

## STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A-1 for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR ARBITRATION ONLY IN CALIFORNIA. OUT-OF-STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. PURSUANT TO THE FRANCHISE AGREEMENT, MINIMUM PERFORMANCE STANDARDS MUST BE MET TO RETAIN TERRITORIAL RIGHTS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

**EFFECTIVE DATE: [See next page]**

PROVISION	SECTION	SUMMARY
r. Non-competition covenants after the franchise is terminated or expires	8.6, Attachment 7	No involvement for two years in any competing business that is located in Territory where your Office operated.
s. Modification of the agreement	11.4	Modification of agreement only by written agreement of parties. Manuals may change from time to time.
t. Integration/merger clause	11.6	Agreement is what is written in Franchise Agreement and software user agreement. Inconsistent promises are not enforceable.
u. Dispute resolution by arbitration or mediation	11.7, 11.8	Mediation and/or arbitration will be conducted by AAA in Fresno, California.
v. Choice of forum	11.7, 11.8	Mediation and/or arbitration will be conducted by AAA in Fresno, California.
w. Choice of law	11.2	Federal law as to arbitration and trademark rights. Otherwise, the law of your state.

### PRIDESTAFF FINANCIAL® AMENDMENT

PROVISION	SECTION	SUMMARY
a. Length of the franchise term	2.2	Term extends until Termination of the Franchise Agreement, unless sooner terminated because of your material default
b. Renewal or extension of the term	2.2	The amendment may only be renewed or transferred as an Amendment to the Agreement and not as a separate franchise
c. Requirements for franchisee to renew or extend	2.2	It may be renewed upon the same terms on which new PSF addenda are currently being granted at the time of renewal.
d. Termination by franchisee	2.10.3	You may terminate the Amendment at any time after 6 months from the date of the Amendment upon 60 days' written notice provided that you comply with the winding-down provisions stated in the PSF section of the Manuals. You may have at least 90 days within which to complete the winding down process.
e. Termination by franchisor without cause	None	Not applicable
f. Termination by franchisor with cause	2.10	We may terminate only upon uncured or noncurable material event of default.

PROVISION	SECTION	SUMMARY
g. "Cause" defined - curable defaults	2.10	To the extent applicable, the provisions regarding default listed in the Franchise Agreement are incorporated by reference in the Amendment. In addition, the Amendment will terminate upon your failure to cure within 30 days your failure to meet the requirements of the Amendment concerning personnel, training, financial performance standards, operational compliance standards and, if imposed, supplemental insurance coverage
h. "Cause" defined -non-curable defaults	2.10.1.	Noncurable defaults include failure to successfully complete initial training, misuse of marks, material misrepresentation in securing franchise or operating franchised business, abandonment, repeated defaults, unapproved transfer, insolvency, conviction of criminal conduct, and competition with Franchise Network.
i. Franchisee's obligations on termination/non-renewal	Article 3	Complete deidentification, payment of amounts due, honoring option to purchase, assigning phone numbers and more. You must discontinue using the software we provide to you and return or destroy it, at our option.
j. Assignment of contract by franchisor	Article 3	We may assign Franchise Agreement to company that we reasonably believe can perform obligations and that promises in writing to perform obligations. No assignment of software user agreement by us without your consent, except to our affiliate or subsidiary. You may not assign it without our consent.
k. "Transfer" by franchisee - defined	2.2	The Amendment may only be transferred as an Amendment to the Franchise Agreement and not as a separate franchise.
l. Franchisor approval of transfer by franchisee	None	Not applicable
m. Conditions for franchisor approval of transfer	None	Not applicable
n. Franchisor's right of first refusal to acquire franchisee's business	Article 3	We have the right to match any offer to buy your business (but may substitute cash, our credit will be equal to the credit of the proposed purchaser and we are entitled to receive customary warranties and representations). You will be bound by non-compete if we exercise our right.
o. Franchisor's option to purchase franchisee's business	Article 3	We have an option to buy any assets of your business upon termination.
p. Death or disability of franchisee	Article 3	Heirs must qualify or have six months to sell.

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