

EXHIBIT 2

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FRANCHISE AGREEMENT

**COMPUTER MEDICS OF
AMERICA, INC.**

Computer Medics of America, Inc.

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**COMPUTER MEDICS OF AMERICA, INC.
FRANCHISE AGREEMENT**

PARTIES

THIS AGREEMENT is made by and between Computer Medics of America, Inc., an Alaska Corporation, hereinafter known as Computer Medics of America, Inc., or "Franchisor" and the persons signing as Franchisee or Guarantors' and referenced to herein individually or collectively as "Franchisee," to evidence the agreement and understanding between the parties as follows:

RECITALS

WHEREAS, Franchisor has developed, operates and has the right to license a system or business program, including expertise for conducting and operating a business under the mark Computer Medics of America, Inc.; and

WHEREAS, Franchisor has received an exclusive license for Computer Medics of America, Inc., an Alaska Corporation, dated January 1, 2003, to use certain trade names, trademarks, logos, service marks and other property in connection with the operation of business and has developed expertise (including confidential information) and a unique, distinctive and comprehensive system (the "System") for the establishment and operation of a franchised business offering:

Computer Medics of America, Inc., for the promotion and identification of the mark, Computer Medics of America, Inc. and stylized logo for the sale of products and services at Computer Medics of America, Inc. locations and other locations at the discretion of the licensee (the Computer Medics of America, Inc. hereinafter referred to as a Franchise Location or "Business"); and

WHEREAS, Franchisor has devised a uniform system for the operation of Computer Medics of America, Inc. including specifications, and procedures for operations; procedures for quality control; training and ongoing operational assistance; advertising and promotional programs; and other related benefits for use of Franchisee under the Names and Marks, all of which may be changed, improved, and further developed by Computer Medics of America, Inc. from time to time; and

WHEREAS, Computer Medics of America, Inc. identifies its System by means of certain trade names, service marks, trademarks, logos, emblems, trade dress and other indicia of origin, including but not limited to the mark "Computer Medics of

America, Inc." and such other trade names, service marks, trademarks and trade dress as are now designated (and may hereafter be designated by Computer Medics of America, Inc. in writing) for use in connection with its System (the "Names and Marks").

WHEREAS, Computer Medics of America, Inc. continues to develop, use, and control the use of such Names and Marks to identify for the public the source of services and products marketed there under and under its System, and to represent the System's high standards of consistent quality, appearance, and service.

WHEREAS, Franchisor has established substantial goodwill and business value in its Names and Marks, expertise and System; and

WHEREAS, Franchisee desires to obtain a franchise from Franchisor for the right to use the "Names and Marks" and the expertise for operating a Computer Medics of America, Inc. and to obtain the benefits and knowledge of Franchisor's System including, but without limitation, business design, operating methods, product preparation, advertising, sales techniques and materials, signs, personnel management, control systems, bookkeeping and accounting methods, and in general a style, method and procedure of business operation utilizing the Names and Marks as a Franchisee of Franchisor; and

WHEREAS, Franchisee recognizes the benefits to be derived from being identified with and licensed by Franchisor and Franchisee understands and acknowledges the importance of Computer Medics of America, Inc. high standards of quality, cleanliness, appearance, and service and the necessity of operating the Business in conformity with Computer Medics of America, Inc. standards and specifications.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

I. FRANCHISEE'S ACKNOWLEDGEMENT OF BUSINESS RISK AND ABSENCE OF GUARANTEE

Franchisee (and each partner or shareholder if Franchisee is a partnership or corporation) hereby represents that he or she has conducted an independent investigation of the Franchisor's business and System and recognizes that the business venture contemplated by this Agreement involves business risks and that

its success will depend upon Franchisee's abilities as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business contemplated by this Agreement.

II. FRANCHISEE'S ACKNOWLEDGEMENTS CONCERNING RECEIPT AND THOROUGH EVALUATION OF AGREEMENT

Franchisee acknowledges having received, read, and understood this Agreement, including the Uniform Franchise Offering Circular and attachments thereto. Franchisee further acknowledges that Franchisor has accorded Franchisee ample time and opportunity to consult with independent legal counsel and other advisors of its own choosing concerning the potential benefits and risks of entering into this Agreement. Franchisee acknowledges that it has received a completed copy of this Agreement, attachments referred to herein, and agreements relating hereto, if any, at least five (5) business days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, entitled "Information For Prospective Franchisees Required By The Federal Trade Commission," at least ten (10) business days prior to the date on which this Agreement was executed.

Franchisee acknowledges that it has read and understands this Agreement, the Attachments hereto, and any agreements relating thereto, and that Franchisee has been advised by a representative of Computer Medics of America, Inc. to consult with an attorney or advisor of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement prior to its execution.

Franchisee acknowledges that any statements, oral or written, by Computer Medics of America, Inc. or its agents preceding the execution of this Agreement were for informational purposes only and do not constitute any representation or warranty by Computer Medics of America, Inc. The only representations, warranties and obligations of Computer Medics of America, Inc. are those specifically set forth in the Uniform Franchise Offering Circular and this Agreement. Franchisee must not rely on, and the parties do not intend to be bound by, any statement or representation not contained therein.

Franchisee acknowledges that Computer Medics of America, Inc. will not provide or designate locations for Franchisee, will not provide financial assistance to Franchisee and has made

no representation that it will buy back from Franchisee any products, supplies or equipment purchased by Franchisee in connection with the Business.

III. ACTUAL, AVERAGE, PROJECTED OR FORECASTED FRANCHISE SALES, PROFITS OR EARNINGS

Earnings claims located in the Uniform Franchise Offering Circular are the only statement of sales, profits or earnings that the Franchisee should rely upon.

Franchisee, and each party executing this document hereto, acknowledges that Computer Medics of America, Inc., itself or through any officer, director, employee or agent, has not made, and Franchisee has not received or relied upon, any oral or written, visual, express or implied information, representations, assurances, warranties, guarantees, inducements, promises or agreements concerning the actual, average, projected or forecasted franchise sales, revenues, profits, earnings or likelihood of success that Franchisee might expect to achieve from operating the Business, except as set forth in the Franchise Offering Circular reviewed by Franchisee or its representatives.

IV. INDEPENDENT CONTRACTOR

A. Franchisee is an Independent Contractor

During the term of this Agreement, and any renewals or extensions hereof, Franchisee shall hold itself out to the public as an independent contractor operating its business pursuant to a franchise from the Franchisor. Franchisee agrees to take such affirmative action as may be necessary, including, without limitation, exhibiting multiple public notices of that fact, the content and display of which Franchisor shall have the right to specify. For example, such notices shall be provided on letterhead, business cards, bank account names, bank checks, and signs at the place of business. Franchisee shall select a name for their individual franchise that reflects the territory in which the franchise is located. This name will be linked to the trademarked name of the Franchisor as follows: Computer Medics of _____, a Computer Medics of America, Inc. Franchise.

It is the Franchisees responsibility to register this name with their state and obtain a federal trademark for their individual business if desired.

B. Franchisor Is Not In A Fiduciary Relationship

With Franchisee

It is understood and agreed by the parties hereto that this Agreement does not establish a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever.

It is understood and agreed that nothing in this Agreement authorizes Franchisee, and Franchisee shall have no authority, to make any contract, agreement, warranty, or representation on behalf of Computer Medics of America, Inc., or to incur any debt or other obligation in Computer Medics of America, Inc.'s name; and that Computer Medics of America, Inc. shall in no event assume liability for, or be deemed liable hereunder or there under as a result of any such action; nor shall Computer Medics of America, Inc. be liable by reason of any act or omission of Franchisee in its conduct of the Business or for any claim or judgment arising there from against Franchisee or Computer Medics of America, Inc.

V. FRANCHISE GRANT

Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained and subject to the License Agreement, the right, license, and privilege, and Franchisee hereby accepts a franchise under the terms and conditions set forth herein for the right to operate a Business at the Location set forth in Section VI, (the "Accepted Location"), with the right to use solely in connection therewith the Computer Medics of America, Inc.'s Names and Marks, its advertising and merchandising methods, and Franchisor's System, as they may be changed, improved and further developed from time to time only at the Accepted Location as set forth in Section VI. and provided the Franchisee shall adhere to the terms and conditions hereof.

VI. EXCLUSIVE AREA OR TERRITORY

The Franchise Location shall be: within the state of California, in the town of _____ and in the designated service area of _____, California.

The exact accepted location is:

Franchisee shall not relocate the Business without the express prior written consent of Computer Medics of America, Inc. During the term of this Agreement, Computer Medics of America, Inc. shall not establish, nor license another party or entity to establish, a Computer Medics of America, Inc. in this designated service area. Likewise, Franchisee shall not provide service to customers located outside of this designated service area without the express consent of Computer Medics of America, Inc.

VII. TERM AND RENEWAL OF AGREEMENT

A. Term

The Franchise herein granted shall be for a term of Five (5) years from the date of execution and acceptance (the "Effective Date") of this Franchise Agreement (the "Agreement") by Computer Medics of America, Inc. and subject to earlier termination as herein provided.

B. Renewal

Franchisee may, at its option, renew this Franchise after the initial Five (5) year term. It may be renewed for an additional period of One (1), Five (5) or Ten (10) years subject to the conditions below, all of which must be met prior to renewal:

1. Franchisee shall give the Franchisor written notice of its election to renew not less than three (3) months prior to the end of the then current term;

2. Franchisee must not be in any material default under any provision of the Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisor and Franchisee, and Franchisee shall have complied with all the terms and conditions of all such agreements during the terms thereof;

4. Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliate, and shall have timely met these obligations throughout the previous term;

5. Franchisee shall receive and review, before the renewal term, the Franchisor's then-current form of the Franchise Agreement, which shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement. Franchisor shall charge Franchisee a renewal fee of one thousand dollars (\$1000); and

6. Franchisee shall comply with Franchisor's then current qualification and training requirements.

VIII. FRANCHISEE'S INITIAL INVESTMENT

The Franchisee's initial investment will vary depending upon the size of the Business, its geographical location, leasehold improvements required, and other factors.

Franchisee hereby certifies that he or she has reviewed the above-estimated start-up costs as detailed in the Uniform Franchise Offering Circular and has sufficient cash resources available to meet said expenses.

IX. FRANCHISEE'S INITIAL FRANCHISE FEE

A. Time Limit for Starting Business

Franchisee shall open the Franchise for business within Two (2) months of the date of execution of this Franchise Agreement.

Requests for additional time in opening the Franchise shall be submitted to the Franchisor in writing prior to the end of the Two (2) month period.

It is understood and agreed that, except as expressly provided herein, this franchise is non-exclusive except in franchise area and includes no right of Franchisee to subfranchise.

B. Cooperation Required

Franchisee shall cooperate reasonably with Franchisor to ensure that the various actions occur which are necessary to obtain acceptance by Franchisor of the Business location. In particular, Franchisee shall furnish any pertinent information as may be reasonably requested by Franchisor regarding Franchisee's business and finances.

C. Initial Franchise Fee

The initial franchise fee is \$15,000.

D. Time Limit for Approving Franchisee

Franchisor, within thirty (30) days of payment of the signing of the Franchise Agreement provided in Section IX.C. above, will approve or disapprove the Franchisee's application for a franchise.

Franchisee shall also have thirty (30) days from the signing of the Franchise Agreement to withdraw their application and receive a full refund of their franchise fee.

X. OTHER FEES

A. Base Royalty Fees

There are no Base Royalty Fees due to the Franchisor.

B. Local Advertising Plan and Expenditures

1. Local Advertising Plan

All forms of local advertising will be the responsibility of the Franchisee. Franchisor will work with the Franchisee to develop an advertising plan.

XI. FINANCING ARRANGEMENTS

Franchisor is providing no financial assistance in the sale of this franchise.

XII. GENERAL OBLIGATIONS OF FRANCHISEE

A. Follow Operations Manual and Directives of Franchisor

Franchisee agrees that use of Franchisor's System and adherence to the Operations Manual (the "Manual"), and to Franchisor's standardized design and specifications for uniformity of equipment, layouts, signs, and other incidents of the Business, is essential to the image and goodwill thereof. Franchisee shall cooperate and assist Franchisor with any customer or marketing research program that Franchisor may institute from time to time. Franchisee's cooperation and assistance shall include, but not be limited to, the distribution, display and collection of customer comment cards, questionnaires, and similar items. In order to further protect the System and the goodwill associated therewith, Franchisee shall:

1. Operate the Business and use the Operations Manual solely in the manner prescribed by Franchisor;

2. Comply with such requirements respecting any service mark, trade name, trademark, or copyright protection and fictitious name registrations as Franchisor may, from reasonably time to time, direct;

3. Maintain in sufficient supply, and use at all times, only such products, materials and supplies to efficiently operate the Franchise.

4. Comply with all applicable Laws with respect to any employees that are hired.

5. Not engage in any trade practice or other activity or sell any product or literature which Franchisor determines to be harmful to the goodwill or to reflect unfavorably on the reputation of Franchisee or Computer Medics of America, Inc.

B. Operate Franchised Business Only

Franchisee shall use the System and the Names and Marks provided to Franchisee by Franchisor for the operation of the Business and shall not use them in connection with any other line of business or any other activity. Neither Franchisee, nor any of its employees, may conduct any business at the Business other than that authorized pursuant to this Agreement, without the prior written approval of Franchisor. Neither Franchisee, nor any of its employees, may conduct any activity at the Business or in connection therewith which is illegal or which could result in damage to the Names and/or Marks or the reputation and goodwill of Franchisor.

C. Comply With Laws

Franchisee shall comply with all federal, state and local laws and regulations, and shall obtain and at all times maintain any and all permits, certificates, or licenses necessary for full and proper operation of the Business franchised under this Agreement. Franchisor's standards may exceed any and all of the requirements of said laws.

D. Maintain Confidentiality of Proprietary Information

Neither Franchisee nor any of its partners, officers, directors, agents, or employees shall, except as required in the performance of the duties contemplated by this Agreement, disclose or use at any time, whether during the terms of this Agreement or thereafter, any information disclosed to or known by Franchisee or any such person as a result of this Agreement. Such information, includes, but shall not be limited to, information conceived, originated, discovered, or developed by Franchisee or by any employee of Franchisee which is not generally known in the trade or industry about Franchisor's products, services, or licenses, including information relating to discoveries, ideas, manufacturing, purchasing, accounting, engineering, marketing, merchandising or selling.

E. Maintain and Renovate Business

Franchisee shall at all times maintain the Business in a clean, orderly condition.

F. Maintain Competent Staff

Franchisor will create and make available to Franchisee training programs and other selected training materials, if applicable. If employees are hired, Franchisee shall maintain a fully trained competent staff capable of rendering courteous quality service in a manner in keeping with the standards set by Franchisor.

G. Open Business Within Time Limit

Within Sixty (60) days after execution of this Agreement, Franchisee must have a business space prepared. Franchisee shall have obtained Franchisor's approval to open and shall have opened the Business and commenced operations. If a request for an extension is required, it must be submitted in writing before the end of the Sixty (60) day period.

H. Full-Time Manager Required

It is at the Franchisee's discretion as to whether he/she wishes to hire employees. If employees are hired, Franchisee agrees to maintain a competent, conscientious, trained staff, including at least one (1) fully trained, full-time Manager and to take such steps as are necessary to ensure that its employees preserve good customer relations.

I. Dress Code

All Franchisees and employees will be required to dress neatly and professionally while working at the Business.

J. Maintain Regular Business Hours

Franchisee shall keep the Business open and in normal operation during normal business days and hours set by the Franchisee. Closures for holidays will be at the Franchisees discretion.

K. Telephone Number of Business

It will be the responsibility of the Franchisee to obtain and maintain a business telephone number to be used solely for their franchise.

L. Permit Franchisor to Enter Business

Franchisee shall permit Franchisor and its agents or representatives to enter the Business at any reasonable time for the purpose of conducting inspections.

M. Additional Requirements for Corporate Franchisee

If Franchisee is or becomes a corporation, limited or general partnership or other organization or entity, the following requirements shall apply:

1. Franchisee's Certificate or Articles of Incorporation and Bylaws (or comparable governing documents) shall at all times provide that its activities are confined exclusively to operation of the Business and that the issuance, redemption, purchase for cancellation and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement. Franchisee shall furnish Computer Medics of America, Inc. promptly upon request copies of Franchisee's Articles of Incorporation, Bylaws, and other governing documents, and any other documents Computer Medics of America, Inc. may reasonably request, and any amendments thereto, from time to time.

2. Franchisee shall maintain a current list of all owners of record and beneficial owners of any class of voting stock of Franchisee and shall furnish such list to Franchisor upon request.

3. Franchisee shall maintain stop transfer instructions against the transfer on its record of any equity securities (voting or otherwise) except in accordance with the provisions of Article XV. All securities issued by Franchisee shall bear the following legend, which shall be printed legibly

and conspicuously on each stock certificate or other evidence of ownership interest:

THE TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF A FRANCHISE AGREEMENT WITH COMPUTER MEDICS OF AMERICA, INC. DATED _____. REFERENCE IS MADE TO SAID AGREEMENT AND TO THE RESTRICTIVE PROVISIONS OF THE ARTICLES AND BYLAWS OF THIS CORPORATION.

4. All shareholders of Franchisee shall jointly and severally guarantee Franchisee's performance hereunder and shall bind themselves to the terms of this Agreement, provided, however, that the requirements of this Section XII.M. Shall not apply to any corporation registered under the Securities Exchange Act of 1934 (hereinafter known as a "Publicly-Held Corporation").

5. If Franchisee is or becomes a partnership, Franchisee shall furnish Computer Medics of America, Inc. promptly upon request a copy of its partnership agreement and any other documents Computer Medics of America, Inc. may reasonably request, and any amendments thereto, from time to time.

6. Franchisee shall maintain a current list of all general and limited partners and all owners of record and all beneficial owners of any class of voting stock of Franchisee and shall furnish the list to Computer Medics of America, Inc. promptly upon request, from time to time.

7. Each individual who or entity which holds a ten percent (10%) or greater ownership or beneficial ownership interest in Franchisee, directly or indirectly, (including each individual holding a fifty (50%) or greater interest in any partnership or corporation which has a ten percent (10%) or greater interest in Franchisee) shall enter into a continuing guaranty agreement under seal, in the form attached hereto as Exhibit A, as such form may be amended or modified by Computer Medics of America, Inc., from time to time (if such guaranty agreement is to be executed subsequent to the date hereof in accordance with the terms of this Franchise Agreement).

N. Site Selection

Franchisee assumes all costs, liability, expense, and responsibility for locating, obtaining, and developing a site for the Business to be established under the Franchise Agreement.

FRANCHISEE ACKNOWLEDGES THAT COMPUTER MEDICS OF AMERICA, INC.'s ACCEPTANCE OF A PROSPECTIVE SITE AND THE RENDERING OF ASSISTANCE IN THE SELECTION OF A SITE DOES NOT CONSTITUTE A REPRESENTATION, PROMISE, WARRANTY, OR GUARANTEE BY COMPUTER MEDICS OF AMERICA, INC. THAT A COMPUTER MEDICS OF AMERICA, INC. FRANCHISE OPERATED AT THAT SITE WILL BE PROFITABLE OR OTHERWISE SUCCESSFUL.

O. Training

Prior to Franchisee's opening of the Business to the public, Franchisee and/or management personnel of Franchisee (or, if Franchisee is a corporation or partnership, a principal of Franchisee) shall complete to Computer Medics of America, Inc. satisfaction the management-training program offered by Computer Medics of America, Inc.

This training is provided free of charge at the headquarters of Computer Medics of America, Inc. in Eagle River, Alaska. The Franchisor shall pay for the travel and lodging expenses of the Franchisee. Any other personnel accompanying the Franchisee are responsible for their own expenses.

P. Miscellaneous

1. Franchisee shall give Computer Medics of America, Inc. advance written notice of Franchisee's intent to institute legal action against Computer Medics of America, Inc., specifying the basis for such proposed action, and shall grant Computer Medics of America, Inc. thirty (30) days from receipt of said notice to cure the alleged act upon which such legal action is to be based. Likewise, Franchisor will give Franchisee written notice of intent to institute legal action against them, specifying the basis for such proposed action, and shall grant Franchisee thirty (30) days from receipt of said notice to cure the alleged act upon which such legal action is to be based.

XIII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO INSURANCE

A. Overall Coverage Required

Franchisee shall procure, prior to opening the Business, and shall maintain in full force and effect during the

term of this Agreement at Franchisee's expense, an insurance policy fully insuring the dwelling in which the franchise is located, full business liability insurance and full automobile insurance.

XIV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO ACCOUNTING AND RECORDS

A. Bookkeeping, Accounting and Records

Franchisee shall maintain during the term of this Agreement, and shall preserve for a minimum of three (3) years, full, complete accurate records of sales, closeout sheets, payroll, and accounts payable in accordance with the standard accounting system described by Franchisor in the Manual or otherwise specified in writing.

B. Submission of Financial Statements

Franchisee shall, at its expense, submit to Franchisor, within thirty (30) days of the end of each calendar quarter during the term of this Agreement, on forms prescribed by Franchisor, a brief financial statement, which may be unaudited, for the preceding quarter, including both an income statement and number of customers served during that quarter. Each financial statement shall be signed by Franchisee.

XV. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO USES OF NAMES AND MARKS

A. Names and Marks are Owned by Franchisor

Franchisor warrants with respect to the proprietary Names and Marks that:

1. Computer Medics of America, Inc. has been granted the exclusive right to use the Names and Marks to establish Computer Medics of America, Inc. in the United States and Canada.

2. Franchisor is taking and will take such steps as are reasonably necessary to preserve and protect the ownership and validity of such Names and Marks; and

3. Franchisor will use and permit Franchisee and other franchisees to use the Names and Marks with the System and

standards attendant thereto, which underlie the goodwill associated with and symbolized by the Names and Marks.

4. Franchisee will have the option to name their individual franchise a name that reflects the designated area of their franchise. It is the responsibility of the franchisee to register their franchise name with their state and federally if they so choose. Such name shall be Computer Medics of _____ . It is the responsibility of the Franchisee to research and register the name of their specific franchise to ensure that that name is not already in use by another business owner.

B. Franchisee is licensed to Use Names and Marks

With respect to Franchisee's franchised use of the Names and Marks pursuant to this Agreement, Franchisee agrees that:

1. Franchisee shall use only the Names and Marks as are approved in writing by Franchisor for Franchisee's use, and shall use them only in the manner authorized and permitted by Franchisor and that in any use whatsoever of the Names and Marks of Franchisor that the Names and Marks are identified as being registered to or owned by Franchisor;

2. Franchisee shall use the Names and Marks only in connection with the operation of the Business and in advertising for the Business conducted at or from the Accepted Location;

3. Franchisee shall use and display, as Franchisor may require in the operation of the Business, a notice in the form approved by Franchisor indicating that Franchisee is a "Franchised Operator" under the System and that the Names and Marks are used by Franchisee under such Franchise;

4. Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Business under the Name and Mark Computer Medics of _____ ;

5. Franchisee's right to use the Names and Marks is limited to such usages as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights;

6. Franchisee shall not use the Names and Marks to incur any obligations or indebtedness on behalf of Franchisor;

7. Franchisee shall not use the Names and Marks or any part thereof as part of its corporate or other legal name;

8. In the event any litigation involving the Names and Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor and shall cooperate fully with Franchisor in defending such litigation.

9. During the term of this Agreement and any renewal hereof, Franchisee shall identify itself as the owner of the Business in conjunction with any use of the Names and Marks, including, but not limited to, on invoices, order forms, receipts, and contracts, as well as at such conspicuous locations on the premises of the franchise.

C. Franchisee Will Not Challenge Franchisor's Rights In Its Names and Marks

Franchisee expressly understands and acknowledges that:

1. As between the parties hereto, Franchisor is the owner of all rights, title, and interest in and to the Names and Marks and the goodwill associated with and symbolized by them;

2. The Names and Marks are valid and serve to identify the System and those who are franchised under the System;

3. Franchisee shall not directly or indirectly contest the validity or the ownership of the Names and Marks;

4. Franchisee's use of the Names and Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Names and Marks, except the non-exclusive Franchise granted herein;

5. Franchisor reserves the right to substitute different Names and Marks for use in identifying the System, the Business and other franchised businesses operating there under; and

6. Franchisee hereby agrees not to register or attempt to register the Names and Marks in Franchisee's name or that of any other firm, person or corporation.

7. The right and license of the Names and Marks granted hereunder to Franchisee is nonexclusive, and Computer Medics of America, Inc. thus has and retains the rights, among others:

a. To use the Names and itself in connection with selling products and services;

b. To grant other licenses for the Names and Marks, in addition to those licenses already granted to existing franchisees; and

c. To develop and establish other systems using similar Names and Marks, or any other proprietary marks, and to grant licenses or franchises thereto at any location(s) whatsoever without providing any rights therein to Franchisee.

**XVI. SPECIFIC OBLIGATIONS OF THE FRANCHISEE
RELATING TO CONFIDENTIALITY OF PROPRIETARY
INFORMATION**

A. Franchisee Will Learn Proprietary Matters

Franchisee acknowledges that he or she will obtain knowledge of proprietary matters, techniques and business procedures from Franchisor that are necessary and essential to the operation of the Business, without which information Franchisee could not effectively and efficiently operate such business, including, without limitation, knowledge regarding the System, the layout of the Business and the Manual. Franchisee further acknowledges that such proprietary information was not known to Franchisee prior to execution of this Agreement and that the methods of Franchisor are unique and novel to the System. As used herein, "Proprietary Information" shall mean confidential information concerning:

1. Persons, corporations or other entities, which are, have been or become Franchisees of the System and any investors therein;

2. Persons, corporations or other entities, which are, have been or become customers of the Business;

3. The terms of and negotiations relating to past or current Franchise Agreements with respect to the System;

4. The operating procedures of the System, including without limitation.

5. The economic and financial characteristics of the System and Franchisees.

6. The services and products offered to customers of Businesses, including, without limitation, the scope of services performed and services refused; and

7. All documentation of the information listed in Sections XVI.A.1. through XVI.A.7. hereof, including, without limitation, the Manual and the knowledgebase located on the website. During the term of this Agreement and for a period of five (5) years following the expiration or termination of this Agreement, Franchisee agrees not to divulge, directly or indirectly, any Proprietary Information, without the prior written consent of Franchisor. Nothing contained herein shall be construed so as to require Franchisor to divulge any secret processes, formulas, or the like.

B. Franchisee's Employees Will Not Disclose Proprietary Information

The Franchisee may disclose Proprietary Information only to such of its employees, agents and representatives, as must have access to it in order to operate the Business. Franchisee shall obtain from each such employee, representative or agent, an agreement that such person shall not during the course of his employment, representation, or agency with Franchisee, or for a period of five (5) years thereafter, use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person, firm or corporation, any of the Proprietary Information of Franchisor.

C. Injunctive Relief is Available to Franchisor

Franchisee acknowledges that any failure to comply with the requirements of this Section XVI will cause Franchisor irreparable injury, and Franchisor shall be entitled to obtain specific performance of, or an injunction against any violation of, such requirements; Franchisee waives any requirements for the posting of any bond(s) relating thereto. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against, violation of requirements of this Section XVI. The foregoing remedies shall be in addition to any other legal or equitable remedies that Franchisor may have.

D. Franchisor's Patent Rights and Copyrights

Franchisor does not own rights in or to any patents that are material to the Franchise. However, Franchisor intends to obtain copyright protection for the Manual and certain marketing, sales, and operations literature. Furthermore,

Franchisor claims rights to certain trade secrets and confidential information as discussed above.

XVII. SPECIFIC OBLIGATIONS OF FRANCHISEE RELATING TO TAXES, PERMITS AND LAWSUITS

A. Franchisee Must Notify Franchisor of Lawsuits

Franchisee shall notify Franchisor in writing within five (5) days of notice of the commencement of any action, suit, or proceeding against Franchisee, and of the issuance of any inquiry, subpoena, order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which arises out of, concerns, or may affect the operation or financial condition of the Business, including, without limitation, any criminal action or proceedings brought by Franchisee against its employees, customers, or other persons.

B. Franchisee Must Comply With Laws

Franchisee shall, at Franchisee's expense, comply with all federal, state and local laws, rules, regulations and ordinances and shall timely obtain and shall keep in force as required throughout the term of this Agreement all permits, certificates and licenses necessary for the full and proper conduct of the Business, including, without limitation, any required permits, licenses to do business, fictitious name registrations, sales tax permits, and fire clearances. .

C. Franchisee Must Pay Taxes Promptly

Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of any kind incurred by Franchisee in the conduct of the Business.

D. Franchisee May Contest Tax Assessments

In the event of any bona fide dispute as to any liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law.

XVIII. SPECIFIC OBLIGATION OF FRANCHISEE RELATING TO INDEMNIFICATION

Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name. Franchisee further understands and agrees that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Business or any claim or judgment arising there from against Franchisee. Franchisee shall indemnify and hold Franchisor and Franchisor's officers, directors, shareholders and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with, Franchisee's operation of the Business, as well as the cost, including attorney's fees, of defending against same.

Likewise, Franchisor agrees that nothing in this Agreement authorizes Franchisor to make any contract, agreement, warranty or representation on Franchisee's behalf without the prior permission of the Franchisee to do so, or to incur any debt or other obligation in Franchisee's name. Franchisor further understands and agrees that Franchisee shall in no event be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisor in its conduct of the Business or any claim or judgment arising there from against Franchisor. Franchisor shall indemnify and hold Franchisee and Franchisee's officers, directors, shareholders and employees harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with, Franchisor's operation of the Business, as well as the cost, including attorney's fees, of defending against same.

XIX. MISCELLANEOUS COVENANTS OF FRANCHISEE

A. Covenants are Independent

The parties agree that each covenant herein shall be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Agreement is held to be unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and made a part of this Agreement.

B. Franchisee Will Not Compete Against Franchisor

Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of Computer Medics of America, Inc. and the System. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Computer Medics of America, Inc., Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with, any person, persons, or legal entity, employ or seek to employ any person who is at that time employed by Computer Medics of America, Inc. or by any other franchisee or affiliate of Computer Medics of America, Inc., or otherwise directly or indirectly induce such person to leave his or her employment.

C. Franchisee Will Not Divert Business

During the term of this Agreement, Franchisee covenants that it will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

1. Divert or attempt to divert business or customers of the Business with which or with whom Franchisee has had contact during the term of this Agreement to any competitor by direct or indirect inducement or otherwise; or

2. Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Names and Marks or the System or both; or

3. Induce, directly or indirectly, any person who is at that time employed by Franchisor or by any other Franchisee of Franchisor, to leave his or her employment. The provisions of this Section XIX.C. shall apply only in the geographical area lying within the exclusive territory of the Business.

D. Franchisor Is Entitled to Injunctive Relief

Franchisee acknowledges that any failure to comply with the requirements of this Section XIX. will cause Franchisor irreparable injury for which no adequate remedy at law may be available, and Franchisee hereby accordingly consents to the issuance by a court of competent jurisdiction of an injunction

prohibiting any conduct by Franchisee in violation of the terms of this Section XIX. and waives any requirement for the posting of any bond(s) relating thereto. Franchisor may further avail itself of any legal or equitable rights and remedies which it may have under the Agreement or otherwise.

XX. OBLIGATIONS OF THE FRANCHISOR: SUPERVISION, ASSISTANCE OR SERVICES

The Franchisor shall provide the Franchisee with the following assistance and services:

A. The Training Program

1. The Franchisor will provide a training program concerning the operation of the Business consisting of not less than six (6) days of training at a location to be designated by Franchisor. Franchisee and/or his or her designated representative shall attend such training program at no charge to the Franchisee. Franchisor shall pay for all travel and lodging costs for the primary attendee of the training program at the Franchisor's Home Office. Additional attendees will pay for their own travel and lodging expenses. Franchisee must have at least one fully trained, full-time Manager operating the Business during the entire term of the Agreement. Either the Franchisee or Franchisee's Manager must attend the training sessions. Any person subsequently employed as a full-time manager of the Business may be required by Franchisor to complete the initial training program.

2. Computer Medics of America, Inc. shall provide such continuing advisory assistance to Franchisee in the operation, advertising and promotion of the Business as requested by the franchisee free of charge.

3. Computer Medics of America, Inc. may provide such periodic individual or group advice, consultation and assistance, rendered by personal visits, the website, email or telephone, or by newsletter or bulletins made available from time to time to all Computer Medics of America, Inc. franchisees, as Computer Medics of America, Inc. may deem necessary or appropriate.

B. Site Selection

The Franchisee has the responsibility for selecting a site.

C. Post-Training Assistance

In addition to the assistance rendered to the Franchisee prior to opening, the Franchisor will provide continuing consultation and advise regarding business, financial, operational, technical, pricing, legal, sales and advertising matters, products, management of supplies, styles and type of service, operation of the Business, and development of personnel policies. The Franchisor will provide such assistance by telephone, email or, if the situation warrants, through on-site assistance of appropriate Franchisor personnel.

D. Operations Manual

In order to protect the reputation and goodwill of Computer Medics of America, Inc. and to maintain high standards of operations under Computer Medics of America, Inc.'s proprietary marks, Franchisee shall conduct its business in accordance with this Agreement and Training Manuals, described herein as the Manuals.

Franchisee shall at all times treat the Manuals, any written directives of Computer Medics of America, Inc., any business plans and specifications, and any other manuals created for or approved for use in the operation of the Business, and any supplements thereto, and the information contained therein, in trust and as confidential information, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

The Manuals, written directives, other manuals and materials, and any other confidential communications provided or approved by Computer Medics of America, Inc., shall at all times remain the sole property of Computer Medics of America, Inc. and shall at all times be kept and maintained in a secure place on the Business premises.

Computer Medics of America, Inc. may from time to time revise the contents of the Manuals and the contents of any other manuals and materials created or approved for use in the operation of the Business, and Franchisee expressly agrees that each new or changed standard shall be deemed effective upon receipt by Franchisee or as specified in such standard.

Franchisee shall at all times insure that its copy of the Manuals is kept current and up-to-date; and, in the event of any dispute as to the contents of the Manuals, the master copy of the Manuals maintained by Computer Medics of America, Inc. at

Computer Medics of America, Inc. headquarters shall be controlling.

E. Selecting Suppliers

Franchisor shall provide Franchisee a list of suggested suppliers of necessary parts.

F. Recommended Price Schedules

Franchisor shall work with Franchisee in determining an appropriate rate for services rendered based upon the current rate charged by other similar Computer Repair Service Companies in their designated area.

G. Advertising and Promotion

The Franchisor shall work with the Franchisee in developing advertising strategies. All advertising of the franchise is the responsibility of the Franchisee.

XXI. VARYING STANDARDS

Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole and absolute discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchisee based upon the peculiarities of a particular site or circumstance, density of population, business potential, population or trade area, existing business practices, or any other condition which Franchisor deems to be of importance to the successful operation of such Franchisee's business. Franchisee shall not have any right to complain about a variation from standard specifications and practices granted to any other Franchisee and shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation.

XXII. SALE OF FRANCHISE

A. Assignment by Franchisee

This Agreement restricts the Franchisee's right to assign the Agreement to a third party. Neither this Agreement, nor any of the Franchisee's rights or privileges, shall be assigned, transferred, shared, redeemed or divided by operation of law or otherwise, in any manner, without the prior written consent of Franchisor, which consent will not be withheld or delayed unreasonably. In granting any such consent, the Franchisor may impose reasonable conditions, including, without limitation, the following:

1. Franchisee must be in full compliance with the terms of this Franchise Agreement, including being paid in full on all fees due and payable to us or our affiliate;
2. The proposed assignee (or its partners, managers, directors, officers, or controlling shareholders, if it is a corporation or partnership) must meet the then-applicable standards of Franchisor;
3. The proposed assignee must not operate a franchise, license or other business offering services similar to those offered by the Business;
4. The assignee must execute and agree to be bound by the then current form of this Agreement, which form may contain provisions which materially alter the rights or obligations of Franchisee under this Agreement;
5. Franchisor shall not charge such assignee an Initial Franchise Fee for the Franchise, but will charge a transfer fee of Twenty Five Percent (25%) of the then current initial franchise fee charged by Franchisor. If Franchisor determines that training is required, assignee will attend training at Franchisor's Home Office as required under the then current Franchise Agreement. Franchisor shall have the right to require Franchisee and its owners to execute a general release of Franchisor in a form satisfactory to Franchisor's counsel as a condition to its approval of assignment or other transfer of the Franchise;
6. Franchisee shall have substantially complied with all of the terms and provisions of this Agreement, any amendment hereof or successor hereto, or any other agreements between the Franchisee and Computer Medics of America, Inc., its subsidiaries or affiliates and, at the time of transfer, shall not be in default thereof;
7. The transferor shall have executed a general release under seal, in a form satisfactory to Computer Medics of

America, Inc., of any and all claims against Computer Medics of America, Inc. and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances;

8. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as Computer Medics of America, Inc. may request) shall enter into a written assumption agreement, in a form satisfactory to Computer Medics of America, Inc., assuming and agreeing to discharge all of Franchisee's obligations under this Agreement and/or any new franchise agreement, as hereinafter provided;

9. The transferee shall demonstrate to Computer Medics of America, Inc.'s satisfaction that the transferee meets Computer Medics of America, Inc. educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Business (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Business.

10. The transferee (and, if the transferee is other than an individual, such principals and/or owners of a beneficial interest in the transferee as Computer Medics of America, Inc. may request) shall execute, for a term ending on the expiration date of this Agreement and with such renewal term, if any, as may be provided by this Agreement, the standard form franchise agreement then being offered to new System franchisees and such other ancillary agreements as Computer Medics of America, Inc. may require for the Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate, advertising contribution, and service charge for goods; provided; however, that the transferee shall not be required to pay an initial franchise fee;

11. The transferee, at its expense, shall upgrade the Business to conform to the then-current standards and specifications of the new entry System and shall complete the upgrading and other requirements within the time specified by Computer Medics of America, Inc.;

12. Franchisee shall remain liable for all of the obligations to Computer Medics of America, Inc. in connection with the Business prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by

Computer Medics of America, Inc. to evidence such liability;

13. Franchisee shall agree to remain obligated under the covenants against competition of this Agreement as if this Agreement had been terminated on the date of the transfer;

14. At the transferee's expense, the transferee and, if applicable, the transferee's designated individual manager shall complete any training programs then in effect for franchisees upon such terms and conditions as Computer Medics of America, Inc. may reasonably require; and

B. Assignment by Franchisor

Franchisor has an unrestricted right to transfer or assign all or part of its rights or obligations under this Agreement to any assignee or other legal successor to the interests of Franchisor.

C. Transfer Upon Death or Mental Incapacity

Upon the death or mental incapacity of any person with an interest in the Business, the executor, administrator, or personal representative of that person must transfer his interest to a third party approved by Franchisor within six (6) months after death or mental incapacity. These transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same restrictions and conditions as any inter vivos transfer. However, in the case of a transfer by devise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions of this Agreement, the personal representative of the deceased Franchisee shall have a reasonable time to dispose of the deceased's interest in the Business, which disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement.

Pending assignment, upon the death of the Principal, or in the event of any temporary or permanent mental or physical disability of the Principal, a manager shall be employed for the operation of the Business who has successfully completed Franchisor's training courses to operate the Business for the account of Franchisee. If after the death or disability of the Principal, the Business is not being managed by such trained manager, Computer Medics of America, Inc. is authorized to appoint a manager to maintain the operation of the Business until an approved assignee will be able to assume the management and operation of the Business, but in no event for a period exceeding

one (1) year without the approval of the personal representative of the Principal; such manager shall be deemed an employee of the Franchisee. All funds from the operation of the Business during the period of management by such appointed or approved manager shall be kept in a separate fund and all expenses of the Business, including compensation of such manager, other costs and travel and living expenses of such appointed or approved manager (the "Management Expenses"), shall be charged to such fund. As compensation for the management services provided, in addition to the Fees due hereunder, Computer Medics of America, Inc. shall charge such fund the full amount of the direct expenses incurred by Computer Medics of America, Inc. during such period of management for and on behalf of Franchisee, provided that Computer Medics of America, Inc. shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee, the Principal or personal representative of the Principal, the Entity or any person or entity having an interest therein for any debts, losses or obligations incurred by the Business, or to any creditor of Franchisee or the Principal during any period in which it is managed by a Computer Medics of America, Inc. appointed or approved manager.

D. Sale of Franchised Business

If the Franchisee (or its owners) desires to sell the Business, or part or all of the ownership of the Business, then Franchisor will reasonably assist Franchisee (or its owners) in connection therewith. If Franchisee (or its owners) shall obtain a bona fide written offer to purchase the Business, or such ownership, such offer shall be submitted promptly to Franchisor. For a period of thirty (30) days from the date of Franchisor's receipt of such offer, Franchisor shall have the right, exercisable by written notice to Franchisee (or its owners), to purchase the Business, or such ownership, for the price and on the same terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer.

If Franchisor does not exercise its right of first refusal, the bona fide written offer may be accepted by Franchisee or its owners, subject to the prior written approval of Franchisor. To enable Computer Medics of America, Inc. to determine whether it will exercise its option, Franchisee and the seller shall provide such information and documentation, including financial statements, as Computer Medics of America, Inc. may require. In the event that Computer Medics of America, Inc. elects to purchase said interest, closing on such purchase

must occur within ninety (90) days from the date of notice to the seller of the election to purchase said Interest by Computer Medics of America, Inc.. Failure of Computer Medics of America, Inc. to exercise the option afforded by this Section XXII.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section XXII., with respect to a proposed transfer of any Interest. Any subsequent change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Computer Medics of America, Inc. as in the case of an initial offer.

E. Termination or Sale of the Company

If Computer Medics of America, Inc. should at any time cease operation, the Franchisee shall own the franchise listed in this agreement outright with no further obligations to the Franchisor.

If Computer Medics of America, Inc. should at any time be sold or transferred to a new owner, this franchise agreement will be transferred in it's entirety to the new Franchisor who will honor the agreement for the duration of it's contract length.

XXIII. TERMINATION OF FRANCHISE

A. Impact of Statutes Upon Franchise Agreement

If Franchisor fails to provide adequate opportunity for training and orientation within forty-five (45) days of the delivery date stated in the Franchise Agreement, Franchisee may notify Franchisor in writing and cancel the Franchise Agreement and receive a full refund of the initial franchise fee.

The delivery date of this Agreement shall be the date that the Franchise Agreement is signed.

The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois Law. Ill.Rev.Stat. 1987, ch. 12111/2, pars. 1719, 1720.

Termination or modification of a lease or contract upon the bankruptcy of one of the parties may be unenforceable under the Bankruptcy Act of 1978, Title II, U.S. Code, as amended.

B. By Franchisor

Franchisee acknowledges that the strict performance of all the terms of this Agreement is necessary not only for protection of Franchisor, but also the protection of Franchisee and other franchisees of Franchisor. As a result, Franchisee therefore acknowledges and agrees that strict and exact performance by Franchisee of each of the covenants and conditions contained herein is a condition precedent to the continuation of this Agreement. If Franchisee shall breach any material provision of this Agreement, then Franchisor shall notify Franchisee in writing of such breach, specifying its nature and giving Franchisee ninety (90) days, or such longer period as applicable law may require, in which to remedy same. If Franchisee shall fail to remedy such breach, then Franchisor can terminate this Agreement and the Franchise effective ninety (90) days, or such longer period as applicable law may require, after delivery of notice of termination to Franchisee.

C. Termination of Franchise Without Cure

Notwithstanding the foregoing, Franchisee shall be deemed to be in breach and Franchisor, at its option, may terminate this Agreement and all rights granted under it, without affording Franchisee any opportunity to cure the breach, effective immediately upon Franchisor notifying Franchisee in writing of such breach, if Franchisee does any of the following:

1. Abandons, surrenders, or transfers control of the operation of the Business or fails to continuously and actively operate the Business, unless precluded from doing so by damage to the premises of the Business due to war, act of God, civil disturbance, natural disaster, labor dispute or other events beyond Franchisee's reasonable control;

2. Consistently fails or refuses to submit when due any financial statement, tax return or schedule, or to pay any payments due Franchisor or its affiliate;

3. Operates the Business in a manner that violates any federal, state, or local law, rule, regulation or ordinance;

4. Has made a material misrepresentation or omission on the application for the Franchise;

5. Transfers, assigns, or subfranchises this Agreement without having the prior written consent of Franchisor, as set forth herein;

6. Discloses or divulges the contents of the Manual or any other Proprietary Information provided to Franchisee by Franchisor;

7. Repeatedly fails to substantially comply with any of the requirements imposed by this Agreement, whether or not cured after notice;

8. Commits a breach of this Agreement or engages in any other activity which has a material adverse effect on Franchisor or the Names and Marks;

9. Fails or refuses to comply with any provision of this Agreement or any other agreement between Franchisor and Franchisee relating to the Business or the Franchise, and does not correct such failure or refusal within sixty (60) days after written notice of such failure or refusal to comply is delivered to Franchisee;

10. Is convicted of a felony or has pleaded nolo contendere to a felony;

11. Engages in dishonest or unethical conduct;

12. Fails to discharge any valid lien placed against the property of the business;

13. Makes an assignment for the benefit of creditors or an admission of the Franchisee's inability to pay its obligations as they become due;

14. Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, disposition, adjustment, liquidation, dissolution or similar release under any law, or admitting or failing to contest the material allegations of any such pleading filed against him, or is adjudicated bankrupt or insolvent, or a receiver is appointed for a substantial part of the assets of the Franchisee or the Business, or the claims of creditors of Franchisee or the Business are abated or subject to a moratorium under any laws.

15. Becomes insolvent or makes a general assignment for the benefit of creditors.

16. If a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee.

17. If a receiver or other custodian (permanent

or temporary) of the Business, Franchisee, or Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction or by private instrument or otherwise.

18. If proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee.

19. If a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved or is wound up.

20. If execution is levied against Franchisee's business or property or against any ownership interest in Franchisee.

21. If any real or personal property of Franchisee's Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

22. If, in violation of the terms of Sections XII., XVI. and/or XX. hereof, Franchisee, its principals, representatives, agents or employees disclose or divulge the contents of the Manuals or other confidential information provided to Franchisee by Computer Medics of America, Inc., or if Franchisee maintains false books or records, or submits any false reports to Computer Medics of America, Inc..

D. Termination of Franchise With Cure.

Notwithstanding the foregoing, Franchisee shall cure violations of health, safety, or sanitation laws with 72 hours notice. Any default not specifically listed herein shall be cured within five (5) days of notice.

E. By Franchisee

Franchisee is entitled to termination of the Franchise Agreement and a full refund of all monies paid as consideration therefore if Franchisor violates Florida Statute 559.803(9). If Franchisee is in compliance with this Agreement and Franchisor breaches this Agreement and fails to cure such breach within sixty (60) days after written notice thereof is delivered to Franchisor, then Franchisee may terminate this Agreement and the franchise effective ninety (90) days after delivery to Franchisor of notice thereof. Any termination of this Agreement and the franchise by Franchisee, without complying with the foregoing requirements, or for any reason other than breach of this

Agreement by Franchisor and Franchisor's failure to cure such breach within sixty (60) days after receipt of written notice thereof, shall be deemed a termination by Franchisee without cause.

XXIV. FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Franchisee Shall Cease Using Names and Marks

Franchisee further agrees that, upon termination or expiration of this Agreement, Franchisee shall immediately and permanently cease to use, by advertising, or any manner whatsoever, any confidential methods, procedures, descriptions of products, and techniques associated with Franchisor and the Names and Marks and any proprietary marks and distinctive forms, slogans, symbols, signs, logos or devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, stationery, forms, and any other articles which display the Names and Marks. Franchisee shall comply with the covenant not to compete and the agreement to maintain the confidentiality of proprietary information.

B. Franchisee Shall Cease Operating Business

Franchisee shall immediately cease to operate the Business under this Agreement, and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a present or former Franchisee of Franchisor.

C. Franchisee May Not Adopt Confusingly Similar Names and Marks

Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Names and Marks, either in connection with such other business or in the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's exclusive rights in and to the Names and Marks, and further agrees not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor or a former association or connection with Franchisor.

D. Franchisee Shall Cancel Assumed Names and Transfer Phone Numbers

Franchisee further agrees that upon termination or expiration of this Agreement, it will take such action that may be required to cancel all assumed names or equivalent registrations relating to its use of any Names or Marks and to notify the telephone company and listing agencies of the termination or expiration of Franchisee's right to use any telephone number in any classified ad and any other telephone directory listings associated with the Names and Marks or with the Business and to authorize transfer of same to Franchisor. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole rights to and interest in all telephone number and directory listings associated with any Names or Marks of the Business. Franchisee further authorizes Franchisor, and hereby appoints Franchisor as its attorney in fact, to direct the telephone company and all listing agencies to transfer same to Franchisor, should Franchisee fail or refuse to do so, and the telephone company and all listing agencies may accept such direction in this Agreement as conclusive evidence of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer.

E. Franchisee Must Return Manual and Other Materials

Franchisee further agrees that upon termination or expiration of this Agreement, it will immediately return to Franchisor all copies of the Manual, training aids and any other materials which have been loaned to it by Franchisor. Franchisee further agrees to turn over to Franchisor any other manuals, computer programs, software, customer lists, records, files, instructions, correspondence and brochures, and any and all other confidential and proprietary materials relating to the operation of the Business in Franchisee's possession, custody, or control, and all copies thereof (all of which are acknowledged to be Franchisor's property), and only Franchisee's copy of this Agreement and any correspondence between the parties, and any other document copies which Franchisee reasonably needs for compliance with any provision of law may be retained by Franchisee.

F. Franchisor May Purchase Inventory and Equipment

Franchisor shall have the right (but not the duty), to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase any or all inventory, equipment, supplies, signs, advertising materials and items bearing Franchisor's Names and Marks, at fair market value (less the amount of any outstanding liens or encumbrances). If the parties cannot agree on a fair market value within a

reasonable time, an independent appraiser shall be designated by Franchisor, and determination of such appraiser shall be binding. If Franchisor elects to exercise any option to purchase as herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost for the appraisal, if any, against any payment therefore.

G. Franchisee Must Pay Monies Owed to Franchisor

Franchisee shall pay to Franchisor, within fifteen (15) days after the effective date of termination or expiration of this Agreement, such Fees, National Fund contributions, payments for inventory, equipment or merchandise, or any other sums owed to Franchisor by Franchisee, which are then unpaid. Franchisee shall pay to Computer Medics of America, Inc. all damages, costs, and expenses, including reasonable attorney's fees, incurred by Computer Medics of America, Inc. in obtaining injunctive or other relief for the enforcement of any provisions of Section XIX.

XXV. ENFORCEMENT

A. Franchisee May Not Withhold Payments Due Franchisor

Franchisee agrees that he or she will not withhold payments of amounts of money owed to Franchisor for any reason, on grounds of alleged nonperformance by Franchisor of any obligation hereunder. All such claims by Franchisee shall, if not otherwise resolved by Franchisor and Franchisee, be submitted to arbitration as provided in this Agreement.

B. Severability and Substitution of Valid Provisions

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder, or requires the taking of some other action not required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof.

C. Arbitration

Except insofar as Franchisor elects to enforce this Agreement by judicial process, injunction, or specific

performance (as hereinabove provided), all disputes and claims relating to any provision hereof, any specification, standard or operating procedure, or any other obligation of Franchisee prescribed by Franchisor, or any obligation of Franchisor, or the breach thereof (including, without limitation, any specification, standard or operating procedure or any other obligation of Franchisee or Franchisor, which is illegal or otherwise unenforceable or voidable under any law, ordinance, or ruling) shall be settled by mandatory binding arbitration in Anchorage, Alaska, in accordance with the U.S. Arbitration Act, if applicable, and the Rules of the American Arbitration Association (in accordance with the rules relating to the arbitration of disputes arising from franchise and license agreements, if any, or otherwise in accordance with the general rules of commercial arbitration), provided that at the option of Franchisor or Franchisee the arbitrator shall be selected from a list of retired federal or state judges supplied by the American Arbitration Association (if obtainable, or otherwise in accordance with the customary procedures for selecting an arbitrator). The arbitrator shall allow discovery in accordance with the Federal Rules of Civil Procedure and may apply the sanctions relating to noncompliance with discovery orders therein provided. The arbitrator shall issue a written opinion explaining the reasons for his or her decision and award and the arbitrator shall have the right to award or include in the award the specific performance of this Agreement. Judgment upon the award of the arbitrator will be entered in any court having competent jurisdiction thereof or of the Franchisor or Franchisee. During the pendency of any arbitration proceeding hereunder, Franchisee and Franchisor shall fully perform their respective obligations pursuant to the terms and conditions of this Agreement.

D. Rights of Parties Are Cumulative

The rights of Franchisor and Franchisee are cumulative, and the exercise or enforcement by Franchisor or Franchisee of any right or remedy shall not preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled by law to enforce by the provisions of this Agreement or of the Manual.

E. Judicial Enforcement, Injunction and Specific Performance

Franchisor shall have the right to enforce by judicial process its right to terminate this Agreement for the causes

enumerated in Section XXIII. of this Agreement, to collect any amounts owed to Franchisor for any unpaid charges due hereunder, arising out of the business conducted by Franchisee pursuant hereto, and to pursue any rights it may have under any leases, subleases, sales, purchases, or security agreements or other agreements with Franchisee. Franchisor shall be entitled, without bond, to the entry of temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If Franchisor secures any such injunction or orders of specific performance, Franchisee agrees to pay to Franchisor an amount equal to the aggregate costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation, court costs, and other litigation expenses, travel and living expenses, and any damages incurred by Franchisor as a result of the breach of any provision of this Agreement.

F. Alaska Law Applies

Except to the extent governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C., Section 1051 et. seq.) or the U.S. Arbitration Act, this Agreement shall be governed by the laws of the State of Alaska, and venue shall lie in Anchorage, Alaska.

G. Attorney Fees

In the event any legal proceedings between the parties hereto arise under this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs from the other party.

H. Binding Effect

This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest.

I. There are no Unwritten Agreements; Operations Manual is Subject to Change.

This instrument contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect unless a subsequent modification in writing is signed by the parties hereto. The manual may be amended at any time by Franchisor, however, and Franchisee shall adapt its methods or procedures to comply with the requirements thereof.

J. Entire Agreement

This Agreement, the documents referred to herein, and the attachments hereto, if any, constitute the entire, full, and complete Agreement between Computer Medics of America, Inc. and Franchisee concerning the subject matter hereof, and supersede all prior agreements. Except for those acts permitted to be made unilaterally by Computer Medics of America, Inc. hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

K. Force Majeure

Except for monetary obligations hereunder, or as otherwise specifically provided in this Franchise Agreement, if either party to this Agreement shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement not the fault of such party, then performance of such act shall be excused for the period of the delay, but in no event to exceed ninety (90) days from the stated time periods as set forth in Article I of this Franchise Agreement.

XXVI. AUTHORITY

Franchisee or, if Franchisee is a corporation or partnership, the individuals executing this Agreement on behalf of such corporation or partnership, warrant to Franchisor, both individually and in their capacities as partners or officers, that all the partners in the partnership or all of the shareholders of the corporation, as the case may be, have read and approved this Agreement, including the restrictions which this Agreement places upon their right to transfer their respective interests in the partnership or corporation, as set forth in Section XXII. herein.

XXVII. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified, registered or express mail, return

receipt requested, or by overnight delivery service, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

Computer Medics of America, Inc.:
PO Box 771404
Eagle River, Alaska 99577

Notices to Franchisees:

Any notice by certified, registered or express mail, or overnight delivery service, shall be deemed to have been given at the earlier of the date and time of receipt or refusal of receipt or, if by mail, three (3) business days after being deposited in the United States mail.

Franchise Agreement Signature Page

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement on this date:
_____, 2006

Witness

John Francis
Computer Medics of America, Inc.

Witness

Computer Medics of _____