarantee the franchise obligations of the corporation/limited liability company and shall remain jointly liable along with the corporation/limited liability company. Further, the names and home addresses of any proposed shareholders/members, along with the percentage and amount of shares/membership interests transferred shall be forwarded to Franchisor in writing. Any transferee of shares/membership interests shall be bound by this Franchise Agreement as though they had signed individually. All stock/membership certificates shall include a legend setting forth these restrictions in order to effect a binding restriction on transferability in accordance with the corporate law of the state in which the corporation/limited liability company is formed. Any such transfer to a corporation/limited

liability company shall be effected on forms prescribed by Franchisor. Franchisee may not transfer the assets of the business to a corporation/limited liability company without the prior consent of Franchisor and any purported transfer shall be a violation of the Franchise Agreement; and Franchisor may elect to hold such corporation/limited liability company jointly responsible with Franchisee for the obligations under this Franchise Agreement, as if such corporation/limited liability company originally signed the Franchise Agreement, jointly with Franchisee.

11.4. Indemnity. In any transfer or proposed transfer, pursuant to this Section 11, Franchisee indemnifies and holds Franchisor harmless from any and all actions, causes of action, liabilities, losses, costs, expenses and fees, incurred by Franchisor as a result of any action or inaction, or any misrepresentations made by Franchisee to the transferee or proposed transferee in connection with the transfer or proposed transfer of the TeamLogic IT Business. This indemnification shall survive the termination or cancellation of this Agreement.

11.5. Franchisor's Right of First Refusal. If Franchisee receives and desires to accept from a third person a bona fide written offer to purchase the TeamLogic IT Business, the Franchisor shall have the option, exercisable within thirty (30) days after written notice and receipt of a copy of such complete offer, to purchase the TeamLogic IT Business, including any location lease, on the same terms and conditions as offered by said third party. If Franchisor does not respond within such thirty (30) day period, then Franchisor's option shall be waived. (Franchisee must still obtain Franchisor's approval for the transfer.).

11.6. Death of Franchisee. If Franchisee dies, his personal representative may sell and assign his interest herein (or if Franchisee is or shall then be a corporation and its controlling stockholder dies, Franchisee's personal representative may sell Franchisee's shares) only with the prior written consent to sale or assignment to a qualified person who will conform to the Franchisor's training requirements and assume Franchisee's obligations, is of good character and reputation and economic stability, from whom a bona fide offer to purchase has been received, provided the Franchisor shall have the right and option to acquire the decedent's interest in this Agreement and any location lease at said offered price; said option to be exercised within thirty (30) days after the Franchisor is notified in writing of said bona fide offer.

11.7. Unauthorized Transfers. It is agreed and understood that any attempted transfer of only the assets and/or the phone numbers and/or website addresses/URLs of the Business without the transfer of the franchise itself is strictly prohibited and may be voided. Such action may be treated by Franchisor, in its sole discretion, as a wrongful repudiation of the Franchise Agreement by Franchisee, entitling Franchisor to damages which are hereby agreed upon as the amount of the anticipated and estimated Continuing Franchise Fees and Preventative Maintenance Packages fees for the remaining term of the Franchise Agreement by utilizing the current Continuing Franchise Fees and Preventative Maintenance Packages fees as a base. Alternatively, Franchisor shall have the right to void the purported transfer by way of injunction or restraining order in a State or Federal Court where the Business is located.

SECTION XII. DISPUTES/ARBITRATION

12.1. Except as provided below, any controversy or claim arising out of or relating to this Franchise Agreement or the breach hereof, including a claim involving the validity of the Franchise Agreement,

shall be settled by arbitration with the American Arbitration Association in accordance with the Commercial Arbitration Rules then in effect.

a. Arbitrator. There shall be a single arbitrator who shall be an existing or former judge of a court of record within the United States or an attorney in good standing admitted to practice for a period of at least ten (10) years within the United States. A corporation/limited liability company to which an individual Franchisee has transferred some or all of the assets comprising the TeamLogic IT Business shall be considered either a joint Franchisee or successor Franchisee (at Franchisor's option) and bound by this arbitration agreement.

b. Location. The site of the arbitration shall be in Orange County, California.

c. Absence of party. The arbitration may proceed in the absence of either party, providing that notice of the filing of the arbitration has been sent to the other party in accordance with this Agreement.

d. Decision/Jurisdiction. The decision of the arbitrator shall be final and binding upon the parties hereto, and judgment upon the award rendered by the arbitrator, may be entered in any court having jurisdiction thereof. Franchisee hereby consents to California personal jurisdiction for himself and any corporation owning some or all of the assets of the TeamLogic IT Business, and hereby consents to service of process by way of certified mail, return receipt requested, sent to the TeamLogic IT Business location, signed by a duly employed employee of Franchisee, or by personal service or by substitute service in accordance with California law. The parties agree that punitive damages shall not be available as a remedy for a breach of this Agreement or any dispute relating to this Agreement.

e. Fees. If any party commences an action, either arbitration or court proceedings, against any other party arising out of or in connection with this Franchise Agreement, the prevailing party or parties shall be entitled from the losing party or parties, both attorney's fees and costs of the arbitration and/or suit as part of the judgment rendered, along with attorney's fees and costs incurred in enforcing any such judgment.

f. Service Marks. Notwithstanding the above, the arbitrator shall have no power or authority to diminish Franchisor's complete and exclusive right, title and interest in its patents, trademarks, service marks, trade names, copyrights and other trade secrets, or to vary the terms, condition or payments which Franchisor has designated for licensing the same.

12.2. This section shall survive and remain in full force and effect subsequent to termination or expiration of this Agreement.

12.3. Except where contrary to a specific law in Franchisee's state, written notice of any alleged default by Franchisor of this Agreement must be given by Franchisee to Franchisor within eighteen (18) months of the alleged default or Franchisee is precluded from raising such alleged default thereafter in any proceeding involving Franchisor or Franchisee. Franchisor and Franchisee both hereby waive the right to assert the principles of collateral estoppel in any action between them. Franchisor and Franchisee hereby waive any right to a jury trial.

SECTION XIII. MISCELLANEOUS

13.1. The parties hereto further agree as follows:

a. Independence of Franchisee/Indemnity. Franchisee is, and shall be at all times during the term of this Agreement, an independent contractor and not an agent or employee of the Franchisor. The Franchisee is not a partner or joint venturer with the Franchisor. This Agreement does not create a fiduciary relationship between the parties. Franchisee shall defend, indemnify and hold harmless Franchisor, its affiliates, and their respective shareholders, directors, officers, employees, representatives, and agents from and against any and all actions, causes of actions, claims, suits, fines, demands, losses, liabilities, costs, and fees (including attorney fees) of any kind arising out of or in connection with Franchisee's TeamLogic IT Business, including but not limited to personal injury, property damage, violation of the rights of others, negligent or intentional corruption of data, or any wrongful use of information by electronic medium or otherwise.

b. Abandonment or Surrender by Franchisee/Close of Business. If Franchisee shall, for any reason, abandon (as defined in Section 10.2d above) or surrender all or any part of its rights and privileges under this Agreement, all such rights shall revert to the Franchisor. However, Franchisee shall not have the right to abandon its obligations under this Agreement. Franchisee shall have the right to close down the business, subject to the conditions in Sections 10 and 11 concerning termination and transfer.

c. Waiver. No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option or power arising out of any breach or default by Franchisee, or by any other Franchisee, of any of the terms, provisions or covenants contained herein, shall constitute a waiver by Franchisor thereof to enforce any such right, option or power as against Franchisee, or as to a subsequent breach or default by Franchisee.

d. Severability. Should any provision of the Agreement for any reason be construed or declared to be invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated.

e. Right of Successors. The Franchisor has the right to assign the Franchise Agreement and all its rights and privileges thereunder, to any other person, firm, or corporation, provided that the assignee is financially responsible and economically capable of performing the obligations of the Franchisor. The Assignee must also assume and agree to perform all obligations of the Franchisor under the Franchise Agreement. The Franchisee's consent is not required for any such assignment.

f. Previous Agreements and Representations. Upon execution of this Agreement by both parties, all previous agreements, contracts, arrangements or understandings of any kind relative to the franchise herein granted are canceled and all claims and demands thereon are fully satisfied.

g. No Representations. No agent or representative of Franchisor has authority to make any representations, statements, warranties, or agreements not herein expressed and Franchisee agrees that no such representations, statements, warranties or agreements have been made, or if made, that no reliance thereon has been considered in the signing of this Agreement.

h. Notice. Whenever, under the terms of this Agreement, notice is required, the same shall be given in writing and delivered personally and shall be deemed delivered three (3) business days after notice has been sent by United States certified or registered mail postage prepaid. All such notices intended for the Franchisor shall be addressed to it at:

TeamLogic, Inc.
26722 Plaza Drive
Mission Viejo, California 92691
Attention: President

or as may be designated in writing by Franchisor. Notice to Franchisee shall be directed to the Business's address.

i. Terminology and Construction. All terms and words used in this Agreement regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular and plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any section, paragraph or clause herein may require, as if such words had been fully and properly written in the appropriate number and gender. If Franchisee consists of two (2) or more individuals or entities, such individuals and/or entities shall be jointly and severally liable hereunder.

j. Entire Agreement; Modification. The Franchise Agreement and the accompanying Offering Circular together contain the entire Agreement of the parties and there are no representations, inducements, promises, or agreements, other than those set forth and duly executed in writing. This or any other agreement of any kind or any addendum or exhibit, amending, altering or changing the context of any portion hereof, shall not be binding unless it is executed by an appropriate officer at TeamLogic IT Corporate offices and by Franchisee or Franchisee's representative. Certain aspects of the franchise relationship may be affected by changes in the Franchisor's Operations Manuals. The Franchisor may make such modifications without Franchisee's approval, so long as they are reasonable and apply uniformly to all Franchisees.

k. Performance, Applicable Law and Forum. It is stipulated this Agreement has been negotiated, executed and delivered within the State of California and is to be performed at Franchisor's offices in the County of Orange, California. Except as otherwise provided for hereunder, this Agreement shall be interpreted and the rights and obligations of the parties hereunder governed in accordance with the laws of the State of California, except for Section 11.4(f) of this Agreement which shall be governed by the laws of the State where the TeamLogic IT Business is located.

l. Headings. The headings of the paragraphs herein are inserted for convenience only and are not intended to be construed as part of the Agreement or to limit the scope of a particular paragraph.

m. Signature. This Agreement must be originally signed by an individual if unmarried or if married, individuals and their spouses as the Franchisee, or if signed by a Corporation or Limited Liability Company ("LLC"), must be personally guaranteed by the shareholders/members and their

spouses. It is acknowledged that should an individual Franchisee subsequently transfer some or all of the assets of the TeamLogic IT Business to a corporation/LLC, then Franchisee agrees that such corporation/LLC shall be considered either a joint or successor Franchisee (at Franchisor's option) to this Franchise Agreement, and shall, along with all shareholders/members, be bound hereby, as if the corporation/LLC and shareholders/members each executed this Agreement.

n. Warranty as to Original Document. Franchisee hereby warrants that he has not caused any electronic modification, scanning or manipulations of the Franchise Agreement received from Franchisor and that this document is the same document received from Franchisor, and agrees that any such modifications or manipulation shall be void.

SECTION XIV. ACKNOWLEDGEMENTS AND SIGNING

Acknowledgements. You acknowledge and agree that:

14.1. Risk. Purchasing a franchise in the business to be operated under this Agreement involves business risks. I am assuming those risks and understand that my active participation in the TeamLogic IT Business is vital to its success.

14.2. Information from Representatives/Earnings Claims. I have not relied on any representation, promise or guarantee from any representative of Franchisor regarding potential or expected sales, profits or revenues of the Business, and have performed my own due diligence in investigating this franchise opportunity.

14.3. Acceptance of Agreement. I have read all of the foregoing Agreement and hereby accept and agree to each and all of the provisions, covenants and conditions therein contained.

14.4. Opportunity for Legal Counsel. I have received, read, and understood the Uniform Franchise Offering Circular, which includes a copy of this Agreement and have been advised to, and afforded ample opportunity to, review and discuss the terms herein and consult with my legal or other counsel before affixing my signature hereto.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto executed this Agreement, which shall be effective when executed by Franchisor, at Franchisor's corporate offices, County of Orange, State of California.

FRANCHISEE:

Signature

(Print Name)

Dated: _____

Signature

(Print Name)

Dated: _____

Home Address: _____

Home Phone No.: _____

Home Address: _____

Home Phone No.: _____

APPROVED AND ACCEPTED FOR TEAMLOGIC, INC.

President

Effective as of: _____

PERSONAL GUARANTY OF FRANCHISEE
(Required if Franchisee is a Corporation or Limited Liability Company)

The undersigned, being the sole owners of the corporation or limited liability company ("LLC"), _____, a _____ corporation or LLC, and their spouses of the owners, hereby unconditionally guarantee the performance of said corporation or LLC of all obligations contained in the foregoing Franchise Agreement and shall be jointly obligated, along with the corporation or LLC, as if the undersigned were the original "Franchisees", and further agree that TeamLogic, Inc., may enforce such obligations directly against the undersigned without first looking to the corporation or LLC.

Signature

(Print Name)

Signature of Spouse

(Print Spouse's Name)

Signature

(Print Name)

Signature of Spouse

(Print Spouse's Name)

Home Address

Home Phone Number

Date:

Home Address

Home Phone Number

Date: