

Team 1 Systems, Inc.

Direct Reseller Agreement

This Agreement is made as of _____, 2____, by and between Team 1 Systems, Inc., a Pennsylvania corporation, having its principal place of business at 780-H Pine Valley Drive, Pittsburgh, PA 15239 (hereinafter referred to as "TEAM 1") and _____ having its principal place of business at _____ (hereinafter referred to as "RESELLER").

The following are the terms and conditions under which TEAM 1 sells and licenses its computer equipment servers, PC's, peripherals, operating systems and software (hereinafter referred to as "PRODUCTS") to RESELLERS:

1. Appointment and Acceptance

TEAM 1 hereby appoints the RESELLER as an authorized non-exclusive reseller for PRODUCTS specified in the attached Product Addendum (a). RESELLER'S appointment is made solely for the purpose of resale of the PRODUCTS to end-user customers. Terms and Conditions for applicable PRODUCTS are set forth in the Product Addendum (a).

2. Purchase orders, shipments, cancellations & charges

To receive PRODUCTS, RESELLER must deliver to TEAM 1 a hard copy purchase order. TEAM 1 reserves the right to reject any order that is not TEAM 1 credit-approved. PRODUCTS can be added or deleted from the purchase order but must be done so in writing (2) business days prior to shipment.

RESELLERS may cancel a shipment or request changes in a scheduled shipment date at no charge. No cancellation or change may be made after shipment.

Shipments are subject to availability, TEAM 1 will request (1) week lead time for custom computer system orders, and does reserve the right to schedule and/or reschedule any order, at its discretion. RESELLERS will not be obligated to pay "Expedite" fees for rush orders and TEAM 1 will use reasonable efforts to meet any scheduled shipment date requested.

RESELLER is responsible for freight charges and insurance charges of new PRODUCTS purchased and shipped from TEAM 1 to the RESELLER or the RESELLERS customer. TEAM 1 will cover the return shipment of any defective TEAM 1 PRODUCT as long as the TEAM 1 PRODUCT was not damaged in shipment.

3. Price and Payment Terms

Prices for the PRODUCTS purchased under this Agreement will be as specified in the TEAM 1 Quote. TEAM 1 price quotes are guaranteed for a thirty (30) day period. After the thirty (30) day period, TEAM 1 reserves the right to request that the RESELLER purchase product at the prevailing costs. TEAM 1 will notify RESELLER in writing of any price changes after the thirty (30) day price quote guarantee.

Subject to credit approval by TEAM 1, payment is due within twenty (20) days from the date of shipment. If payment is not received by the thirty (30th) day of the invoice date interest will accrue on all delinquent amounts at the rate of one and one half percent (1 ½%) per month (eighteen percent (18%) per Annum) from the due date of invoice.

If RESELLER becomes delinquent in payment obligations or other credit or financial requirements established by TEAM 1, TEAM 1 may refuse to accept any new orders, may cancel or delay shipment of any orders accepted previously, or may stop any shipment in transit.

4. Credit Requirement

Team 1, at its option may extend credit to RESELLER or may require, at any time, that sales be made on an advance-payment basis if, in TEAM1's sole judgment, RESELLER does not qualify for credit. If credit is extended, TEAM 1 will have the right to establish credit limits for RESELLER and to change those credit limits or any other financial requirements, from time to time at TEAM 1's sole discretion.

5. Relationship

RESELLER'S relationship to TEAM 1 will be that of an independent contractor engaged in purchasing and licensing PRODUCTS for resale to its end-user customers. In return for these purchases TEAM 1 will extend to the RESELLER many value-added services including:

- * Pre- and post- sales support.
- * Specialized expertise to provide customized services such as systems integration and configuration.
- * Service engineers who are trained and certified to support the total solution.
- * Ongoing uplifts to on-site maintenance nationwide.
- * Co-Op fund accrual of one and one-half percent (1 ½%) of system purchases to be used for Advertising, Telemarketing or Trade Shows as set forth in the applicable Products Addendum(a).
- * One (1) year Replacement of defective peripheral products when purchased

with TEAM 1 computer system.

6. Trademarks/Branding

RESELLER does have the option of affixing additional trademarks or trade names to TEAM 1 computer systems PRODUCTS with Team 1 Systems, Inc. written approval .

7. Limited Warranty

PRODUCTS are warranted as set forth in the applicable Products Addendum (a). All TEAM 1 computer systems have three (3) year return to depot warranty.

8. Limitation of Liability

In no event will TEAM 1 be liable to you for any damages caused by your failure to fulfill your responsibility under these terms and conditions. In no event will TEAM 1 be liable for any lost profit, lost savings, incidental damage, or other economic consequential damages. This is true even if you advise TEAM 1 of the possibility of such damages. TEAM 1 is not liable for any claims by you based on a third party claim.

All expressed and implied warranties, including the implied warranties of merchantability and fitness for a particular purpose, are limited in duration to the coverage period. No warranties, expressed or implied, will apply after this period.

TEAM 1 Warranty Service is not a guarantee of uninterrupted or error-free functioning of a system. Service does not include repair of failures caused by: misuse, neglect, accident, power surges, modification, operation outside the Specified Operating Environment, improper maintenance by you, failure caused by service of the system by non-authorized service providers, or failure caused by a product, including supply products, for which TEAM 1 is not responsible.

9. Duration of Agreement/Termination

This agreement will become effective on the date a duly authorized officer of TEAM 1 executes the Agreement and, unless terminated as herein provided will continue in full force and effect until the expiration of the term as specified in the applicable Product Addendum (a). At the end of each term, unless terminated or unless otherwise set forth in the applicable Product Addendum, this agreement will renew automatically for one (1) year periods.

Either RESELLER or TEAM 1 may terminate this Agreement, which includes any and all Addendums (a)., if the other party commits a breach of any obligation

hereunder which is not remedied within thirty (30) days of receipt of written notice specifying that breach.

10. Confidentiality and Proprietary Rights

Certain data or portions hereof which may be supplied by TEAM 1 relating to the PRODUCTS are confidential and proprietary to TEAM 1 and will be so marked. RESELLER will abide by those markings and it will not reproduce, use or disclose the above described data to third parties, except as may be authorized by TEAM 1.

11. Authority

Accepted By:

RESELLER Full Legal Name

DBA (If Applicable)

A(Corporation, Partnership, Sole Proprietorship)
of the State of _____

Authorized Signature

Print Name

Title

Date

Team 1 Systems, Inc.

Authorized Signature

Print Name

Title

Date

