



## CONSULTATION FEE AGREEMENT

This CONSULTANT AGREEMENT ("Agreement") is entered into by and between Pope Associates LLC ("Consultant") and TSI Tailored Systems, Inc. ("Client") on the 26 day of November, 2007 and will end on the 25<sup>th</sup> day of November, 2008

1. **Conditions.** This Agreement will not take effect, and the Consultant will have no obligation to provide services, until the Client returns a signed copy of this Agreement and pays the administrative fee called for under paragraph 3.

2. **Scope and Duties.** Client hires Consultant to provide services as follows:

a. Client has the legal authority to and does hereby employ Consultant with the sole and exclusive right to sell: **TSI Tailored Systems, Inc. together with its customer list, tangible assets, and goodwill listed on Schedule A , but specifically EXCLUDING any and all existing bank accounts, investment accounts, and accounts receivable** for a total price of \$1,500,000.00 on terms as set out herein.

b. Client will refer to Consultant all names of parties who express interest during the term of this Agreement with the Consultant's success fee to be part of the proceeds from the sale, and Client agrees to pay Consultant as set out herein. The success fee described in paragraph 3c shall be paid as below instructed and computed on the total sales price as though all assets were sold free and clear of debt regardless of the form of sale, and shall include, but not be limited to, leases, options to purchase, assumption of liabilities, and any other asset sold and/or transferred to a Buyer as a result of a sale. The sales price shall

include all current assets except as designated in paragraph 2a to be transferred to the Buyer at the time of closing.

c. Client will pay Consultant success fee should this entity be sold, leased (or otherwise transferred) directly or indirectly through the efforts of Consultant or its agents during the term of this Agreement or within two (2) years after the termination of this Agreement. All employees, partners, their family members, and those who learn that the entity is for sale during the term of this Agreement and anyone connected to the entity shall be considered to be located through the efforts of Consultant except that a buyout by existing shareholders shall not be an event compensable to the Consultant. Consultant will be allowed to be present at all negotiations and closings above referenced and will be provided copies of all documents relating to offers and transactions.

d. Client agrees to provide Consultant with accurate past and current financial data, a list of assets to be sold, and a legal description of real estate included, if any, and to cooperate with Consultant. Client will not circumvent this Agreement and will accept the price and terms as stated herein, which are Client's sole risk, and understands that Consultant makes no representation as to the ability to achieve any price or terms. Nothing in this Agreement shall prevent the Client from engaging in its normal business activity and Client agrees to continue to operate the business under a minimum of current conditions during the term of this Agreement.

e. Client is apprised that Consultant is not a NASD registered Broker/Dealer and offers no securities for the sale. Unless otherwise apprised, Client understands that Consultant has a sole and exclusive Agreement to represent Client as Seller's Agent,

according to the definitions of real estate brokerage relationships as approved by the Connecticut Real Estate Commission.

**3. Fees.**

a. Initial fee: Client agrees to pay an initial administrative fee to Consultant in the amount of \$1,000.00 at the time of signing of the agreement.

b. Administrative fees: Client agrees to pay to Consultant an administrative fee of \$1,000 monthly until the conclusion of this agreement or the acceptance of a proposal, whichever is earlier. The initial administrative fee shall be credited against the first monthly administrative fee. Administrative fees are paid monthly, due and payable upon ~~billing receipt.~~ *credit card*

c. Success fee: Client agrees to pay upon closing 8% of the first one million dollars, plus 8% of the next million dollars, plus 8% of the next million dollars, plus 8% of the balance on any real or personal property sold by Client in conjunction with this Agreement.

d. Rejection fee: Client agrees to pay a 50% success fee should Consultant bring a full value offer from a Buyer that is ready, willing and able to make the purchase but is refused. For the purpose of this agreement the phrase "ready, willing, and able" shall mean that the Buyer:

1. Has demonstrated sufficient financial resources to meet the conditions of paragraph 2a.
2. Is willing to repay any and all loans from Client's principals to Client as part of the purchase. The amount of those loans shall not exceed \$50,000.

3. Has presented a proposal that contains no extraneous clauses unacceptable to the Client's principals. All negotiations concerning terms of employment, covenants not to compete, and any other matter shall be completed before the proposal is finalized.

e. No fees are refundable or transferable, but all fees (except for appraisals and other third party professionals) shall be credited against the success fee or rejection fee.

4. **Consultant Data.** Client understands that all computer programs, data, industry lists, etc., supplied by Consultant and used in this assignment are the property of Consultant, unless separately purchased and maintained by Client.

5. **Indemnification.** Client agrees to indemnify, protect, defend and hold Consultant, its employees, and agents free and harmless from and against any and all claims, damages, demands, losses, liabilities and expenses, including without limitation, reasonable attorney's fees and all amounts paid in investigation, defense or settlement of the foregoing that the Consultant incurs or suffers that arise or result from or are related to any misrepresentations, falsifications, or non-disclosure of data or facts regarding or relating to the business that the Client, its officers, employees, or agents made available or should have made available to Consultant.

6. **Arbitration.** Any controversy or claim arising out of or relating to this contract or breach thereof shall be settled in Hartford County, Connecticut, by binding arbitration in accordance with the rules of the American Arbitration Association. In the event of a dispute, the prevailing party shall be reimbursed all legal fees, costs, and expenses of litigation and arbitration by the non-prevailing party.

7. **Costs and Expenses.** All costs and expenses of the Consultant shall be included in the amounts paid to the Consultant in the form of administrative fees and success fee.
8. **Statements.** Consultant shall provide and send Client monthly statements detailing Consultants' efforts on Client's behalf.
9. **Discharge and Withdrawal.** Client may discharge Consultant at any time after six (6) months after entering into this Agreement. Consultant may withdraw under the same terms. However, paragraphs 2b and 2c remain in effect unaltered.
10. **Conclusion of Services.** When Consultant's services conclude, all unpaid charges shall become immediately due and payable.
11. **Confidentiality and Non-disclosure.** The Consultant acknowledges that Consultant will be provided and be handling confidential and sensitive information of the Client. Confidential information shall include any information, without limitation, acquired in the course of the Consultant's work for the Client and includes, but is not limited to: names, addresses, confidential financial and business or any other type of information, and demographics. Any such confidential information or data received by Consultant and/or its employees or agents during this Agreement shall be maintained in the strictest confidence and shall not be disclosed, sold, assigned, transferred or given to any other person, party, company, firm, or entity in any manner, shape or form except in furtherance of this Agreement. Such information shall only be used within and for the purposes of this Agreement and to the extent necessary to effectuate this Agreement. No information or data supplied by Client and none of the information obtained by Consultant and/or its employees or agents pursuant to this Agreement shall be quoted or

attributed to Client without the express, prior written consent of Client. Consultant is specifically authorized to provide prospective purchasers and their agents with financial and other information provided by Client for the purposes of this agreement.

Consultant agrees to keep confidential all information and data as to Client's business dealings, methods, procedures, programs, systems and operations that come into Consultant's possession by virtue of this Agreement except in furtherance of this Agreement. Consultant shall take all reasonable care to ensure and preserve the confidentiality of such data and information. Consultant agrees to restrict his communications with Client's principals to e-mail and after-hours telephone conversations at mutually agreeable times. Written communications shall be addressed to Client's Post Office box. Consultant agrees not to contact Client's customers nor to provide contact information for Client's customers to any third party without Client's expressed written consent.

Consultant acknowledges and confirms that any failure to strictly adhere to the terms and conditions of this non-disclosure and confidentiality provision could cause irreparable harm to Client. In the event that confidential information is improperly disclosed by Consultant to a third party or other entity, or Consultant otherwise improperly uses such confidential information, Consultant shall be responsible for all damages caused by or arising from such disclosure or use. Consultant agrees to notify Client in writing immediately of any misuse or misappropriation of confidential information. Consultant acknowledges and agrees that in the event of an unauthorized reproduction or disclosure of any confidential information, the Client shall have the right to pursue all available

remedies in law or equity including injunctive relief to restrain such reproduction, disclosure or release, threatened or actual.


The provisions of non-disclosure and confidentiality shall survive the termination of this Agreement.

**11. Governing Law, Entirety of Agreement, and Partial Invalidity.** This Agreement shall be governed by the laws of the State of Connecticut. It constitutes the entire Agreement between the parties regarding its subject matter. If any provision of this contract is held by any court to be invalid, or unenforceable, the remaining provisions shall nevertheless continue in full force. This Agreement may only be modified by a written agreement signed by all parties to this Agreement.


**12. Other.** Client will provide Consultant with proper corporate resolutions, authorizations and documents to confirm this Agreement.

This Agreement is executed at: 7B Pasco Dr. East Windsor CT. on the day and year first above written, by:

**Pope Associates LLC ("Consultant"), PO Box 313, Old Saybrook, CT 06475**

By:   
It's duly authorized Partner  
Title

**TSI Tailored Systems, Inc. ("Client"), 7B Pasco Drive, East Windsor, CT 07088**

By:   
It's duly authorized PRESIDENT  
Title