

OPERATING AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 20__ by and between Adaptrix, Inc. (hereinafter the “Owner”), a California corporation and _____, (hereinafter the “Consultant Company”), a _____ corporation.

WITNESSETH

WHEREAS, OWNER desires to enter into a contract with CONSULTANT COMPANY whereby CONSULTANT COMPANY performs healthcare recruiting sales activity and OWNER provides CONSULTANT COMPANY with training, support, and lead generation assistance in that regard; and

WHEREAS, CONSULTANT COMPANY desires to provide such services to OWNER in exchange for a contracted PERCENTAGE of gross recruiting fees generated by Consultant Company’s efforts and received by OWNER as set forth in Exhibit “A” to this agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the parties hereby contract and agree as follows:

1. Purpose. The purpose of this Operating Agreement is to define the relationship between OWNER and CONSULTANT COMPANY as that of two corporations contracting for specific services. It is also the purpose of this Operating Agreement to set forth certain restrictions upon the: (i) exchange of confidential information held by OWNER; and (ii) the use of confidential information held by OWNER.

2. Services. In exchange for the contracted rate set forth in Exhibit “A” to this Agreement, CONSULTANT COMPANY agrees to use its best efforts to sell and promote OWNER’S healthcare recruiting services through the provision of telephone, personal contact, email and internet based healthcare recruiting activity. CONSULTANT COMPANY shall notify OWNER promptly of all orders from customers, and shall coordinate the provision of OWNER’S services to customers, subject to the approval of OWNER.

3. Confidential Information. OWNER is the owner of certain confidential and proprietary information and trade secrets, including lists of customers, companies, hiring authorities and candidates, as well as potential customers, companies, hiring authorities and candidates that CONSULTANT COMPANY uses in the performance of CONSULTANT COMPANY’S responsibilities associated with this Operating Agreement (hereinafter the “Confidential Information”). It is understood and agreed that the Confidential Information, information derived from the Confidential Information, and any other information generated by OWNER or CONSULTANT COMPANY in the performance of this Agreement is and will remain the exclusive property of OWNER. It is further understood and agreed that CONSULTANT COMPANY shall be entitled or allowed to access, view, learn of and use Confidential Information or marketing information belonging to OWNER. CONSULTANT COMPANY agrees that it will not use, publish or otherwise disseminate said information without OWNER’S permission. In the event of termination of this agreement, CONSULTANT COMPANY shall immediately return any copies of the information to OWNER or, at the election of OWNER, shall immediately destroy any such copies, however stored.

4. Contracted Corporation. In the performance of services by CONSULTANT COMPANY pursuant to the terms of this Operating Agreement, CONSULTANT COMPANY acknowledges and agrees that CONSULTANT COMPANY shall at all times be acting as Contracted Corporation, and the relationship between the parties hereto shall not be deemed to be that of an independent contractor nor an employer/employee relationship. CONSULTANT COMPANY is an incorporated business enterprise. CONSULTANT COMPANY is not authorized to act on behalf of OWNER, and may not bind OWNER or purport to bind OWNER to any obligation. CONSULTANT COMPANY shall comply with all applicable provisions of the law and other rules and regulations applicable to Consultant Company's business. CONSULTANT COMPANY acknowledges and agrees that OWNER will not deduct and withhold from payments to CONSULTANT COMPANY any Federal Insurance Contributions Act ("FICA") taxes or any federal income taxes, nor will it pay on behalf of CONSULTANT COMPANY any FICA taxes or Federal Unemployment Tax Act ("FUTA") taxes. CONSULTANT COMPANY acknowledges and agrees that it will be the sole responsibility of CONSULTANT COMPANY to, and CONSULTANT COMPANY will, pay all applicable income and employment taxes, Self-Employment Contribution Act ("SECA") taxes as well as any other required tax payments that are owed by Consultant Company. CONSULTANT COMPANY acknowledges and agrees that, CONSULTANT COMPANY and Consultant Company's employees are not entitled to any rights or benefits normally afforded to employees of OWNER whether present or future, including but not limited to any retirement plan benefits, any vacation time, any sick pay, any worker's compensation benefits, any unemployment compensation benefits, or any other fringe benefit afforded employees of OWNER. CONSULTANT COMPANY agrees to indemnify and hold OWNER harmless from and against any and all employment tax liabilities, including, but not limited to, federal and state income tax withholding, FICA taxes, and FUTA taxes assessed against OWNER as a result of the reclassification of CONSULTANT COMPANY and/or Consultant Company's employees by the Internal Revenue Service or any other governmental or administrative agency or authority as employees of OWNER.

5. Compensation. For the services performed by CONSULTANT COMPANY, OWNER shall pay CONSULTANT COMPANY in accordance with the schedule attached hereto as Exhibit A.

6. Term. This Agreement shall continue for a period of two (2) years unless earlier terminated as provided in Paragraph 11 below. The foregoing notwithstanding, if this Agreement has not been terminated prior to the Expiration Date, the term hereof shall be extended automatically, without any further action being required of either party, for one (1) year and shall continue to be renewed for successive one (1) year periods unless and until this Agreement is terminated as provided herein.

7. No Solicitation of OWNER's Employees, Clients or Candidates. For the duration of this Operating Agreement with OWNER, and for a period of eighteen (18) months after the termination of such agreement, CONSULTANT COMPANY shall not solicit, recruit, employ, or endeavor to employ or hire any individuals who, during the last six months prior to termination of this agreement, worked for OWNER either as an employee or as an independent contractor, was a business client, hiring authority, company or employment candidate of OWNER.

8. Covenant Not to Compete. During the period of this agreement and for a period of eighteen (18) months commencing on the date of termination of this agreement with OWNER, CONSULTANT COMPANY will not, directly or indirectly, in association with or as a stockholder, director, officer, consultant, employee, partner, joint venturer, member or otherwise of any person, firm, corporation, partnership, association, or other entity, engage in any conduct that is directly or indirectly competitive with any business actually conducted by OWNER.

9. Other Terms Relating To Restrictions. CONSULTANT COMPANY expressly agrees that the character, duration, and geographic scope of the restrictive covenants are reasonable in light of the circumstances as they exist on the date hereof. If a court of a competent jurisdiction subsequently determines that the character, duration, or geographic scope of such provisions is unreasonable, then it is the intention and the agreement of the CONSULTANT COMPANY and OWNER that this Covenant shall be construed by the court in such a manner as to impose only those restrictions on Consultant Company's conduct that are reasonable in light of the circumstances as they exist at that time.

(a) The restrictions, restraints, and limitations imposed upon CONSULTANT COMPANY in this Agreement (collectively the "Restrictions") apply to actions by Consultant Company, its officers, employees, directors, stockholders, partners, joint ventures, associates, consultants, representatives, principals, agents, salesmen, servicemen or individuals in similar capacities with Consultant Company.

(b) If CONSULTANT COMPANY shall be in violation of any of the Restrictions, the time limitation therefore shall be extended for a period of time equal to the period of time during which such breach or breaches occurred. If OWNER shall be required to seek relief in any court or other tribunal, then the Restrictions shall be extended for a period of time equal to the duration of such proceedings, including appeals, and excluding any periods during which the court or other tribunal has ordered CONSULTANT COMPANY to honor the Restrictions and CONSULTANT COMPANY has complied with such order.

(c) Restrictions that apply after the termination of Consultant Company's agreement with OWNER apply whether the termination of this agreement is initiated by Consultant Company, OWNER, or by mutual consent, and whether it is with or without cause.

(d) CONSULTANT COMPANY acknowledges that monetary damages alone will not adequately compensate OWNER in the event of a breach by CONSULTANT COMPANY of the Restrictions. Therefore, in addition to all remedies available to OWNER in the event of a breach by CONSULTANT COMPANY of the Restrictions, CONSULTANT COMPANY agrees to submit to any interim restraints and permanent injunctive relief for the enforcement thereof.

10. Termination. In the event of a material breach by either party of any material agreement, covenant, or obligation under this Agreement, the non-breaching party shall have the right to terminate this Agreement by giving the other party five (5) days' prior written notice of such termination.

11. Remedies. CONSULTANT COMPANY agrees that the covenant contained in Section 3, of this Agreement is of the essence of this Agreement; the covenant is reasonable and necessary to protect and preserve the interests and property of OWNER; and that irreparable loss and damage will be suffered by OWNER should CONSULTANT COMPANY breach said covenant. Therefore, CONSULTANT COMPANY agrees and consents that, in addition to all the remedies provided at law or in equity, OWNER shall be entitled to a temporary restraining order and temporary and permanent injunctions to prevent a breach or threatened breach of said covenant. The existence of any claim, demand, action or cause of action of CONSULTANT COMPANY against OWNER shall not constitute a defense to the enforcement by OWNER of any of the covenants or agreements herein.

12. Invalid Provisions and Severability. The invalidity or unenforceability of any one or more of the particular provisions of this Agreement shall not affect the enforceability of the other provisions hereof, all of which are inserted conditionally on their being valid in law. In the event one or more provisions contained shall be invalid, this Agreement shall be construed as if such invalid provision

ADAPTRIX, INC.

HUMAN CAPITAL MANAGEMENT

had not been inserted, provided that if such invalidity shall be caused by any value, any price, the length of any period of time or the scope of activities set forth in any provision hereof, such value, price, period of time or scope shall be considered to be adjusted to a value, price, period of time or scope that would cure such invalidity. The parties hereto agree that the covenants and obligations contained in this Agreement are severable and divisible, that none of such covenants or obligations depend on any other covenants or obligations for their enforceability, that each such covenant and obligation constitutes an enforceable obligation between OWNER and Consultant Company, that each such covenant and obligation shall be construed as an agreement independent of any other provision of this Agreement, and that the existence of any claim or cause of action by one party to this Agreement against another party to this Agreement, whether predicted on this Agreement or otherwise shall not constitute a defense to the enforcement by any party of any such covenants or obligations.

13. Waiver. The waiver of any provisions of this Agreement by any party to this Agreement shall not be effective unless in writing, and no such waiver shall operate or be construed as a waiver of the same type of breach or any other breach on a subsequent occasion.

14. Entire Agreement. This Agreement embodies the entire agreement of the parties on _____, 20____, the subject matter herein. No amendment or modification of this Agreement shall be valid or binding upon OWNER or CONSULTANT COMPANY unless made in writing and signed by the parties hereto. The parties agree that all prior understandings and agreements relating to the subject matter of this Agreement, to the extent such prior understandings and agreements are inconsistent with this Operating Agreement, are hereby expressly nullified.

15. Survival. The parties hereto acknowledge and agree that the provisions of this Agreement that are necessary or desirable to enforce or interpret the terms hereof shall specifically survive the termination of this Agreement, including but not limited to Paragraph 3.

16. Governing Law; Recovery of Legal expenses. This Agreement will be governed by and construed in accordance with the laws of the State of California excluding that body of law pertaining to conflict of laws. If any action is necessary to enforce the terms of this Agreement, the substantially prevailing party will be entitled to reasonable attorneys' fees, costs and expenses in addition to any other relief to which such prevailing party may be entitled.

WHEREFORE, OWNER has executed and delivered, and CONSULTANT COMPANY has executed and delivered, this Agreement, under seal, as of the date first shown above.

Adaptrix , Inc.

By: _____

Title: _____

OWNER

By: _____

Title: _____

CONSULTANT COMPANY