

INDEMNITY AND RELEASE AGREEMENT

This Indemnity and Release Agreement ("Agreement") is made this ___ day of September, 2000, by and between New Horizons Computer Learning Centers, Inc a California corporation with a principal place of business at 1231 East Dyer Road, Suite 110, California 92705 ("NHCLC") and Joseph Betz and Mia Betz husband and wife with a residential address at _____ ("Betz").

RECITALS

Betz paid a total sum of eleven thousand four hundred and ten dollars (\$11,410.00) to one of NHCLC's franchisees (the "Franchisee") representing the fees payable for certain computer training classes to be provided by said franchisee. Betz took certain of the classes. Betz claims that some classes were unsatisfactory. Betz requested a refund for classes not taken and for some classes that Betz Claimed were unsatisfactory. Betz claims that having negotiated a settlement with the franchisee for the sum of \$8,1000.00 the franchisee then reneged on the deal, paid a refund of \$6,145.00 and therefore still owes Betz the sum of one thousand nine hundred fifty five dollars (\$1,955.00).

- II. When Betz did not receive the refund Betz registered the internet domain name "http:www.newhorizonssucks.net" (the "Web-site"). Betz emailed California franchisees and NHCLC regional managers, informing them of this fact and demanded a refund under threat of further notification, through search engines, of the existence of the Web-site to the public.
- III. NHCLC is a franchiser and has developed an international network of franchisees and company owned computer learning centers throughout the USA and in over thirty other countries (the "Network").
- IV. In keeping with its belief in customer satisfaction and in order to best support its Network NHCLC on behalf of its franchisee is willing to pay Betz the sum of one thousand nine hundred fifty five dollars (\$1,955.00) on the following terms and conditions.
- V. Betz has requested that NHCLC release him from all liability in relation to his actions and communications made to persons and entities disparaging NHCLC and its Network.
- VI. NHCLC is willing to pay the requested sum and provide the requested release conditional upon the execution of this agreement.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged the parties hereto agree as follows:

1. REPRESENTATIONS AND WARRANTIES OF BETZ

BETZ hereby represents and warrants to NHCLC as follows.

- 1.1 The list in Exhibit A attached hereto and by this reference incorporated herein is a full and complete list of all those persons and entities to whom BETZ has made disparaging comments (the truth or validity of which are not in question for the purposes of this Agreement) whether written or spoken in hard copy or electronic form including but not limited to all persons to whom BETZ emailed notification of the existence of the Web-site.
- 1.2 BETZ has communicated with all the persons and entities listed on Exhibit A and withdrawn his disparaging remarks.
- 1.3 The only business dealings BETZ has had with Franchisee, NHCLC and or any of the franchisees or affiliates of NHCLC within the NHCLC Network are those in relation to the following invoices (the "Invoices"):

<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Invoice Amount</u>
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- 1.4 BETZ has executed all documents and/or executed all electronic commands and taken all other actions necessary to transfer ownership of the Domain Name to NHCLC. At the time of execution of this Agreement NHCLC is the registered owner of the Domain Name as registered with Internic. If BETZ fails to carry out any such actions BETZ hereby irrevocably appoints NHCLC as its attorney-in-fact to do so for and on behalf of NHCLC.
- 1.5 BETZ has taken and will not in the future take any other actions to register any other derogatory names with any other entities or agencies or to further infringe the trademarks of NHCLC, or to defame its franchisees.

2. REPRESENTATIONS AND WARRANTIES OF ALL PARTIES

Each party hereby represents and warrants to the other as follows:

- 2.1 That no representation or promise not expressly set forth herein has been made to such party in connection with the matters set forth herein, and each further affirmatively represents that this Agreement is not being entered into in reliance upon any such promise or representation, whether express or implied;
- 2.2 That except as specifically set out herein the terms this Agreement contains the entire agreement between the parties hereto, and the terms hereof supersede the prior written agreements between the parties, any prior discussions, understandings, or agreements between the parties hereto relative to the subject matter hereof, and that the terms hereof are intended to constitute a binding contract between the parties hereto for the express benefit of all the parties hereto;
- 2.3 That prior to execution hereof each party was given the opportunity, if desired,

to consult with counsel of their respective choosing; that they have fully read and understood the terms of this Agreement and that they have entered into this Agreement freely and voluntarily without relying upon any statement of fact or opinion by any other person, and without duress or coercion of any kind;

2.4 That the terms and conditions of this Agreement and the events and negotiations preceding execution of the Agreement are private and confidential, and that neither party hereto may reveal said events, negotiations, terms and conditions to any third party without the express consent of both parties or a valid directive or order from a government agency or court of competent jurisdiction. It shall be a material breach of this Agreement to reveal any such events, negotiations, terms or conditions;

2.5 That if any suit, action, or other proceeding, or appeal from a decision therein, is instituted to establish, obtain, or enforce any right resulting from this Agreement, the prevailing party shall be entitled to recover from the adverse party, in addition to costs and disbursements, such additional sums as an arbitrator or court of competent jurisdiction may adjudge reasonable as attorneys' fees; and

2.6 That it presently owns each and all of the claims and the causes of action hereby released and that it has not heretofore assigned, hypothecated, or transferred, and it will not hereafter in any manner assign, hypothecate, or transfer, or attempt to or purport to assign, hypothecate, or transfer to any corporation, person or other entity, any debt, claim, demand or cause of action, of any kind or nature whatsoever, which is in any manner connected with, based upon or related to, or which arises out of, any of the claims or possible claims described herein.

3. INDEMNITY.

BETZ shall and hereby does indemnify, defend and hold harmless NHCLC, its subsidiaries and/or parent companies, affiliates, successors, assigns, its officers, directors, employees, or shareholders and the Network from and against any and all losses, claims, demands, actions, losses or liabilities expenses, court costs, and reasonable fees of attorneys and other professionals, arising out of any misrepresentation or breach of the above warranties or a breach of this Agreement or in connection with any willful or negligent act or omission of BETZ or his employees or agents, including but not limited to such act or omission that contributes to any economic, bodily injury, sickness, disease or death. This indemnity will survive the termination of this Agreement. Under no circumstances shall NHCLC be liable for any act, omission, contract, debt, or other obligation of BETZ. This indemnification shall specifically include any claims of third parties against NHCLC, its subsidiaries and/or parent companies, affiliates, franchisees, successors, assigns, its offices, directors, employees, or shareholders and the Network.

4. MUTUAL RELEASE

4.1 Except as otherwise provided in sections 1, 2 and 3 above, in consideration of the execution of this Agreement, NHCLC and BETZ, for themselves, their successors, assigns, and anyone claiming through or under them, hereby remise, release, acquit and forever discharge each other individually and collectively, and all of their predecessors, successors, assigns, heirs, executors and administrators, and the Network (as the case may be), and all of their past, present and future associates, owners, stockholders, agents, directors, officers, partners, employees, attorneys, accountants and representatives of and from any and all manner of action or actions, cause or causes of action, in law or in equity, arbitrations, suits, debts, liens and contracts, agreements, promises, liabilities, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent, which they, individually or collectively, have, or may hereafter have against each other by reason of any matter, cause or thing whatsoever, from the beginning of time to the date hereof, including all matters, causes or things whatsoever, that were or have been, or could have in any way been alleged in any pleading filed in any arbitration proceeding or suit, which are related to the Invoices or the Web-site, except for those matters expressly excepted herein.

4.2 CIVIL CODE RELEASE

It is further understood and agreed that NHCLC and MT each individually and collectively, for all matters except as specifically set out herein relating to the Invoices and the Web-site hereby expressly waive all rights under Section 1542 of the Civil Code of California, and any similar law of any state or territory of the United States. Said Section reads as follows:

“Section 1542. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

5. PAYMENT TO MT

Conditional upon the veracity of the representations made by MT to NHCLC, on behalf of its franchisee, NHCLC shall pay to MT the sum of two thousand six hundred and five dollars (\$2,605) within five days of receipt of an original executed version of this Agreement complete with an Exhibit A also signed by MT.

6. TIME

Time is of the essence respecting performance under this Agreement. Failure to comply with any of the provisions of this Agreement shall constitute a material breach hereof and shall entitle NHCLC or MT to any of the remedies provided in this Agreement or such as may be available at law or in equity.

7. SEVERABILITY

If any provision of this Agreement is declared void, or is otherwise unenforceable, such

provision shall be deemed to have been severed from this Agreement, which shall otherwise remain in full force and effect.

8. CALIFORNIA LAW ATTORNEYS FEES

This Agreement shall be governed by the Law of the State of California and for the resolution of any dispute which may occur in relation to this Agreement the parties hereto agree to the exclusive jurisdiction of the courts of Orange County, California. Except as previously provided in section 2 hereof, each of the parties shall bear their respective costs and attorneys' fees incurred in connection with this Agreement, and events preceding its negotiation and execution.

9. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which shall constitute a single document.

IN WITNESS WHEREOF, the parties hereto have duly executed this Indemnity and Release Agreement on the dates set forth below.

CAUTION. THIS CONSENT AND RELEASE CONTAINS IMPORTANT TERMS. READ BEFORE SIGNING.

"NHCLC"
New Horizons Computer
Learning Centers, Inc

By: _____
Gene A. Longobardi
Senior V.P. North American Operations
Date: _____

"BETZ"
Joseph Betz

By: _____
Joseph Betz
Date: _____

"BETZ"
Mia Betz

By: _____
Mia Betz
Date: _____