

EXHIBIT C

**LABOR FINDERS INTERNATIONAL, INC.
FRANCHISE AGREEMENT**

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Exhibit "1" - Terms

Exhibit "2" - Confidentiality and Unfair Competition Agreement

DEFINED TERMS

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FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is made and entered into by and between LABOR FINDERS INTERNATIONAL, INC., a Florida corporation ("**Franchisor**"), and the undersigned ("**Franchisee**"), whose full name and address are set forth in Exhibit "1" attached hereto and incorporated herein by reference.

RECITALS

A. Franchisor has expended time, skill, money and effort to develop a system for recruiting and supplying temporary unskilled, semi-skilled and skilled industrial personnel, which system incorporates certain forms, advertising formats, computer software, service methods, processes, promotional plans, market research methods, record and bookkeeping methods, procedures and policies (the "**System**").

B. Franchisor has also expended time, skill, money and effort in publicizing the System and the services offered under the System. Franchisor has thereby developed and will continue to develop valuable good will in the service marks and trade names used in the System, and may develop or acquire other service marks, trademarks, trade names, logos, signs, symbols, emblems, designs, trade dresses, color schemes and slogans for use under the System, all of which are or will be the sole property of Franchisor.

C. Franchisor franchises others to use the System and its service marks, and Franchisee desires to establish and operate a business under the System and Franchisor's service marks.

NOW THEREFORE, in consideration of the recitals set forth above, which are hereby acknowledged and incorporated into this Agreement by the parties, and the promises and mutual covenants set forth below, Franchisor and Franchisee agree as follows:

1. GRANT OF FRANCHISE. Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee the franchise, and Franchisee undertakes the duty, to use the System and the service marks and trade name "LABOR FINDERS," "LF" and design, and "LABOR FINDERS" and design, together with other service marks, trademarks, trade names, logos, signs, symbols, emblems, designs, trade dress, color schemes and slogans which Franchisor may develop or acquire and designate for use by Franchisee in the future (collectively, the "**Marks**"), in the establishment and operation of a temporary industrial personnel business (the "**Franchised Business**") in the Territory (as defined in Section 2.1) solely in connection with supplying individuals or groups as temporary unskilled, semi-skilled and skilled industrial personnel (the "**Franchise**").

2. TERRITORY.

2.1. Designation. Franchisee shall have the right to establish one or more offices and to market and supply staffing services solely in the territory described in Section 2.1 of Exhibit "1" (the "**Territory**"), subject to the provisions of Section 2.3.

2.2. Restrictions on Franchisor.

2.2.1. Offices. Franchisor agrees that, as long as Franchisee is not in Default (as defined in Section 9.1) hereunder, neither Franchisor nor any person or entity licensed or franchised by it will be authorized to establish an office within the Territory for the purpose of conducting the same business as Franchisee's. Franchisor may, however, establish or license or franchise others to establish an office outside the Territory for the purpose of conducting the same business as Franchisee's.

2.2.2. Customer Services. Franchisor agrees that, as long as Franchisee is not in Default hereunder, Franchisor will not itself solicit sales or accept orders from customers for worksites inside Franchisee's Territory. Franchisor will also use its best commercially reasonable efforts to prohibit any entity controlled by, controlling, or under common control with Franchisor (a "**Franchisor Affiliate**"),

and any person or entity licensed or franchised by Franchisor, from soliciting sales or accepting orders from customers for worksites inside Franchisee's Territory.

2.2.3. Franchisor's Reserved Rights. Franchisee will have no claim, option or other right by reason of this Agreement to any franchise for any other area, or to a license for the use of other marks for other business purposes either outside or within the Territory. Franchisor will have the right in its sole discretion to grant others such licenses and/or to conduct and operate such businesses itself.

2.3. Franchisee's Development Obligations.

2.3.1. Development Requirements. Franchisee must establish and maintain in the Territory, at locations reasonably distributed throughout the Territory and mutually agreed upon by Franchisor and Franchisee, at least one Franchise office that actively services customers for each five hundred thousand (500,000) persons residing in the Territory, to be opened on the schedule set forth in this Section 2.3.1 ("**Penetration Goal**"). The parties agree that the current population of the Territory is as stated in Section 2.3.1 of Exhibit "1." Franchisee agrees to open and continue to operate the number of offices, in the general locations and within the time periods, as specified in the chart in Section 2.3.1 of Exhibit "1." Thereafter, if necessary because of population growth, Franchisee shall continue to operate and establish additional offices at a rate of at least one additional office each year so as to have one office for each five hundred thousand (500,000) persons residing in the Territory based on the then current population of the Territory. If Franchisee closes a Franchise office, then to meet Franchisee's Penetration Goal, Franchisee must open another Franchise office that actively services customers as a replacement office as well as opening the additional Franchise offices that Franchisee is required to open under this Section. Franchisee may, at its option, without paying any additional Initial Fee, also open one or more additional offices in the Territory beyond the number of offices necessary to meet Franchisee's Penetration Goal.

2.3.2. Failure to Meet Penetration Goal.

A. Territory Reduction. If Franchisee fails to meet its Penetration Goal, Franchisor may reduce the Territory one (1) month after giving Franchisee notice of the proposed reduction if Franchisee does not meet the Penetration Goal within the one (1) month period. Upon such a reduction, Franchisee's Territory shall be reduced to an area (the "**Reduced Territory**"): (i) within a twenty (20) mile radius around each of Franchisee's operating Franchise offices that actively services customers if the original Territory had a population of five million (5,000,000) or less; or (ii) within a ten (10) mile radius around each of Franchisee's operating Franchise offices that actively services customers if the original Territory had a population of more than five million (5,000,000), but in any event not beyond or outside of Franchisee's original Territory.

B. Additional Offices. If Franchisee fails to meet its Penetration Goal and the Territory is reduced, Franchisee shall have no rights outside of the Reduced Territory, including without limitation no automatic right, or right of first refusal, to open additional offices outside of the Reduced Territory. Franchisor may thereafter at any time, itself or through other franchisees, without notice to Franchisee, establish additional offices in the relinquished Territory, but not within the Reduced Territory. Franchisee may request that Franchisor grant Franchisee the right to open one or more additional offices outside of the Reduced Territory (each of which would have a Territory with the same mileage radius protection as provided in Paragraph A above), but Franchisor may refuse to grant such a right to Franchisee in its sole and absolute discretion.

C. Customer Servicing. If Franchisee fails to meet its Penetration Goal and the Territory is reduced, Franchisee may not service customers located outside of the Reduced Territory. Franchisor will not itself solicit sales or accept orders from customers for worksites inside Franchisee's Reduced Territory.

D. Effect on Agreement. Franchisee's failure to meet the Penetration Goal will not be deemed a default under Article 9 or give rise to any remedy other than as set forth in this

Section 2.3.2. After any reduction of Territory as provided in Paragraph A, all references to "Territory" in this Agreement shall be deemed to refer to the "Reduced Territory".

3. TERM AND RENEWAL.

3.1. **Initial Term.** The Franchise will commence on the date specified in Section 3.1 of Exhibit "1" to this Agreement, and will continue for an initial term of ten (10) years unless sooner terminated as provided in Article 9.

3.2. **Renewals.** If Franchisee is not then in Default and has not been in Repeated Default (as defined in Section 9.4(h)) during the twelve (12) month period immediately preceding notice of renewal, Franchisee shall have the option to renew this Agreement (a "Renewal") for an unlimited number of successive ten (10) year terms (each such period being a "Renewal Term"), provided that all of the following conditions are met:

3.2.1. **Notice.** Franchisee shall give Franchisor written notice of its intention to renew not less than four (4) months nor more than six (6) months prior to the end of the then current term.

3.2.2. **Debts Paid.** All monetary obligations owed to Franchisor and/or Franchisor Affiliates by Franchisee and/or any entity controlled by, controlling, or under common control with Franchisee (a "Franchisee Affiliate") shall be satisfied.

3.2.3. **Release.** Franchisee shall execute a general release, in form and substance satisfactory to Franchisor, of any and all claims against Franchisor and the Franchisor Affiliates, and their officers, directors, shareholders, employees, and agents, in their corporate and individual capacities, except any claims arising under any applicable state franchise disclosure or relationship laws.

3.2.4. **New Contract.** At least two (2) months prior to the expiration of the then current term, Franchisee shall execute the then current standard form of franchise agreement being used by Franchisor, which may contain terms and conditions substantially different from those set forth herein, including without limitation, different obligations regarding fees, royalty payments, territories, development obligations, and future renewal rights.

3.2.5. **No Renewal Fee.** There are no renewal or initial fees to be paid by Franchisee upon renewal.

4. PAYMENTS.

4.1. **Initial Fee.** Upon the execution of this Agreement, Franchisee shall pay Franchisor the "Initial Fee" specified in Section 4.1 of Exhibit "1." Franchisee acknowledges that the Initial Fee shall be nonrefundable and fully earned by Franchisor upon execution of this Agreement, and the granting of this Franchise constitutes the consideration for the payment of the Initial Fee.

4.2. **Royalty Fees.** Franchisee agrees to pay LFI a nonrefundable monthly royalty fee ("Royalty Fee") of two and one-half percent (2.5%) of Franchisee's Sales (as defined below) for all of the Labor Finders offices Franchisee operates. Royalty Fees for each month are due and payable at the office of LFI forty-five (45) days after the end of that month.

4.2.1. **Sales.** "Sales" means the gross amount billed to all of Franchisee's customers for services rendered, including without limitation, temporary personnel wages plus markup dollars, but in all cases excluding dollar amounts of Bonuses (as defined below), interest, taxes collected and payable to taxing authorities, and Transportation (as defined below). "Bonuses" means compensation for services paid to temporary personnel and invoiced to customers without markup. "Transportation" means amounts disbursed for travel expenses to temporary personnel and invoiced to customers without markup.

4.2.2. Billings. Franchisee agrees to prepare and issue all billings no later than the week following the week in which services are rendered. Adjustments in billings may result in offsets reducing Royalty Fees owed by Franchisee to LFI provided that Franchisee follows the procedures in the Operations Manual (as defined in Section 5.3).

4.3. Software Fees. Franchisee agrees to pay Franchisor a nonrefundable computer software fee of One Hundred Twenty-Five Dollars (\$125) per month per office for the Software licensed to Franchisee pursuant to Section 5.4, due and payable at the office of Franchisor on the first (1st) day of the month for the current month. Franchisor waives the monthly computer software fee for any partial month in which Franchisee opens and operates an office if Franchisee opens an office on any day other than the first day of a month. If Franchisee elects to have access to the Software on more than one computer per office, then Franchisee agrees to pay Franchisor a one-time security device charge of Eighty Dollars (\$80) for each such additional computer.

4.4. Delinquent Interest. If any sum required to be paid to Franchisor by this Agreement is not actually received by Franchisor on or before the due date, Franchisee agrees to pay interest thereon from the due date until the sum is paid. Such interest will be calculated for each day of delinquency at the rate of one and one half percent (1.5%) per month or the highest rate of interest allowed by applicable commercial usury laws, whichever is less, and will be in addition to any other rights or remedies Franchisor may have under this Agreement or otherwise.

5. FRANCHISOR'S OBLIGATIONS.

5.1. Initial Training. For a new Franchisee (whose principals have no prior involvement with the System), Franchisor will provide at no charge an initial training class for one (1) or two (2) persons at the same time, selected by Franchisee, at Franchisor's principal place of business, or in another mutually acceptable location. Franchisee and/or its employees will be responsible for any travel, meals, lodging or personal expenses incurred by Franchisee and its employees for such training. Franchisor will be responsible for its own costs and expenses in providing the initial training.

5.2. Set-Up Package. At the conclusion of a new Franchisee's initial training or upon execution of this Agreement for an existing Franchisee, Franchisor will provide Franchisee with a set-up package including, without limitation, master artwork for use on stationery, forms and advertising.

5.3. Operations Manual. Franchisor has developed a copyrighted operations manual containing mandatory and suggested specifications, standards, procedures and rules applicable to the System (the "**Operations Manual**"). The Operations Manual is the exclusive property of Franchisor. At no charge to Franchisee, Franchisor will loan a copy of the Operations Manual to Franchisee while this Agreement is in effect, and provide Franchisee with updates to the Operations Manual as they are issued. Franchisee shall conduct the Franchised Business in strict accordance with the Operations Manual, including all amendments and additions made by Franchisor to the Operations Manual from time to time. At no charge to Franchisee, Franchisor may also develop and loan to Franchisee additional manuals and materials covering particular phases of the System, which may also be modified from time to time. In the event of any dispute regarding the Operations Manual or any other manual, the terms of the master copy maintained by Franchisor shall be controlling.

5.4. Computer Software and Hosting. At the conclusion of a new Franchisee's initial training or upon execution of this Agreement for an existing Franchisee, Franchisor will license to Franchisee proprietary computer software, a user's manual and access rights by Internet or a data line (leased by Franchisee) to a server hosted by Franchisor or its agent (collectively, the "**Software**"). Franchisee agrees that it acquires no title or ownership in the Software, and that all right, title and interest in the Software is owned by Franchisor. Franchisor grants to Franchisee a nonexclusive license to use the Software in the operation of the Franchised Business, subject to the terms and conditions of this Agreement, including all of the following terms and conditions:

5.4.1. Use. Franchisee will use the Software solely with the computer hardware systems and third party software specified from time to time in the Operations Manual, and solely at locations approved by Franchisor pursuant to the terms of this Agreement.

5.4.2. Confidentiality. One copy of the Software will be provided to Franchisee in object code form. Franchisee will make no copies of the Software in any format except for backup copies as permitted in accordance with the Operations Manual. Franchisee will not create by decompilation or otherwise, the source code programs or any parts thereof from the object code program or from other information made available to Franchisee. Franchisee will not make the Software available to any person or entity, other than to its employees who require access to the Software in order to perform their normal employment duties for Franchisee.

5.4.3. Modification. Franchisee will make no changes or modifications to the Software, except with the prior written consent of Franchisor, which consent may be granted or withheld for any reason, or for no reason, at the sole and exclusive discretion of Franchisor.

5.4.4. Limited Warranty.

THE SOFTWARE WILL BE PROVIDED TO FRANCHISEE "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Franchisor does not warrant that the functions contained in the Software will meet Franchisee's requirements or that the operation of the Software will be uninterrupted or error free. However, Franchisor warrants the Software diskette(s) to be free from defects under normal use for a period of three (3) months from the date of delivery to Franchisee.

5.4.5. Server Hosting Services. Franchisor will be responsible for maintaining its server, backing up data on the server on a commercially reasonable scheduled basis for the purpose of restoration in the event of server problems, and upgrading the server software, operating systems and equipment as needed. All Data (as defined in Paragraph A of Section 6.12.1) from Franchisee's offices will remain on Franchisee's computers, and will also be replicated and stored on Franchisor's server, and available to Franchisee's offices by accessing Franchisor's server. Franchisor is not responsible for interruptions of service caused by events beyond its reasonable control. Franchisee acknowledges that if back-ups must be used to restore data on the server, recently entered data may be lost.

5.4.6. Archive Copies of Data. Franchisee shall be solely responsible for making and storing its own periodic and/or permanent archive copies of the Data, and for making any periodic back-up copies necessary to restore Data in the event of problems with Franchisee's computers. Franchisor shall not have any obligation to make any archive copies of any Data.

5.4.7. Enhancements. Franchisor may periodically provide to Franchisee, as the same may be developed or acquired by Franchisor, revised, updated, enhanced or substitute proprietary computer software and/or user's manuals, in which case such new software and user's manuals will be deemed to be Software. Unless such revised, updated, enhanced or substitute Software requires Franchisee to obtain a new computer hardware system, Franchisee must install the new Software in its computer system within one (1) month after receiving it. If new computer hardware is required, Franchisee must obtain it and install the new Software within forty-five (45) business days after receiving the Software. Immediately after completing such installation, Franchisee must return to Franchisor all copies of all prior editions of the Software.

5.4.8. Support. Franchisor will make Software support reasonably available to Franchisee by telephone during business hours.

5.5. Office Location. Franchisor will reasonably assist Franchisee in evaluating possible locations for an office at Franchisee's request.

5.6. Forms and Promotional Supplies. Franchisor, directly or through a related company, agrees to provide forms and promotional supplies to Franchisee at a reasonable profit, plus reasonable handling and shipping charges. The terms will be payment in cash or equivalent upon delivery to Franchisee, unless otherwise agreed in advance in writing. Franchisee will not use either these forms and promotional supplies or any other materials that contain the Marks, such as business cards, to promote any business other than the Franchised Business.

5.7. Operational Assistance.

5.7.1. Ongoing Support. While this Agreement is in effect and Franchisee is not in Default, Franchisor agrees that it will, at its sole expense, provide Franchisee with an ongoing program of assistance which will include: (i) reasonable telephonic access to Franchisor's home office personnel for periodic consultations concerning the operation of the Franchised Business; (ii) periodic notifications to Franchisee of new developments and techniques concerning the operation of the Franchised Business; (iii) cooperation in obtaining account leads and contracts for temporary unskilled, semi-skilled and skilled industrial personnel services; (iv) assistance in the development of sales and promotional campaigns and materials; (v) periodic analyses of the sales programs, promotional efforts, financial status and other aspects of the Franchised Business, all of which analyses will be based upon data submitted to Franchisor by Franchisee; (vi) reasonable counseling and assistance in the administration of insurance programs and claims, and in the handling of payroll taxes and unemployment claims, based upon information submitted to Franchisor by Franchisee; (vii) periodic visits to the Franchised Business; and (viii) any other ongoing support which Franchisor deems, in its sole discretion, to be advisable or necessary.

5.7.2. Administrative Services. Franchisor may offer optional administrative services to Franchisee at the current rate in effect when Franchisee elects to receive such services.

5.8. Hold Harmless. Franchisor agrees to hold harmless, indemnify and defend Franchisee and its officers, directors, owners, employees and agents against all claims for copyright, service mark or trademark infringement arising out of Franchisee's authorized use of Franchisor's materials or the Marks in accordance with this Agreement and the Operations Manual, provided Franchisee notifies Franchisor in writing within ten (10) days, or within such shorter period as is necessary to avoid prejudice, after learning of any claim, and also provided Franchisor has the right to control any litigation or proceeding resulting from any such claim.

6. FRANCHISEE'S OBLIGATIONS.

6.1. Office Manager. Franchisee must designate an office manager for each office that it operates and inform Franchisor of the person's name and contact information within five (5) days of the appointment. If Franchisee only operates one office, the office manager may be the individual Franchisee, or the designated representative for a Franchisee that is a legal entity. The appointment or change of an office manager is not subject to the prior approval of Franchisor. It will be Franchisee's responsibility to hire, train and supervise each office manager to ensure that each office manager fully complies with all System standards.

6.2. Training. Unless Franchisee or its principals have previous experience with the System, an individual Franchisee (or the designated representative for a Franchisee that is a legal entity) must satisfactorily complete Franchisor's initial training program as provided in Section 5.1. Franchisor may require any new designated representative for a Franchisee entity to successfully complete training by Franchisor or its agents at locations and for a period specified by Franchisor prior to the assumption of responsibilities by the designated representative. Franchisee will pay any expenses incurred by Franchisor for such training necessary because of a change of a designated representative. Franchisor reserves the right to charge a fee for this service, plus expenses.

6.3. Best Efforts. Franchisee shall diligently develop the business and market and promote the Franchised Business. The individual Franchisee, or its designated representative if the Franchisee is a legal entity, must use his/her best efforts and personally be responsible for management

on a day-to-day basis. Franchisee shall be responsible for the performance of its designated representative and office manager(s).

6.4. Establishment and Continuous Operation. Franchisee agrees to commence business within three (3) months of the effective date of this Agreement as specified in Section 3.1 of Exhibit "1" hereto, and to operate the Franchised Business continuously thereafter. At a minimum, commencing and operating the Franchised Business will involve at least all of the following:

6.4.1. Office(s). Franchisee shall open office(s) within the Territory for the operation of the Franchised Business as required by Section 2.3, conform the office(s) to any applicable building codes, and maintain the office(s) in good repair and appearance. The opening of any additional office(s), or the closure or change in location of any office, shall be communicated to Franchisor prior to such occurrence.

6.4.2. Office Lease(s). Each office lease shall expressly provide that:

A. Notices. In the event of Franchisee's default, the lessor shall give Franchisor the same notice required to be given to Franchisee, and Franchisor shall have the right, but not the obligation, to assume the lease and cure the default (the cost of which shall be immediately reimbursed to Franchisor by Franchisee);

B. Option to Lease. The lease is immediately assumable by Franchisor, at Franchisor's option, upon the termination or expiration and non-renewal of this Agreement, without the further authorization or consent of the lessor. If an office is located on property owned by Franchisee, an owner of Franchisee, or a Franchisee Affiliate, Franchisor is hereby granted an option to lease the office premises for a period of at least twelve (12) months for a monthly rental and common area charges, if applicable, and upon such other terms and conditions, as are customary and usual for commercial leases of business office property in the area, to be determined by arbitration if the parties cannot agree upon lease terms. Franchisor may exercise its option by giving Franchisee written notice of its intention to lease the office premises by no later than fifteen (15) business days after the effective date of the termination or expiration. Franchisor shall be entitled to immediate possession of the office premises as provided in Section 10.1.7. If the lease terms are determined by arbitration, Franchisor shall have one (1) month after receiving the arbitration decision to cancel the lease, in which case Franchisor shall only be liable for obligations incurred under the lease while it was in effect. If Franchisee, an owner of Franchisee, or a Franchisee Affiliate owns the property upon which Franchisee's office is located, the owner of the property shall execute and deliver a notice of Franchisor's option to lease, in form and substance satisfactory to Franchisor, which Franchisor may record.

6.4.3. Licenses. Franchisee shall secure and maintain all permits and licenses necessary for the establishment and operation of the Franchised Business.

6.4.4. Telephone. Franchisee shall secure and maintain a new and separate local telephone listing and adequate telephone service as specified in the Operations Manual for use in the Franchised Business. The telephone service shall be secured subject to the following terms and conditions:

A. Usage. The telephone service for Franchisee's Franchised Business shall not be used in conjunction with any other business or residential telephone service.

B. Listings. Franchisee shall secure white page, yellow page and information listings only under the service mark LABOR FINDERS or such other marks as Franchisee may be authorized by Franchisor in writing in advance to use. No proper names or city names may be used in conjunction with the Marks and no additional listings may be used with any telephone number(s) assigned to Franchisee's business, unless approved in writing in advance by Franchisor.

C. Billings. Franchisee shall pay when due all charges for telephone service, yellow page advertising and information listings.

D. Assignment. Upon the termination, or the expiration and nonrenewal of this Agreement, or any approved Transfer (as defined in Section 8.1.1), Franchisee acknowledges that its right to use the Marks will immediately end, and that all telephone numbers and listings appearing under the Marks, and all telephone numbers and other means of communication used by Franchisee at its offices or in the conduct of the Franchised Business or associated with the Marks (including without limitation all primary and additional telephone numbers, telecopy (fax) numbers, beeper and pager numbers, cellular telephone numbers, e-mail addresses and web pages, and all listings for them and for the Franchised Business), shall immediately and automatically become the property of Franchisor, or of the transferee in the case of an approved Transfer. Upon any termination or expiration and nonrenewal of the Franchise, Franchisor, at its option, may notify the telephone company either to assign any or all of such telephone numbers to Franchisor or its designee, or to disconnect the telephone numbers and to transfer calls coming to the disconnected numbers to any telephone numbers issued by the telephone company to Franchisor or its designee. Franchisee irrevocably authorizes the telephone company to take either of the above actions upon notification by the Franchisor. Franchisor may do all acts and execute in Franchisee's name and on its behalf any and all documents necessary to accomplish the matters specified in this Section, and Franchisee hereby irrevocably appoints and designates Franchisor as its attorney-in-fact to do so.

E. Release. Subject to applicable state law, Franchisee releases and forever discharges the telephone company, Franchisor, and their respective successors, directors, officers, employees, agents and assigns, from liability of any kind or character which may result directly or indirectly from Franchisor's exercise of its rights under this Section 6.4.4 or from the telephone company's cooperation with Franchisor in effecting the terms of this Agreement.

6.4.5. Staff. Franchisee shall have at least one qualified staff member on duty during business hours.

6.4.6. Signs.

A. Standard Signs. Franchisee shall install appropriate indoor and outdoor signs which display the current authorized forms of the Marks and have been approved by Franchisor. Franchisee must submit a written request for approval with the specifications of the proposed standard signage. Franchisor shall be deemed to have given its approval if it has not responded to a request from Franchisee for approval within fifteen (15) days after receipt of such a request.

B. Modified Signs. Notwithstanding the provisions of Paragraph A of Section 6.4.6, Franchisee may install a sign modified from the standard specifications to comply with local law or landlord requirements, or for enhanced visibility, provided that Franchisee has submitted to Franchisor the specifications for the modified sign and documentation supporting the requested modification and actually received Franchisor's prior written approval of the modified sign. Franchisor shall respond to Franchisee's request for approval of a modified sign within fifteen (15) days after receipt of such a request.

6.4.7. Hours. Franchisee shall maintain office hours consistent with local practices concerning business hours and holidays.

6.4.8. Additional Offices. All of Franchisee's offices shall be located, leased, furnished, equipped, maintained, staffed and operated in strict compliance with all the provisions of Section 6.4 and the other terms of this Agreement.

6.5. Payment of Debts. Franchisee will pay promptly when due all taxes, accounts and indebtedness of any kind incurred by Franchisee in the conduct of the Franchised Business unless being actively contested in good faith. Franchisee agrees to notify Franchisor in writing within ten (10) days of the commencement of any action, suit, or proceeding which, if it could be decided adversely to Franchisee, could materially and adversely affect Franchisee's personal or business financial condition. Franchisee shall also notify Franchisor within ten (10) days of the issuance of any order, writ, injunction,

award, or decree of any court, agency, or other governmental instrumentality which could adversely affect Franchisee's personal or business financial condition.

6.6. Books and Records. Franchisee agrees that it will at all times keep and record all Sales, billings and revenues received of every nature, kind or description in books and records of account which are maintained according to Franchisor's bookkeeping systems and procedures, consistent with generally accepted accounting principles. Franchisor will have, at all reasonable times and during business hours, the right to inspect and/or audit any and all books and records of Franchisee (including financial statements, and federal, state and local income tax returns). If the examination of those books and records discloses any underpayment of any sum required to be paid to Franchisor, Franchisee agrees to pay promptly the deficient sum plus interest thereon as provided in Section 4.4. If such an examination or audit discloses an underpayment of five percent (5%) or more, Franchisee will, in addition, reimburse Franchisor for the cost of having Franchisee's books and records examined and/or audited. The foregoing remedies will be in addition to any other rights or remedies Franchisor may have under this Agreement or otherwise.

6.7. Use of System. In connection with the operation of the Franchised Business, Franchisee agrees to use the entire System, including without limitation the Software, as the System currently exists and as it may be supplemented or modified during the term of the Franchise. Franchisee acknowledges that the System must continue to evolve in order to reflect changing market conditions and to meet new and changing customer demands. Accordingly, Franchisee agrees that Franchisor may from time to time, upon notice and acting reasonably, add to, modify or otherwise change the System, through modification of the Operations Manual or otherwise, including, without limitation, the adoption and use of new and modified Marks, forms, advertising formats, techniques and methodologies. Franchisee agrees to promptly accept, implement, use and display in the operation of the Franchised Business all such additions, modifications and changes at its sole cost and expense. Franchisee will have the option of purchasing its forms and advertising formats from local sources of its choosing, provided that such forms or formats conform in all respects to the design of Franchisor's forms and formats.

6.8. Use of Marks.

6.8.1. Ownership. Franchisee acknowledges that Franchisor is the exclusive owner of the Marks. Franchisee agrees to use the Marks in strict accordance with the terms of this Agreement, and not otherwise. Except for the license as expressly granted in this Agreement, Franchisee will acquire no right, title or interest in the Marks; and all good will associated with the Marks will inure exclusively to Franchisor. Franchisee will not, at any time, contest the validity or ownership of the Marks, or use any confusingly similar marks. Franchisee agrees that any use of any Mark contrary to any provisions of this Agreement will be an act of infringement, and that such use will cause irreparable injury to Franchisor and entitle Franchisor to temporary, preliminary and permanent injunctive relief from a court or agency of competent jurisdiction, court costs, reasonable expenses of litigation, reasonable attorneys' fees, and any other appropriate relief, including damages.

6.8.2. Acquired Names and Trademarks. With Franchisor's prior written approval, Franchisee may, for a limited and specified transition period, use the System Marks together with the existing name and/or trademark of any temporary unskilled, semi-skilled and skilled industrial personnel business acquired by Franchisee ("**Acquired Mark**") and operated under a franchise agreement with Franchisor. Any Acquired Mark which is or has been used by Franchisee for more than one (1) month shall automatically be deemed a part of the System and a Mark as defined in this Agreement, and all rights and goodwill associated with the Acquired Mark shall be owned by and inure exclusively to Franchisor; *provided, however*, that the indemnification provisions of Section 5.8 of this Agreement shall not apply with respect to any Acquired Mark.

6.9. Business Costs. Except as otherwise expressly provided in this Agreement, Franchisee agrees to be responsible for all costs of operating the Franchised Business, including without limitation, the costs of rent, advertising, taxes, licenses, insurance, materials and labor.

6.10. Advertising. Subject to the requirements of Section 6.4.6 relating to signs, and use of the Marks in strict compliance with the requirements of the Operations Manual, Franchisee is authorized to use any commercially reasonable advertising, media copy, forms and other marketing materials, including without limitation yellow pages, web pages and internet advertising, without Franchisor's prior written approval. Franchisee must, however, immediately provide Franchisor with a copy of any advertising when requested by Franchisor. Franchisor may at any time notify Franchisee that specified advertising is disapproved, and Franchisee shall thereafter cease any new or renewed use of the disapproved advertising.

6.11. Insurance.

6.11.1. Requirements. Franchisee agrees to secure and continuously maintain: (a) worker's compensation or similar insurance in at least the minimum amounts required by law; and (b) both automobile and general liability insurance in forms of coverage and with carriers acceptable to Franchisor, with limits of not less than One Million Dollars (\$1,000,000) per occurrence, and for general liability insurance, One Million Dollars (\$1,000,000) in the aggregate. Within one (1) month after establishing its business and periodically thereafter at such times as policies are renewed, Franchisee shall furnish to Franchisor a certificate of insurance evidencing the limits noted above and providing that such insurance will not be canceled, amended or modified without the same prior written notice to Franchisor as is given to Franchisee. Each insurance policy shall name Franchisor as an additional insured. If Franchisee fails to provide or maintain any required insurance, Franchisor is authorized, but not obligated, to procure such insurance and Franchisee shall reimburse Franchisor for the cost of such insurance, within one (1) month after receipt of an invoice.

6.11.2. LFI Safety Management Insurance Program. Franchisee may, at its option, elect to participate in one or more of any insurance programs which may be offered from time to time through and at the option of Franchisor's affiliate, LFI Safety Management Services, Inc. ("**Safety Management Services**"), subject to Franchisee's acceptance into the program. If Franchisee elects to participate and is accepted into the program, then Franchisee agrees that: (a) Franchisee will comply with the Insurance Program Participation Rules established by Safety Management Services, as those Rules may be changed from time to time; (b) Franchisee will pay when due all premiums, assessments and other charges associated with the Safety Management Services insurance program; (c) that either Safety Management Services, or Franchisor on its behalf, may enforce all obligations of Franchisee with respect to the Safety Management Services insurance program; and (d) Franchisee will be eligible to participate in the Safety Management Services insurance program only while Franchisee is not in Default and is current on all its obligations to Safety Management Services.

6.12. Reports.

6.12.1. Requirements. Franchisee agrees to prepare and furnish to Franchisor all information relating to the operation of the Franchised Business, in the format, media and frequency prescribed by Franchisor from time to time, including without limitation the following information:

A. Data. All customer and employee data relating to the operation of the Franchised Business including, without limitation, customer lists, customer requirements, customer contact information, customer billing and payment history, employment schedules, employee skills and contact information and employee wage information (collectively, "**Data**"). Data that has been replicated and stored on Franchisor's server shall be deemed to have satisfied this requirement. Any other Data (that has not been replicated and stored on Franchisor's server) must be received by Franchisor within two (2) weeks following the date on which the Data is created or updated, and must be delivered to Franchisor by zip-disk or CD-ROM disk backups, electronic data transfer, data replication, or any other method prescribed by Franchisor.

B. Financial Statements. Bi-annual financial statements including detailed information as specified in the Operations Manual, for the six (6) month period ending each June 30th and the twelve (12) month period ending each December 31st, to be provided to Franchisor by August 31st and April 30th respectively. In addition, if Franchisee has any of its financial statements compiled,

reviewed or audited by a certified public accountant, a copy thereof shall also promptly be provided to Franchisor. Each financial statement shall be prepared in accordance with generally accepted accounting principles, and certified to Franchisor as accurate and complete by an officer of Franchisee. Franchisee must provide Franchisor with any other financial statements, or Franchisee's tax returns, only if specifically requested by Franchisor in connection with an inspection or audit of Franchisee's books and records.

6.12.2. Confidentiality. Franchisor shall not disclose or communicate to others (including its other franchisees) any confidential financial information it obtains from Franchisee except as may be required in defense or prosecution of litigation, in connection with a Transfer by Franchisee pursuant to Article 8, by order of a court or government agency, or otherwise by law. Franchisor may prepare and disseminate publicly consolidated statements or reports regarding the financial performance or operations of its franchisees so long as such reports do not disclose specific information or data with respect to individual franchisees.

6.13. Hold Harmless. Except as expressly provided in Section 5.8, Franchisee agrees to hold harmless, indemnify and defend Franchisor, and its officers, directors, shareholders, employees and agents, from any claim, including damages, losses, expenses, attorneys' fees, and costs, that arises in connection with the operation of Franchisee's business or in connection with any breach of this Agreement, regardless of whether caused in part by a party indemnified hereunder; provided, however, that Franchisee will not be required to hold harmless, indemnify or defend Franchisor or its officers, directors, shareholders, employees or agents from any claim arising out of a breach of this Agreement or illegal conduct by Franchisor.

6.14. Laws and Regulations. Franchisee agrees to operate its business in compliance with all applicable laws and governmental regulations. Franchisee and its owners specifically agree to comply with any and all laws, regulations and orders relating to anti-terrorist activities including, but not limited to, Executive Order 13244. Franchisee and its owners confirm that neither Franchisee nor its owners are listed on any federally maintained list of specially designated nationals and blocked entities ("SDN List"). Franchisee and its owners agree to not hire or transact any business with any person or entity listed on the SDN List, which is currently available at www.treasury.gov.

7. DATA, CONFIDENTIALITY AND UNFAIR COMPETITION.

7.1. Data. While this Agreement is in effect (including all Renewal Terms), Franchisor and Franchisee will have joint ownership of all Data, and Franchisee may (i) use the Data for any and all lawful purposes related to the operation of the Franchised Business, including without limitation marketing, offering and providing services under the Marks; (ii) Transfer all of Franchisee's interests in the Data for value to a successor franchisee in compliance with Article 8; and (iii) reflect the Data as Franchisee's sole property for tax purposes. Franchisor may use the Data for any lawful purpose. Upon any expiration and nonrenewal, or termination of this Agreement under any circumstances, Franchisor shall automatically become the sole owner of the Data, without any payment to Franchisee.

7.2. Confidential Information.

7.2.1. Acknowledgments of Confidentiality and Ownership. Franchisee and each Related Party (as defined in Section 7.3.1) acknowledge that all of the Data, and all statistical data, advertising and promotional materials, manuals, forms, techniques, methods and procedures, the Software, and all other information and knowledge about the System which is not in the public domain, and such other information and material as Franchisor may designate as confidential (collectively, the "**Confidential Information**") shall be deemed confidential for purposes of this Agreement. Franchisee acknowledges that, subject to Franchisee's rights relating to the Data under Section 7.1, Franchisor is the owner of all such Confidential Information, and that Franchisee shall acquire no interest in the Confidential Information other than to use it as expressly authorized in this Agreement. Franchisee acknowledges that the use, duplication or disclosure of the Confidential Information except as expressly permitted by this Agreement shall constitute an unfair method of competition and that Franchisor shall suffer irreparable injury thereby.

7.2.2. Nondisclosure. Franchisee acknowledges that the Confidential Information is disclosed to Franchisee in trust and confidence, and solely on the condition that Franchisee and the Related Parties agree, and each of them does hereby agree, that except as may be specifically provided for in this Agreement, they: (a) Will use the Confidential Information in strict accordance with the provisions of this Agreement and the instructions and directions given by Franchisor from time to time; (b) will not use the Confidential Information in any other business or capacity; (c) will not, at any time, while this Agreement is in effect or after the expiration, Transfer or termination of this Agreement for any reason, in any manner or form, directly or indirectly, disclose, duplicate, license, sell, reveal, divulge, publish or communicate the Confidential Information, or any portion thereof, to any person or entity other than employees of Franchisee or Franchisor who need to have such information in connection with their jobs; (d) will not copy any materials containing the Confidential Information, including without limitation the Operations Manual or the Software, without Franchisor's prior written consent; (e) will observe and implement all reasonable procedures imposed from time to time by Franchisor to prevent the unauthorized use and disclosure of the Confidential Information; (f) will keep the Operations Manual and other materials containing any portion of the Confidential Information in a secure place; and (g) if legally compelled to disclose any Confidential Information, will do so only after using its best efforts to afford Franchisor the opportunity of obtaining appropriate protective orders or other assurances of confidentiality satisfactory to Franchisor.

7.2.3. Exception. Notwithstanding any other provisions of this Section 7.2, Franchisee and the Related Parties may disclose any of the Confidential Information on a confidential basis to their attorneys, accountants, banks, or insurance underwriters for proper business purposes related to the Franchised Business.

7.2.4. Work Product. Franchisee agrees that all documents, papers, notes and other materials and work products containing or derived from the Confidential Information or connected with the operation of the Franchised Business shall be Confidential Information. Franchisee agrees that it will have no proprietary interest in any work product developed or used by it and arising out of the operation of the Franchised Business. Franchisee will, from time to time, as may be requested by Franchisor, do all things which may be necessary to establish or document Franchisor's ownership of any such work product, including without limitation the execution of assignments.

7.2.5. Assignment of Improvements. Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries and improvements, whether or not patentable or copyrightable, conceived or made by Franchisee or its employees or agents and related to the temporary unskilled, semi-skilled or skilled industrial personnel business, all of which shall be automatically owned by Franchisor, without compensation to Franchisee. Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments or other instruments which Franchisor shall deem necessary to apply for and obtain patents and/or copyrights or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the Transfer, expiration or termination of this Agreement with respect to inventions, discoveries and improvements conceived or made by Franchisee and its employees and agents while this Agreement was in effect.

7.2.6. Return of Confidential Material. Upon the Transfer, expiration or termination of this Agreement, Franchisee shall promptly return to Franchisor all copies of any materials containing the Confidential Information and all property belonging to Franchisor, in Franchisee's possession, custody or control, including any of such items produced or prepared by Franchisee or its employees or agents.

7.3. Noncompetition.

7.3.1. Covenant. Franchisee recognizes that: (a) The temporary unskilled, semi-skilled and skilled industrial personnel business is very competitive; (b) the System is currently operated in numerous states throughout the United States and is intended to be national in scope; (c) by virtue of this Agreement and Franchisee's relationship with Franchisor, Franchisee will have access to the Confidential Information and will have close contacts with customers for the purpose of maintaining and further developing the Franchised Business and the business and goodwill of the System; (d) for these

very reasons, Franchisee will have the attendant ability to divert customer trade; and (e) consequently, Franchisor has strong legitimate interests in obtaining the covenants herein for the protection of the business and goodwill of Franchisor, its other franchisees, and the entire System. Franchisee therefore agrees that, without the express prior written consent of Franchisor, which Franchisor may withhold in its sole absolute discretion, neither Franchisee, nor any designated representative as provided in Section 8.3.1 or any office manager as provided in Section 6.1, or other managerial or supervisory employees, nor any of Franchisee's officers, directors or owners, nor any Immediate Family Members (as defined in Paragraph A below) of any such individuals, nor any person or entity under Franchisee's control (collectively, "**Related Parties**"), shall, during the Time Period (as defined in Paragraph B below), directly or indirectly, engage in any Prohibited Conduct (as defined in Paragraph C below) within the Area (as defined in Paragraph D below); provided, however, that nothing in this Section 7.3.1 shall prevent a Related Party from having an ownership interest in one (1) or more other franchisees of Franchisor on a purely passive basis, which means without being an officer, director or employee of, or consultant to, the other franchisee, without participating in any way in the affairs or conduct of the other franchisee's business, and without having any access to any confidential information of the other franchisee's business.

A. Immediate Family Members. For the purposes of this entire Agreement, the term "**Immediate Family Members**" shall include the spouse, parents, spouse's parents, siblings, spouse's siblings, children, and the spouses of each of these individuals.

B. Time Period. For the purposes of Section 7.3, the term "**Time Period**" shall mean: (a) The period while this Agreement is in effect; and (b) for a period of two (2) years after Franchisee and all Related Parties have ceased engaging in any Prohibited Conduct within the Area following the Transfer, termination or expiration and nonrenewal of this Agreement.

C. Prohibited Conduct. For the purposes of Section 7.3, the term "**Prohibited Conduct**" shall mean rendering services or providing financing to, being employed by, or having any financial, beneficial or equitable interest in any temporary unskilled, semi-skilled or skilled industry personnel business.

D. Area. For the purposes of Section 7.3, the term "**Area**" shall include: (a) The geographic area in which Franchisee provides or provided services to customers; and (b) the Territory; and (c) a radius of twenty (20) miles from each of the offices operated by Franchisee pursuant to this Agreement; and (d) a radius of twenty (20) miles from any temporary unskilled, semi-skilled or skilled industrial personnel business office operated or franchised by Franchisor or any Franchisor Affiliate at the time this Agreement is transferred, terminated or expires and is not renewed; and (e) while this Agreement is in effect, the entire state(s) in which Franchisee conducts its business; and (f) while this Agreement is in effect, the entire United States.

7.4. No Solicitation.

7.4.1. Employees. While this Agreement is in effect, and for a period of one (1) year thereafter, Franchisee shall not: (a) employ or solicit for employment any person who is at the time employed by Franchisor, any Franchisor Affiliate, or any other franchisee in the System, or (b) directly or indirectly induce such person to leave such employment.

7.4.2. Customers. For a period of one (1) year after the Transfer, termination or expiration and non-renewal of this Agreement, Franchisee shall not solicit as a customer for any temporary unskilled, semi-skilled or skilled industrial personnel business: (a) Any customers to whom Franchisee provided services while this Agreement was in effect; or (b) any other persons or entities who were customers of other System franchisees or any Franchisor Affiliate while this Agreement was in effect; or (c) any prospective customers to whom Franchisee made proposals or bids during the one (1) year period before this Agreement was transferred, terminated or expired and was not renewed.

7.5. Modification. Each of the covenants set forth in Sections 7.2 through 7.4 inclusive shall be construed as independent of any other covenant or provision of this Agreement. Franchisor

reserves the right to reduce the scope of the obligations under these covenants unilaterally and without the consent of any other person or entity, effective upon giving notice thereof. In the event that any restriction contained in Sections 7.2 through 7.4 inclusive is found to be unlawful as to scope or duration or otherwise invalid, it is the parties' intention that the covenant not be declared ineffective in its totality, but that the provision be declared invalid only to the extent of the illegality, and that the provision continue, as so revised, in full force and effect. This Agreement shall automatically be deemed amended to restate the limits of the restriction accordingly.

7.6. Remedies.

7.6.1. Acknowledgments. Franchisee, for itself and on behalf of each of its Related Parties, acknowledges and agrees that its and their experience and capabilities are such that each can obtain employment and engage in business activities which are of a different or non-competing nature from those prohibited hereunder; that the enforcement of a remedy of injunction will not prevent any of them from earning a reasonable living; and that the covenants contained in this Agreement are necessary for the protection of Franchisor's legitimate business interests and are reasonable in scope and in content.

7.6.2. Trade Secret Laws. The remedies set forth in this Agreement are in addition to and cumulative of any rights or remedies that may be available to Franchisor under any applicable laws relating to trade secrets and/or unfair competition, and nothing contained in this Agreement shall be construed as a waiver of any rights or remedies available to Franchisor under any applicable law.

7.6.3. Injunctive Relief. In the event of an actual or threatened breach of any of the provisions of this Agreement, Franchisor shall immediately be entitled to injunctive relief restraining those responsible from the breach or threatened breach without having to show any actual damage. It is specifically agreed that Franchisor may incur incalculable and irreparable damage from any such violation, and that Franchisor has no fully adequate remedy at law and is entitled to injunctive relief for any such actual or threatened violation. Nothing herein shall be construed as prohibiting Franchisor from pursuing any other available remedies for such breach.

7.6.4. Survival. The provisions of this Article 7 shall survive the Transfer, termination or expiration and non-renewal of this Agreement, and shall be enforceable notwithstanding the existence of any claim or cause of action of Franchisee against Franchisor, predicated on this Agreement or any other contract or basis whatsoever.

7.7. Separate Agreements. Franchisee agrees to have each of Franchisee's officers, directors, owners and managers, and each person who has access to the Confidential Information or who attends Franchisor's initial training program, execute a Confidentiality and Unfair Competition Agreement in form and substance substantially in the form of Exhibit "2" attached hereto, containing substantially the same provisions as are set forth in this Article 7, which may be separately and independently enforced by Franchisor and/or Franchisee. Franchisee will provide an original, executed copy of each agreement executed pursuant to this Section 7.7 to Franchisor promptly and in any event within one (1) month of its execution. Franchisee covenants and agrees that prior to appointing or electing any new director or officer, or engaging any new employee who will have a management position, attend initial training or have access to the Confidential Information, and prior to issuing or transferring any ownership interest in Franchisee to someone who is not already an owner, Franchisee will require the person to execute a Confidentiality and Unfair Competition Agreement in conformity with this Section 7.7. Franchisee further agrees that it will not allow, suffer or permit access to, or knowledge of, any Confidential Information, to any person who has not executed an agreement in conformity with this Section 7.7. For each person becoming a Related Party after the effective date of this Agreement, Franchisee shall obtain an executed Confidentiality and Unfair Competition Agreement from the new Related Party prior to disclosing any Confidential Information to the Related Party, but in all cases within one (1) month after the person becomes a Related Party. A breach of this covenant will constitute a Default of this Agreement.

8. **TRANSFER.**

8.1. **Transfer by Franchisee.**

8.1.1. **Restriction.** Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted the Franchise in reliance on Franchisee's financial capacity and the business skills of Franchisee's management. Accordingly, neither Franchisee, nor any individual, partnership, corporation or other legal entity which directly or indirectly has an interest in Franchisee, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in Franchisee, the Franchise, this Agreement, the Franchised Business, or Substantially All Assets of the Franchised Business, without the prior written consent of Franchisor (a "Transfer"). "Substantially All Assets" shall mean more than seventy-five percent (75%) of the value of the assets of the Franchised Business as listed in the most recent financial statements of the Franchisee. Any such purported Transfer, by operation of law or otherwise, not having the prior written consent of Franchisor, shall be null and void, and shall constitute a Default of this Agreement, for which Franchisor may terminate the Franchise without opportunity to cure pursuant to this Agreement.

8.1.2. **Conditions to Consent.** Franchisor shall not unreasonably withhold its consent to a Transfer, *provided, however*, that Franchisor may, in its sole discretion, require as a condition to its approval that:

A. **Debts.** All accrued monetary obligations owed by Franchisee and all Franchisee Affiliates to Franchisor or any Franchisor Affiliate, and all other outstanding obligations relating to the Franchised Business, shall be satisfied.

B. **Release.** The transferor shall execute a general release, in form and substance satisfactory to Franchisor, of any and all claims against Franchisor and all Franchisor Affiliates, and their officers, directors, shareholders, employees, and agents, in their corporate and individual capacities, except any claims arising under any applicable state franchise disclosure law.

C. **Assumption.** The transferee shall enter into a written agreement, in form and substance satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement and any related agreements.

D. **Qualifications.** The transferee shall demonstrate to Franchisor's satisfaction that it meets standards which Franchisor would normally apply to any prospective franchisee. The transferee will, for example, demonstrate that it meets Franchisor's educational, personal, managerial and business standards, possesses a good moral character and a good reputation; has the aptitude and ability to conduct the business licensed hereunder (as may be evidenced by prior related experience or otherwise); has adequate financial resources to operate the business; is financially responsible and has a good credit rating; will be likely in Franchisor's opinion to comply with the Franchise Agreement and the Operations Manual; and has no direct or indirect connection with any actual or potential competitor of Franchisor, unless waived by Franchisor.

E. **Franchise Agreement.** The transferee and all its Related Parties shall execute such then current franchise agreement and related agreements as Franchisor may require.

F. **Training.** The transferee shall successfully complete any initial training then in effect for franchisees.

8.1.3. **Security Interests.** No Transfer in the nature of a grant of a security interest in the Franchise or Substantially All Assets of the Franchise Business will be permitted without Franchisor's prior written consent, which consent will be at Franchisor's sole discretion. If consent is given to a Transfer in the nature of a grant of a security interest, it is expressly agreed that if the holder of the security interest should ever seek to exercise the rights of Franchisee or assume the interest of Franchisee in the Franchise due to a default under any documents related to the security interest, the

Franchised Business shall not be operated by, or subsequently transferred to, any person or entity except in compliance with the conditions of Section 8.1.2, and Franchisor shall have the right and option to purchase the rights of the secured party upon payment of all sums then due to such secured party.

8.2. Franchisee's Formation of Business Entity. If the proposed Transfer is to a corporation or other legal entity formed by Franchisee solely for the convenience of ownership, Franchisor's consent to such Transfer may, in its sole discretion, be conditioned on the following requirements: (1) Franchisee shall own a majority interest in the transferee entity, and shall act as its principal operating officer and designated representative; and (2) the conditions of Section 8.3 shall all be satisfied.

8.3. Entity Franchisee. If Franchisee is a corporation or other legal entity, all of the following conditions shall apply:

8.3.1. Designated Representative. Franchisee shall designate a specific individual to be the representative of the Franchisee and shall inform Franchisor of the person's name and contact information within five (5) days of the appointment. The designated representative must satisfactorily complete initial training as required by Section 6.2.

8.3.2. Transfer or Issuance of Securities. Franchisee shall maintain restriction on transfer instructions against the transfer on its records of any ownership interest in Franchisee, and shall also require that the following printed legend appear legibly and conspicuously on each certificate of ownership:

The transfer of any ownership interest in [Franchisee Company Name] is subject to the terms and conditions of a Franchise Agreement between Labor Finders International, Inc. and [Franchisee Company Name], a copy of which is on file with [Franchisee Company Name] and available for inspection by any owner.

8.3.3. Activities. The entity's activities shall be confined exclusively to operating the Franchised Business.

8.3.4. Owner Guarantees. Franchisee shall furnish Franchisor with a list showing all of the owners of Franchisee and their percentages of ownership. (If any owner of Franchisee is a corporation or other legal entity, the list shall include the names of each of the individuals who are the indirect owners of Franchisee.) Franchisee shall update the list within ten (10) business days of any Transfer of any direct or indirect ownership of Franchisee. Each of the current and future, direct and indirect, owners of Franchisee who are actively involved in the Franchised Business shall jointly and severally guarantee Franchisee's performance for amounts up to their respective percentages of ownership interests in Franchisee, and shall bind themselves to the terms of this Agreement and any related agreements by signing Section 17 of a copy of this Agreement and delivering it to Franchisor. Any person who has not signed Section 17 of this Agreement and in the future acquires an ownership interest in Franchisee must comply with the requirements of this Section 8.3.4 within ten (10) business days after becoming an owner.

8.3.5. Entity Documents. Copies of Franchisee's articles of incorporation and bylaws (or equivalent governing documents) and resolutions authorizing entry into this Agreement, and all amendments thereto, shall be furnished to Franchisor in connection with the issuance or Transfer of the Franchise. Thereafter Franchisee shall provide Franchisor with copies of the minutes of all meetings of the owners and board of directors of Franchisee (or equivalent documentation for entities other than corporations) relating to the election or appointment of the directors and officers (or the equivalent positions such as the general partners or the managing partners of a partnership, or the members of a limited liability company having management rights).

8.4. Franchisor's Right of First Refusal.

8.4.1. Terms. Any party holding an interest in Franchisee, the Franchise, this Agreement, or the assets of the Franchised Business, and desiring to accept (or make) any bona fide offer from (or to) a third party to purchase all or part of such interest shall notify Franchisor in writing of such offer. Except as otherwise provided herein, Franchisor will have the right, exercisable within one (1) month after receipt of such written notification, to send written notice to the seller that Franchisor or its nominee intends to purchase seller's interest (excluding, if applicable, any extraneous assets not necessary to the operation of the Franchised Business), on the same terms and conditions, or their cash equivalent, as offered by (or to) the third party; *provided, however*, that the purchase price to be paid by Franchisor or its nominee shall be reduced by the amount of any broker's fee. Any material change in the terms of any offer prior to closing will constitute a new offer subject to the same right of first refusal by Franchisor or its nominee as in the case of an initial offer. Failure of Franchisor to exercise the right afforded by this Section 8.4.1 shall not constitute a waiver of any other term or condition of this Agreement, including any of the other requirements of this Article 8, applicable to a proposed Transfer.

8.4.2. Exceptions. If a proposed transferee is the spouse, son or daughter of the transferor, or is any individual or entity already holding an equity interest in Franchisee, Franchisor shall not have any right of first refusal as provided in Section 8.4.1, but the provisions of Section 8.1.2 shall apply to any such Transfer.

8.5. Death, Incapacity or Dissolution.

8.5.1. Right to Transfer. Upon the death or Incapacity (as hereinafter defined) of any person with an interest in Franchisee, or upon the dissolution of Franchisee if it is a corporation or other legal entity, the executor, administrator, personal representative or trustee of such person or entity shall have a period of six (6) months after the death, determination of Incapacity, or dissolution to Transfer his or its interest to a third party approved by Franchisor. Such a Transfer, including, without limitation, a Transfer by devise or inheritance, shall be subject to the provisions of Section 8.1.2. "**Incapacity**" is defined as the permanent mental or physical inability of an individual to make personal and/or business decisions as determined either by the person's family, legal representative, attending physician, or a court of law.

8.5.2. Operation by Franchisor. At no time shall the Franchised Business be operated by someone who has not successfully completed training as provided in Section 6.2. Franchisor reserves the right, at its option, until an approved Transfer has been made, to provide a temporary manager for the Franchised Business. Any such temporary manager provided by Franchisor shall remain an employee of or an independent contractor with Franchisor. Franchisee shall pay Franchisor one hundred and fifty percent (150%) of such manager's regular gross compensation, plus any costs or benefits, and all reasonable costs of transportation, commuting and housing. Franchisee shall remain solely and fully liable for all expenses, and any losses, incurred during the period the Franchised Business is operated by the temporary manager.

8.6. Non-Waiver of Claims. Franchisor's consent to a Transfer shall not constitute a waiver of any claims it may have against the transferring party, nor will it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of any agreement entered into by the transferee.

8.7. Transfer by Franchisor. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity that, in Franchisor's good faith judgment, is willing and able to assume and perform Franchisor's obligations under this Agreement. Any successor or assignee of the Franchisor have the right to enforce all provisions in this Agreement, and the Exhibits hereto, including but not limited to the covenants of confidentiality, noncompetition and no solicitation. Following any transfer of its entire interests in this Agreement, Franchisor shall automatically be released from all further obligations or liabilities to Franchisee hereunder.

9. DEFAULT AND TERMINATION.

9.1. **Default Defined.** "Default" as used in this Agreement means a material breach or default that has a substantial effect upon the contractual relationship of the parties or upon a substantial right of the other party, and any minor breach (unless repeatedly committed) is not a "Default."

9.2. **Default by Franchisor.** Franchisee may terminate this Agreement for a Default by Franchisor one (1) month after giving Franchisor written notice of its intent, specifying the Default, if the Default remains uncured at the end of the one (1) month period; *provided, however*, that if the nature of Franchisor's obligations are such that more than one (1) month is required for performance, then Franchisor shall not be in Default if it commences performance within the one (1) month period and thereafter diligently continues and cures the Default. If Franchisor Defaults under any provision of this Agreement, Franchisee shall have all rights and remedies permitted by law or equity, including but not limited to, the right of termination as provided in Section 9.6.

9.3. **Default by Franchisee.** If Franchisee Defaults under any provision of this Agreement, Franchisor shall have all rights and remedies permitted by law or equity, including but not limited to, the right of termination. Franchisor may terminate this Agreement without advance notice as provided in Section 9.4, or one (1) month after giving Franchisee written notice specifying any Default by Franchisee as provided in this Section 9.3 if the Default remains uncured for one (1) month after notice (or such longer period as may be required by law). The cure period shall, if permitted by law, be ten (10) days instead of one (1) month if the Default is under Section 9.3.1. For the purposes of this Section 9.3, a Default shall include, but not be limited to, the following:

9.3.1. **Nonpayment.** Failure of Franchisee, or any Franchisee Affiliate, to pay when due: (a) any sum owed to Franchisor or any Franchisor Affiliate under this Agreement or any other agreement; (b) any sum due to any lessor, vendor or supplier; or (c) any undisputed taxes.

9.3.2. **Reports.** Failure to provide Franchisor with any completed report at the time and in the form specified as required under this Agreement or any lease.

9.3.3. **Standards.** Failure to maintain any required standard contained in this Agreement or the Operations Manual.

9.3.4. **Jeopardizing the Franchise Name or System.** Any misuse of any Mark or Confidential Information, or conduct which reflects unfavorably upon the operation and reputation of the System.

9.3.5. **Licensing.** Failure of Franchisee or Franchisee's employees to have any permit or license necessary for the operation of the Franchised Business.

9.3.6. **Insurance.** Failure of Franchisee to obtain or maintain in full force all insurance required by law, this Agreement and any lease.

9.3.7. **Others.** Failure to comply with any other requirement of this Agreement, failure to perform obligations imposed by any loans or leases in connection with the Franchised Business, failure to comply with any material obligations which Franchisee has to Franchisor, including without limitation, failure to satisfactorily complete Franchisor's training program, failure to comply with Franchisor's Operations Manual or operational memoranda issued by Franchisor, or any other reasons allowable by applicable law.

9.4. **Without Notice.** If permitted by applicable law, Franchisor may terminate this Agreement without giving advance notice and without giving an opportunity to cure for any of the following: (a) Criminal misconduct; (b) any fraudulent misrepresentation relating to the acquisition of the Franchise or operation of the Franchised Business; (c) abandonment or failure to operate the Franchised Business for a continuous period of three (3) or more days; (d) bankruptcy or insolvency of Franchisee; (e) giving of a no account or insufficient funds check (unless caused by bank error); (f) if any rights or

obligations under this Agreement are purportedly transferred to any third party without complying with Article 8; (g) if Franchisee or any Related Party fails to comply with any covenant of noncompetition or nondisclosure; (h) three (3) or more Defaults of this Agreement (whether of the same or different kind) within the then preceding twelve (12) months, for which Franchisee shall have received notice thereof, regardless of whether the previous Defaults were cured within the time permitted ("**Repeated Default**"); or (i) any material breach or default of any other agreement between Franchisor or a Franchisor Affiliate and Franchisee or a Franchisee Affiliate which breach or default is not cured within any permitted cure period thereunder.

9.5. Cross Defaults. Franchisor may also terminate all other agreements between Franchisor and Franchisee and/or any Franchisee Affiliate upon Franchisor's termination of this Agreement as provided in this Article 9.

9.6. Termination by Franchisee. If Franchisee is not then in Default and has not been in Repeated Default during the immediately preceding twelve (12) month period, Franchisee may terminate this Agreement at any time, with or without cause, provided that:

9.6.1. Notice. Franchisee has given Franchisor at least four (4) months prior written notice of termination.

9.6.2. Debts Paid. Franchisee and all Franchisee Affiliates have satisfied all monetary obligations to Franchisor and Franchisor Affiliates and all other outstanding obligations relating to the Franchised Business.

9.6.3. Release. Franchisee has executed a general release, in form and substance satisfactory to Franchisor, of any and all claims against Franchisor, all Franchisor Affiliates, and their officers, directors, shareholders, employees and agents, in their corporate and individual capacities, except any claims arising under any applicable state franchise disclosure or relationship laws.

9.6.4. Interim Operations. During the period prior to the date set for termination, Franchisee continues to operate its business.

9.6.5. Cooperation. Franchisee cooperates with Franchisor to expedite the Transfer of its business to any person or firm that may continue to operate the business following termination.

10. RIGHTS AND DUTIES UPON TRANSFER, TERMINATION OR NONRENEWAL.

10.1. Expiration or Termination. In addition to the other rights and duties specified elsewhere in this Agreement, immediately upon the termination, or the expiration and non-renewal, of this Agreement, for any reason, the following provisions shall apply:

10.1.1. Acceleration of Payments. All money owed by Franchisee to Franchisor shall be due and payable.

10.1.2. Franchise Revoked. All rights and licenses granted to Franchisee under this Agreement shall terminate.

10.1.3. Marks. Franchisee shall immediately and permanently discontinue the use of the Marks, any name containing the Marks, any mark or name confusingly similar thereto, or any other designation indicating or tending to indicate that Franchisee was or is in any way an authorized Franchisee of Franchisor.

10.1.4. Materials, Supplies and Software. Franchisee shall promptly surrender to Franchisor or, if so directed by Franchisor, destroy and immediately discontinue the use of, all originals and copies of service marks, trademarks, trade names, signs, structures, literature, promotional materials, forms, supplies, computer software, and any other articles of personalty, indicative of Franchisor, Franchisor's products or services, or the System.

10.1.5. Advertising. All telephone numbers and listings, and all other means of communication used by Franchisee at its offices or in the conduct of the Franchised Business or associated with the Marks, shall immediately and automatically become the property of Franchisor, as provided in Paragraph D of Section 6.4.4. Franchisee shall discontinue any radio, newspaper or other advertisements which would in any way identify Franchisee with Franchisor.

10.1.6. Confidential Information. Franchisee shall immediately and permanently discontinue the use of the System and any Confidential Information and materials, including Software, received pursuant to this Agreement. Franchisee shall promptly return to Franchisor all of the Confidential Information, including the Operations Manual and all other manuals, bulletins, lists, instruction sheets, forms, devices or other materials, and all copies of all of them, acquired by Franchisee pursuant to this Agreement. Franchisor shall automatically become the sole owner of the Data, as provided in Section 7.1.

10.1.7. Continued Operation of Business by Franchisor. Franchisee shall immediately permit Franchisor to place its employees or independent contractors in Franchisee's Territory or alternatively, at Franchisor's option, on the premises of Franchisee's office, for a period of two (2) months, for the purpose of continuing the operation of the business for the benefit of the customers of the Franchised Business, Franchisor and the System. Franchisee shall also immediately turn over to Franchisor: (1) a complete back-up copy of Software including all program and data files; (2) all customer lists, files and records, including without limitation job site directions, for all of the customers serviced by Franchisee; and (3) the names, telephone numbers, records and files for of all of Franchisee's permanent and part-time employees and independent contractors.

10.1.8. Acquisition of Assets.

A. Franchisor's Option. Upon the expiration and non-renewal of this Agreement, or the early termination of this Agreement for any reason other than a Transfer in compliance with Article 8, Franchisor shall have the right, but shall not be obligated, to assume the lease for, or to lease from Franchisee, or any owner of Franchisee, or any Franchisee Affiliate, the premises for the Franchised Business as provided in Section 6.4.2, and to purchase from Franchisee any or all of the other assets of the Franchised Business, including without limitation leasehold improvements, fixtures, motor vehicles, equipment, furniture, furnishings, supplies and inventory. Franchisor shall give written notice to Franchisee of Franchisor's intention, identifying the assets Franchisor intends to purchase, within fifteen (15) business days of the effective date of the termination or expiration. The assets shall be sold, and the purchase price paid, within thirty (30) business days after the price is established. Subject to setoffs as provided in Paragraph C below, the assets shall be sold to Franchisor free and clear, at their fair market value, excluding the value of any assets acquired by Franchisor by the foreclosure of Franchisor's security interests, to be determined by agreement between Franchisor and Franchisee or as provided in Paragraph B.

B. Appraisal. If Franchisor and Franchisee are unable to agree upon a fair market value within seven (7) days of Franchisor's notice, fair market value shall be determined by independent appraisal. If Franchisor and Franchisee cannot agree on an independent appraiser, each shall select one, and if the two appraisers so selected are unable to agree upon fair market value within seven (7) days of their appointment, then the two appraisers shall appoint a third. If the third appraiser agrees with either of the two originally appointed appraisers, the value so established shall be the price. If there is no such agreement then, the fair market value shall be the average of: (i) the middle appraisal with a value between the highest and lowest values of the three (3) appraisals, and (ii) the appraisal with the value closest to the value of the middle appraisal. Franchisor shall have three (3) business days after receipt of the purchase price established by appraisal to accept the price and proceed with the purchase, or to cancel the purchase. Whether the sale proceeds or is cancelled, each party shall be responsible for the costs of the appraiser it selects. The costs of a single appraiser, or the third appraiser, and all other costs of appraisal, shall be divided equally.

C. Setoffs. The purchase price payable by Franchisor to Franchisee under this Subsection 10.1.8 shall be reduced by all amounts owed by Franchisee to Franchisor and all

Franchisor Affiliates hereunder or under any other agreement, and by the unpaid balance of the purchase price with respect to any of the assets purchased, or if any such assets are subject to a lien, by the balance due on the underlying indebtedness, together with any interest or other charges to be paid in order for Franchisor to acquire such assets free and clear.

D. De-Identification of Offices. If Franchisor does not exercise its option to acquire any of Franchisee's office locations, Franchisee shall promptly make or cause to be made such changes in its offices, if any, as Franchisor may reasonably direct to effectively distinguish the office from the offices of other franchisees of Franchisor, all at no expense to Franchisor.

10.1.9. Final Accounting. Franchisee and Franchisor shall make a prompt and final accounting. Any sums owing under this Agreement, or any other agreement between the parties, or any other sums owing for judgments or otherwise, shall be paid immediately and promptly by the owing party.

10.1.10. Hold Harmless. The obligations of Franchisee and Franchisor to hold harmless, indemnify and defend each other as specified in this Agreement, shall survive the expiration or termination of the Franchise for so long as any potential for liability under any applicable law, rule, ordinance, statute or judicial decision remains. In this regard, to the maximum extent permitted by law, Franchisee and Franchisor hereby each waive the effect of any statute of limitation which would, by lapse of time, limit such obligations.

10.1.11. Books and Records. Franchisee agrees that it shall maintain all books and records after the expiration or termination of this Agreement for three (3) years and will allow Franchisor access to those books and records during that time.

10.2. Transfer. In addition to the other rights and duties specified elsewhere in this Agreement, upon a Transfer of the Franchise pursuant to Article 8, the provisions of Sections 10.1.1, 10.1.2, 10.1.3, 10.1.9, 10.1.10 and 10.1.11 shall apply to Franchisee and its Related Parties as though a termination had occurred; and the provisions of Sections 10.1.4, 10.1.5 and 10.1.6 shall apply insofar as they restrict the activities of Franchisee and its Related Parties, but the property and rights referred to therein shall be transferred to Franchisee's transferee.

10.3. Irreparable Injury. In the event of an actual or threatened breach by either party of any of the provisions of Section 6.8 or Articles 7,8 or 10 of this Agreement, the other party shall immediately be entitled to injunctive relief restraining those responsible from the breach or threatened breach without having to show any actual damage. It is specifically agreed that the non-breaching party may incur incalculable and irreparable damage from any such violation, and that the non-breaching party has no fully adequate remedy at law and is entitled to injunctive relief for any such actual or threatened violation. Nothing herein shall be construed as prohibiting the non-breaching party from pursuing any other available remedies for such breach.

11. MISCELLANEOUS.

11.1. Independent Contractor. Franchisee acknowledges that it is an independent contractor, and that this Agreement does not create a fiduciary, partnership, joint venture or employment relationship between itself and Franchisor, except for Franchisor's disclosure of Confidential Information to Franchisee in trust. Franchisee further acknowledges that it is solely responsible for locating, training and supervising any employees and independent contractors needed to provide products and services to customers in the Territory.

11.2. Authority. Franchisee acknowledges that it has all appropriate corporate or other applicable legal authority to perform the obligations in this Agreement.

11.3. Retail Prices. Franchisee, in its sole discretion, will establish the retail prices and fees for the services and goods it sells. If Franchisor recommends a fee, such recommendation is suggested only, and is in no way binding upon Franchisee.

11.4. Arbitration and Injunctions. Any controversy between the parties arising out of or relating to this Agreement shall be settled by binding arbitration to be held in Palm Beach Gardens, Florida, unless agreed otherwise in writing by the parties. The federal Arbitration Act shall govern the parties' choice hereunder to arbitrate, and the choice of venue for such arbitration. If arbitration is commenced, each party shall select one independent arbitrator, having no relationship with either party, from a panel of American Arbitration Association ("AAA") arbitrators, and the two so designated will select a third arbitrator. If either party fails to designate an arbitrator within seven (7) days after receiving notice of prospective panelists, or if the two arbitrators fail to select a third arbitrator within fourteen (14) days after they are both designated, then an arbitrator will be selected by the AAA upon application of either party. Arbitration will be conducted in accordance with the rules then prevailing of the AAA. Judgment upon an award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, nothing in this Section 11.4 shall prevent Franchisor from seeking and obtaining injunctive relief from any court or agency of competent jurisdiction against actual or threatened conduct causing loss or damage cognizable under usual equity rules, including the rules for obtaining temporary, preliminary and permanent injunctive relief.

11.5. Costs of Enforcement. In any arbitration or action for injunctive relief, the party which substantially prevails in such arbitration or action shall be entitled to a judgment against the other party for the costs of such arbitration or action, including without limitation arbitrators' or court costs, reasonable expenses of arbitration or litigation, and reasonable attorneys' fees.

11.6. Choice of Law and Venue. This Agreement takes effect upon its acceptance and execution by a duly authorized officer of Franchisor. Franchisee acknowledges the benefits and desirability of having the entire System governed by one body of law applied uniformly and therefore acknowledges that the following two Sections are reasonable.

11.6.1. Applicable Law. Except to the extent governed by the federal trademark, copyright and arbitration statutes, the existence, validity, construction and sufficiency of performance of this Agreement and all matters relating to it shall be governed by the laws of the State of Florida applicable to agreements made and to be entirely performed in Florida, without regard to, and without giving effect to, the application of any Florida conflict of law rules; *provided, however*, that if any of the provisions of this Agreement would not be enforceable under the laws of Florida, then such provisions shall be governed by the laws of the state in which the principal office of Franchisee's Franchised Business is located; *and provided further* that the Uniform Franchise Offering Circular delivered to Franchisee contains a State Law Addendum, which is hereby incorporated into this Agreement, referencing and summarizing certain existing local laws of other jurisdictions, and the application of Florida law shall not abrogate or reduce any rights of Franchisee provided for under such existing local laws which by their terms apply and supersede Florida law (unless local law conflicts with federal law and is preempted).

11.6.2. Venue. Any proceeding brought against Franchisor shall be brought, and any action brought by Franchisor against Franchisee or any Related Party, may be brought, in the judicial district in which Franchisor has its principal place of business. The parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. The provisions of this Section 11.6.2 are subject to applicable superseding law as provided in Section 11.6.1.

11.7. Entire Agreement. This Agreement, together with the Exhibits hereto and the documents expressly incorporated herein by reference, constitutes the entire agreement between the parties with respect to the subject matter hereof, superseding all prior written or oral agreements or representations other than the representations of Franchisor as set forth in the Offering Circular provided to Franchisee. The provisions hereof are binding upon the parties, their heirs, executors, administrators, and permitted successors and assigns.

11.8. Modification. Except as otherwise expressly provided herein, this Agreement may not be amended or modified except by a written document signed by the party against whom enforcement is sought.

11.9. Partial Invalidity. In the event any term or provision of this Agreement is found to be invalid or unenforceable for any reason, the provision shall be modified to the extent necessary to make it enforceable, or if it cannot be so modified, then severed, and the remaining terms of this Agreement shall remain in full force and effect; and it is hereby declared the intention of the parties that they would have executed the Agreement as so modified.

11.10. Waivers.

11.10.1. Waiver of Punitive Damages. Franchisor and Franchisee each hereby waive to the fullest extent permitted by law any right to or claim for any consequential, punitive or exemplary damages against the other, and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained.

11.10.2. No Implied Waivers. No waiver by Franchisor of any Default of Franchisee will constitute a waiver of any other Default, and no such waiver will preclude Franchisor from thereafter requiring strict compliance with this Agreement.

11.11. Notices.

11.11.1. Delivery. All notices, requests, demands, and reports to be given under this Agreement are to be in writing and delivered to the following addresses:

If to Franchisor: Labor Finders International, Inc.
11426 North Jog Road
Palm Beach Gardens, FL 33418
Attn: President
Fax: (561) 627-6556

If to Franchisee: As shown in Section 11.11.1 of Exhibit "1" hereto.

Notices shall be deemed to have been duly given when delivered personally or by telecopy (with a hard copy sent the same day by regular mail), or one (1) business day after being sent prepaid by commercial courier service for next business day delivery, or five (5) days after being deposited in the United States mail, for certified or registered delivery, return receipt requested, postage prepaid. Either party may designate another address at any time by appropriate notice to the other. All payments and regular reports required to be made by Franchisee shall be delivered to Franchisor at the above address, but may be delivered by any means so long as they are delivered on time.

11.11.2. Disclosure. The home address and telephone number of Franchisee, or Franchisee's president or chief executive officer if Franchisee is a corporation or other legal entity, are set forth in Section 11.11.2 of Exhibit "1." Franchisee shall promptly notify Franchisor of all changes to the information set forth in Section 11.11.2 of Exhibit "1." Franchisor is hereby authorized to disclose and publish such information to the extent required by law.

11.12. Interpretation.

11.12.1. Time. Time is of the essence of this Agreement with respect to each and every provision in which time is a factor. Wherever this Agreement refers to a period of days, the first day to be counted shall be the first day following the designated action or event; and for any period of five (5) or fewer days, only business days (excluding Saturdays, Sundays and national holidays) shall be counted. Unless expressly stated otherwise, periods longer than five (5) days shall be measured by calendar days, except that if the last day of such a period is not a business day, the period shall automatically be extended to the next business day.

11.12.2. Captions, Defined Terms, Number, Gender. The table of contents and captions used in this Agreement are inserted for convenience only and shall not affect the meaning or construction of this Agreement. Capitalized terms shall have the meanings defined where such terms

occur in this Agreement in bold face type and quotation marks. The language of this Agreement shall be construed simply according to its fair meaning and not strictly for or against either party. If Franchisee shall be two or more persons and/or entities (notwithstanding any agreement, arrangement or understanding between or among such persons or entities), the rights, privileges and benefits granted herein may only be exercised and enjoyed jointly; the liabilities and responsibilities hereunder assumed, however, shall be the joint and several obligations of such persons or entities. Words in this Agreement shall be deemed to refer to whatever number or gender the context requires. It is the intention of the parties hereto that if any provision in this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid. Each item and provision of this Agreement to be performed by Franchisee shall be construed to be both a covenant and a condition.

11.12.3. Counterparts. This Agreement, including Section 17 which is signed by the owners of Franchisee, may be executed in counterparts, each of which shall be regarded as an original and all of which taken together shall constitute a single Agreement.

12. DISCLOSURE. By execution of this Agreement, Franchisee acknowledges receipt of Franchisor's Uniform Franchise Offering Circular on the earlier of: (a) ten (10) business days prior to the execution of this Agreement, (b) ten (10) business days before making any payment, or (c) at the first personal meeting with Franchisor.

13. APPROVAL AND GUARANTEES OF OWNERS. If Franchisee is a corporation or other form of legal entity, Franchisor shall not be bound unless and until all direct and indirect owners and their spouses approve this Agreement, agree to the restrictions placed on them (including, but not limited to, restrictions on the Transfer of their interests, limitations on their ability to compete, and prohibitions on their use of Confidential Information), and if applicable under Section 8.3.4, guarantee to pay Franchisor their share of all sums owed or which may be owed pursuant to this Agreement. The owners must execute this Agreement at Article 17, which forms a part of this Agreement.

14. REPRESENTATIONS AND ACKNOWLEDGEMENTS/CAVEAT.

NO PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE FRANCHISOR EXCEPT AN AUTHORIZED OFFICER OF FRANCHISOR BY A WRITTEN DOCUMENT. NO REPRESENTATION AS TO PROJECTIONS, EARNINGS CLAIMS, POTENTIAL SUCCESS, FUTURE PROFITS, PROMISES, GUARANTEES, OR WARRANTIES OF ANY KIND WERE OR ARE MADE BY THE FRANCHISOR OR ITS REPRESENTATIVES. THE PARTY EXECUTING THIS AGREEMENT UNDERSTANDS THAT ITS SUCCESS WILL DEPEND PRIMARILY UPON ITS OWN EFFORTS AND JUDGMENTS AND THE SERVICES OF THOSE IT EMPLOYS.

FRANCHISEE ACKNOWLEDGES THAT IT HAS RECEIVED, READ, AND UNDERSTANDS THIS AGREEMENT AND THE EXHIBITS AND THE OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THAT IT HAS HAD AN OPPORTUNITY TO ASK FRANCHISOR ALL ITS QUESTIONS RELATING TO THIS AGREEMENT AND THE FRANCHISE SYSTEM, AND THAT FRANCHISOR HAS ANSWERED ALL SUCH QUESTIONS TO FRANCHISEE'S SATISFACTION; AND THAT FRANCHISOR HAS ACCORDED FRANCHISEE AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF ITS OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.

FRANCHISEE UNDERSTANDS AND AGREES THAT FRANCHISOR HAS NO OBLIGATION TO ACCEPT THIS APPLICATION AND MAY REFUSE TO GRANT A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR ITS DECISION. UNTIL FRANCHISOR NOTIFIES FRANCHISEE IN WRITING THAT THE FRANCHISE HAS BEEN GRANTED, IT IS NOT A FRANCHISEE AND MAY NOT RELY UPON BECOMING A FRANCHISEE.

THE SUCCESS OF THE FRANCHISED BUSINESS IS SPECULATIVE AND DEPENDS UPON VARIOUS FACTORS BEYOND FRANCHISOR'S CONTROL, SUCH AS THE ABILITY AND EFFORTS OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON. FRANCHISOR DOES NOT MAKE

ANY REPRESENTATION OR WARRANTY AS TO THE POTENTIAL SUCCESS OF THE TEMPORARY UNSKILLED, SEMI-SKILLED AND SKILLED INDUSTRIAL PERSONNEL BUSINESS CONTEMPLATED. FRANCHISEE HAS MADE AN INDEPENDENT INVESTIGATION OF FRANCHISOR'S OPERATIONS AND HAS NOT ENTERED INTO THIS AGREEMENT UPON ANY REPRESENTATION AS TO PROFITS OR SUCCESS WHICH FRANCHISEE MIGHT ANTICIPATE.

15. NO WARRANTY.

FRANCHISEE ACKNOWLEDGES THAT NO APPROVALS, WAIVERS, OR CONDITIONS, OR THE LIKE BY FRANCHISOR WARRANT THE SUCCESS OF THE FRANCHISED BUSINESS OR THE APPROPRIATENESS OR LEGALITY OF THE PARTICULAR ITEM SO APPROVED. SUCH APPROVAL MEANS ONLY THAT THE MATTER APPROVED MEETS FRANCHISOR'S MINIMUM SPECIFICATIONS. FRANCHISEE SHOULD OBTAIN INDEPENDENT PROFESSIONAL GUIDANCE AS TO ALL ASPECTS OF ITS BUSINESS OPERATIONS AND EXPRESSLY ACKNOWLEDGES THAT IT IS NOT IN ANY WAY RELYING ON FRANCHISOR'S APPROVALS, CONSENTS, WAIVERS, CONDITIONS, OR THE LIKE. FRANCHISOR MAKES NO WARRANTIES OR GUARANTEES UPON WHICH FRANCHISEE MAY RELY AND ASSUMES NO LIABILITY OR OBLIGATION TO FRANCHISEE BY GRANTING ANY WAIVER, APPROVAL, OR CONSENT TO FRANCHISEE, OR BY REASON OF ANY NEGLIGENCE, DELAY OR DENIAL OF ANY REQUEST THEREOF.

16. SIGNATURES. IN WITNESS WHEREOF, the parties have signed this Franchise Agreement on the date(s) set forth below, to be effective as of the date specified in Section 3.1 of Exhibit "1" hereto.

FRANCHISEE:

By: _____

Title: _____

Date: _____

Witness: _____

FRANCHISOR:

LABOR FINDERS INTERNATIONAL, INC.

By: _____

Title: _____

Date: _____

Witness: _____

17. AGREEMENT OF FRANCHISEE'S OWNERS.

17.1. Acceptance of Restrictions. Each of the direct and indirect owners of Franchisee, including both those who are and are not active in the Franchised Business, hereby approve this Agreement, and agree to the restrictions placed on them (including without limitation restrictions on the transfer of their ownership interests, limitations on their ability to compete, and prohibitions on their use of Confidential Information.

17.2. Personal Guaranty of Owners Active in the Franchised Business.

In consideration of, and as an inducement to, the execution of the foregoing Franchise Agreement by and between Franchisor and Franchisee, only those direct and indirect owners of Franchisee who are or will be active in the Franchised Business, and their spouses (each a "Guarantor"), hereby personally and unconditionally: (1) guarantee to Franchisor and its successors and assigns, for the term of the Agreement and all renewals thereof, and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement; and (2) agree to be personally bound by, and personally liable for any breach or default by Franchisee of any provision in the Agreement.

Each of the Guarantors waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which he/she may be entitled.

Each of the Guarantors consents and agrees that: (1) his/her direct and immediate liability under this guaranty shall be joint and several; (2) he/she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) he/she will individually comply with the terms and provisions of the Franchise Agreement and all renewal franchise agreements, including without limitation the provisions of Section 11.6 regarding choice of law and venue; (4) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (5) such liability shall not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement and all renewals thereof, and thereafter with respect to those provisions which survive expiration, termination or Transfer; provided, however, that each of the undersigned Guarantors shall only be liable for that percentage of Franchisee's payment and performance obligations equal to the Guarantor's percentage ownership in Franchisee at the time that any obligation of Franchisee arises for which performance under this guaranty is subsequently sought.

If any provision of this guaranty is deemed to be invalid or inoperative for any reason, that part shall be deemed modified to the extent necessary to make it valid and operative or if it cannot be so modified, then severed, and the remainder of the guaranty shall continue in full force and effect as if it had been signed with the invalid portion so modified or eliminated.

IN WITNESS WHEREOF, each of the undersigned owners has hereunto completed and signed below to acknowledge his or her agreement as provided in Section 17.1 above, and if the undersigned is or will be active in the Franchised Business, then also as a Guarantor of the obligations of Franchisee as provided in Section 17.2 above.

_____	Owner's Residential Address:	Owner's Title/Position with Franchisee:
Signature of Franchisee Owner	_____	_____
_____	_____	_____
Printed/Typed Name of Owner	_____	_____
Active in Franchised Business (a Guarantor):	_____	Percent Ownership in Franchisee:
<input type="checkbox"/> Yes <input type="checkbox"/> No	Signature of Guarantor's Spouse	_____ %
Date: _____, 200__	_____	_____
	Printed/Typed Name of Spouse	

_____	Owner's Residential Address:	Owner's Title/Position with Franchisee:
Signature of Franchisee Owner	_____	_____
_____	_____	_____
Printed/Typed Name of Owner	_____	_____
Active in Franchised Business (a Guarantor):	_____	Percent Ownership in Franchisee:
<input type="checkbox"/> Yes <input type="checkbox"/> No	Signature of Guarantor's Spouse	_____ %
Date: _____, 200__	_____	_____
	Printed/Typed Name of Spouse	

_____	Owner's Residential Address:	Owner's Title/Position with Franchisee:
Signature of Franchisee Owner	_____	_____
_____	_____	_____
Printed/Typed Name of Owner	_____	_____
Active in Franchised Business (a Guarantor):	_____	Percent Ownership in Franchisee:
<input type="checkbox"/> Yes <input type="checkbox"/> No	Signature of Guarantor's Spouse	_____ %
Date: _____, 200__	_____	_____
	Printed/Typed Name of Spouse	

_____	Owner's Residential Address:	Owner's Title/Position with Franchisee:
Signature of Franchisee Owner	_____	_____
_____	_____	_____
Printed/Typed Name of Owner	_____	_____
Active in Franchised Business (a Guarantor):	_____	Percent Ownership in Franchisee:
<input type="checkbox"/> Yes <input type="checkbox"/> No	Signature of Guarantor's Spouse	_____ %
Date: _____, 200__	_____	_____
	Printed/Typed Name of Spouse	

_____	Owner's Residential Address:	Owner's Title/Position with Franchisee:
Signature of Franchisee Owner	_____	_____
_____	_____	_____
Printed/Typed Name of Owner	_____	_____
Active in Franchised Business (a Guarantor):	_____	Percent Ownership in Franchisee:
<input type="checkbox"/> Yes <input type="checkbox"/> No	Signature of Guarantor's Spouse	_____ %
Date: _____, 200__	_____	_____
	Printed/Typed Name of Spouse	

_____	Owner's Residential Address:	Owner's Title/Position with Franchisee:
Signature of Franchisee Owner	_____	_____
_____	_____	_____
Printed/Typed Name of Owner	_____	_____
Active in Franchised Business (a Guarantor):	_____	Percent Ownership in Franchisee:
<input type="checkbox"/> Yes <input type="checkbox"/> No	Signature of Guarantor's Spouse	_____ %
Date: _____, 200__	_____	_____
	Printed/Typed Name of Spouse	

_____	Owner's Residential Address:	Owner's Title/Position with Franchisee:
Signature of Franchisee Owner	_____	_____
_____	_____	_____
Printed/Typed Name of Owner	_____	_____
Active in Franchised Business (a Guarantor):	_____	Percent Ownership in Franchisee:
<input type="checkbox"/> Yes <input type="checkbox"/> No	Signature of Guarantor's Spouse	_____ %
Date: _____, 200__	_____	_____
	Printed/Typed Name of Spouse	

_____	Owner's Residential Address:	Owner's Title/Position with Franchisee:
Signature of Franchisee Owner	_____	_____
_____	_____	_____
Printed/Typed Name of Owner	_____	_____
Active in Franchised Business (a Guarantor):	_____	Percent Ownership in Franchisee:
<input type="checkbox"/> Yes <input type="checkbox"/> No	Signature of Guarantor's Spouse	_____ %
Date: _____, 200__	_____	_____
	Printed/Typed Name of Spouse	

_____	Owner's Residential Address:	Owner's Title/Position with Franchisee:
Signature of Franchisee Owner	_____	_____
_____	_____	_____
Printed/Typed Name of Owner	_____	_____
Active in Franchised Business (a Guarantor):	_____	Percent Ownership in Franchisee:
<input type="checkbox"/> Yes <input type="checkbox"/> No	Signature of Guarantor's Spouse	_____ %
Date: _____, 200__	_____	_____
	Printed/Typed Name of Spouse	

General Location of Office(s) To Be Opened	Date(s) by Which Office(s) Must Be Opened and Operating	Cumulative Number of Open Offices Required
		1
		2
		3
		4
		5
		6
		7
		8
		9
		10

3.1. Effective Date. The Franchise Agreement and Franchise shall be effective as of, and commence on _____, 200__.

4.1. Initial Fee. The Initial Fee to be paid by Franchisee to Franchisor shall be \$_____.

11.11.1. Notice to Franchisee. Notices to Franchisee shall be delivered to the following address:

Fax: (____) ____ - _____

Franchisor Initials: _____
Franchisee Initials: _____

11.11.2. Home Address and Telephone Number. The name, home address and telephone number of Franchisee, or Franchisee's president or chief executive officer if Franchisee is a corporation or other legal entity, are:

Telephone Number: (____) ____ - _____

Franchisor Initials: _____
Franchisee Initials: _____

EXHIBIT "2"
TO
FRANCHISE AGREEMENT

CONFIDENTIALITY AND UNFAIR COMPETITION AGREEMENT

NAME OF AGENT: _____

NAME OF FRANCHISEE: _____

DATE: _____, 200__

A. LABOR FINDERS INTERNATIONAL, INC., a Florida corporation ("**Franchisor**"), has developed and owns a distinctive system (the "**System**") for recruiting and supplying temporary unskilled, semi-skilled and skilled industrial personnel.

B. Franchisor has licensed _____ ("**Franchisee**") under a Franchise Agreement (the "**Franchise Agreement**") to use the System in connection with the operation of a franchised temporary unskilled, semi-skilled and skilled industrial personnel business.

C. The undersigned individual either holds, or has been offered, a position with Franchisee as a director, officer, owner, manager, agent, representative and/or employee (referred to in this Agreement as "**Agent**"), as specified with the signatures to this Agreement (the "**Position**"). Those Agents who are directors, officers, owners and managers of Franchisee are sometimes referred to in this Agreement as "**Controlling Agents**." The Position will place Agent in a position of trust and confidence with both Franchisor and Franchisee. In connection with the Position, Agent will, and Agent's Immediate Family Members (as defined in Section 2.1.1 below) may, have access to, generate, or otherwise come into contact with certain proprietary and/or confidential information and trade secrets of Franchisee and Franchisor, including without limitation: Statistical data, employee and customer lists, advertising and promotional materials, manuals, forms, techniques, methods and procedures, computer software, and all other information and knowledge about the System which is not in the public domain, and such other information and material as Franchisor may designate as confidential (collectively, the "**Confidential Information**").

D. Agent, Franchisee, and Franchisor desire to prevent the dissemination or misuse of such Confidential Information.

As an inducement to Franchisor to enter into the Franchise Agreement with Franchisee, or to approve a transfer to Franchisee, or the appointment of Agent, and/or in consideration of Agent's employment or continued employment by Franchisee, and/or other valuable consideration, the receipt and sufficiency of which Agent hereby acknowledges, Agent (individually, and on behalf of Agent's Immediate Family Members and all persons and entities under Agent's control) and Franchisee (on behalf of both Franchisee and Franchisor) hereby agree as follows:

1. Confidential Information.

1.1. Ownership. Agent acknowledges that Franchisor and/or Franchisee is/are the sole owner(s) of all the Confidential Information; that the Confidential Information is being imparted to Agent in trust and confidence and only by reason of Agent's Position; and that the Confidential Information is not generally known to the trade or public and is not known to Agent except by reason of Agent's Position. Agent further acknowledges that Agent shall acquire no interest in the Confidential Information, other than the right to utilize it in connection with the performance of any duties associated with Agent's Position. In addition, Agent acknowledges that the use, duplication or disclosure of the Confidential Information except as expressly permitted by this Agreement shall constitute an unfair method of competition and that Franchisor and Franchisee shall suffer irreparable injury thereby.

1.2. Confidentiality. All of the Confidential Information and all information and knowledge about the System which is not in the public domain and such other information and material as Franchisor or Franchisee may designate as confidential shall be deemed Confidential Information for purposes of this Agreement. Agent acknowledges that the Confidential Information is disclosed to Agent solely on the condition that Agent agree, and Agent hereby agrees, that Agent: (a) Will use the Confidential Information in strict accordance with the instructions and directions given by Franchisee or Franchisor from time to time; (b) will not use the Confidential Information in any other business or capacity; (c) will not, at any time, while holding any Position with Franchisee or thereafter, in any manner or form, directly or indirectly, disclose, duplicate, license, sell, reveal, divulge, publish or communicate the Confidential Information, or any portion thereof, to any person or entity other than Franchisee, or employees of Franchisee or Franchisor who need to have such information in connection with their jobs; (d) will not copy any materials containing the Confidential Information, including without limitation any manuals or computer software, without Franchisor's prior written consent; (e) will observe and implement all reasonable procedures imposed from time to time by Franchisor and/or Franchisee to prevent the unauthorized use and disclosure of the Confidential Information; (f) will keep all manuals and other materials containing any portion of the Confidential Information in a secure place; and (g) if Agent is legally compelled to disclose any of the Confidential Information, will do so only if Agent has used his or her best efforts to afford Franchisor and Franchisee the opportunity of obtaining appropriate protective orders or other assurances of confidentiality satisfactory to Franchisor and Franchisee. Notwithstanding the foregoing, Agent may disclose any of the Confidential Information on a confidential basis to his or her attorneys, accountants, banks, or insurance underwriters for proper business purposes, or, upon the prior written approval of Franchisor, to applicants for other franchises from Franchisor.

1.3. Work Product. Agent agrees that all documents, papers, notes and other materials and work products containing or derived from the Confidential Information or connected with Agent's Position with Franchisee shall be Confidential Information. Agent agrees that he or she will have no proprietary interest in any work product developed or used by him or her and arising out of Agent's Position with Franchisee. Agent will, from time to time, as may be requested by Franchisee or Franchisor, do all things which may be necessary to establish or document Franchisee's or Franchisor's ownership of any such work product, including without limitation the execution of assignments.

1.4. Assignment of Improvements. Agent agrees to disclose promptly to Franchisor any and all inventions, discoveries and improvements, whether or not patentable or copyrightable, conceived or made by Agent while holding any Position with Franchisee and related to the temporary unskilled, semi-skilled or skilled industrial personnel business, all of which shall be automatically owned by Franchisor, without compensation to Agent. Whenever requested to do so by Franchisor, Agent will execute any and all applications, assignments or other instruments which Franchisor shall deem necessary to apply for and obtain patents and/or copyrights or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination of Agent's Position with respect to inventions, discoveries and improvements conceived or made by Agent while holding any Position with Franchisee, and shall be binding upon Agent's assigns and personal representatives.

1.5. Return of Confidential Material. Upon termination of his or her Position with Franchisee, Agent shall promptly return to Franchisee all copies of any materials containing the Confidential Information and all property belonging to Franchisee and Franchisor, or either of them, in Agent's possession, custody or control, including any of such items produced or prepared by Agent.

2. Noncompetition.

2.1. Covenant. Agent recognizes that: (a) The temporary unskilled, semi-skilled and skilled industrial personnel business is very competitive; (b) the System is currently operated in numerous states throughout the United States and is intended to be national in scope; (c) by virtue of his or her Position, Agent will have access to the Confidential Information and will have close contacts with the customers serviced by Franchisee for the purpose of maintaining and further developing Franchisee's business and the business and goodwill of the System; (d) for these very reasons, the Position also provides Agent with the attendant ability to divert customer trade; and (e) consequently, Franchisor and Franchisee each have

strong legitimate interests in obtaining the covenants herein for the protection of their respective businesses and goodwill. Therefore, without the express prior written consent of Franchisor and Franchisee, which either may withhold in its sole absolute discretion, Agent agrees that neither Agent, nor any person or entity under Agent's control, nor any of Agent's Immediate Family Members (as defined in Paragraph A of Section 2.2 below), shall, during the Time Period (as defined in Paragraph B of Section 2.2 below), directly or indirectly, engage in any Prohibited Conduct (as defined in Paragraph C of Section 2.2 below) within the Area (as defined in Paragraph D of Section 2.2 below).

2.2. Definitions.

A. For the purposes of this Agreement, the term "**Immediate Family Members**" shall include Agent's spouse, parents, spouse's parents, siblings, spouse's siblings, children, and the spouses of these family members.

B. For the purposes of this Agreement, the term "**Time Period**" shall mean: (a) The period that Agent holds any Position with Franchisee; and (b) after the Agent no longer holds a Position with Franchisee and has ceased engaging in any Prohibited Conduct within the Area, for a period of (i) two (2) years if Agent is or ever was a Controlling Agent, or (ii) one (1) year if Agent never was a Controlling Agent.

C. For the purposes of this Agreement, the term "**Prohibited Conduct**" shall mean: (a) If Agent is or ever was a Controlling Agent, rendering services or providing financing to, being employed by, or having any financial, beneficial or equitable interest in any temporary unskilled, semi-skilled or skilled industrial personnel business; or (b) if Agent never was a Controlling Agent, engaging in activities comparable to those Agent engaged in while holding a Position with Franchisee for any other temporary unskilled, semi-skilled or skilled industrial personnel business.

D. For the purposes of this Agreement, the term "**Area**" shall include: (a) The geographic area in which Franchisee provides or provided services to customers; and (b) a radius of twenty (20) miles from the office of Franchisee in which Agent worked; and (c) a radius of twenty (20) miles from each additional office operated by Franchisee; and (d) for an Agent who is or ever was a Controlling Agent, a radius of twenty (20) miles from any temporary unskilled, semi-skilled or skilled industrial personnel business office operated or franchised by Franchisor or any of its affiliates at the time Agent's Position with Franchisee ends. In addition, for the period that any Agent's Position is that of a Controlling Agent, the term Area shall also include: (i) the entire state(s) where Franchisee conducts its business; and (ii) throughout the United States.

3. No Solicitation.

3.1. Employees. While Agent holds a Position with Franchisee, and for a period of one (1) year after Agent no longer holds a Position with Franchisee, Agent shall not: (a) employ or solicit for employment any person who is at the time employed by Franchisor, Franchisee, any affiliate of Franchisor, or any other franchisee in the System, or (b) directly or indirectly induce such person to leave such employment.

3.2. Customers. While Agent holds a Position with Franchisee, and for a period of one (1) year after Agent no longer holds a Position with Franchisee, except for any solicitations Agent makes on behalf of Franchisee, Agent shall not solicit as a customer for temporary unskilled, semi-skilled or skilled industrial personnel services: (a) Any customers to whom Franchisee provided services during the period Agent held a Position with Franchisee; or (b) any other persons or entities who were customers of other System franchisees or affiliates of Franchisor during the period Agent held a Position with Franchisee; or (c) any prospective customers to whom Franchisee made proposals or bids during the one (1) year period before Agent's Position with Franchisee ended.

4. Modification. Each of the covenants set forth in this Agreement shall be construed as independent of any other agreement. Franchisor may reduce the scope of the obligations under any of the covenants

in this Agreement unilaterally and without the consent of any other person or entity, effective upon giving notice thereof.

5. Remedies.

5.1. Acknowledgments. Agent, individually and on behalf of Agent's Immediate Family Members, acknowledges and agrees that their experience and capabilities are such that each of them can obtain employment and engage in business activities which are of a different or non-competing nature from those prohibited hereunder; that the enforcement of a remedy of injunction will not prevent any of them from earning a reasonable living; and that the covenants contained in this Agreement are necessary for the protection of Franchisee and Franchisor's legitimate business interests and are reasonable in scope and in content.

5.2. Trade Secret Laws. The remedies set forth in this Agreement are in addition to and cumulative of any rights or remedies that may be available to Franchisor and/or Franchisee under any applicable laws relating to trade secrets and/or unfair competition, and nothing contained in this Agreement shall be construed as a waiver of any rights or remedies available to Franchisor and/or Franchisee under any applicable law.

5.3. Injunctive Relief. In the event of an actual or threatened breach of any of the provisions of this Agreement, Franchisee and Franchisor, or either of them, or their agents, shall immediately be entitled to injunctive relief restraining those responsible from the breach or threatened breach without having to show any actual damage. It is specifically agreed that Franchisee and Franchisor, or either of them, may incur incalculable and irreparable damage from any such violation, and that Franchisee and Franchisor, or either of them, have no fully adequate remedy at law and are entitled to injunctive relief for any such actual or threatened violation. Nothing herein shall be construed as prohibiting Franchisee and Franchisor, or either of them, from pursuing any other available remedies for such breach.

6. Survival. The provisions of this Agreement shall survive the expiration or termination of any agreement or relationship between Franchisee and Agent for any reason, and shall be enforceable notwithstanding the existence of any claim or cause of action of Agent against Franchisee and Franchisor, or either of them, predicated on any contract or other basis whatsoever.

7. Severability. In the event any term or provision of this Agreement is declared to be invalid or unenforceable for any reason, the provision shall be modified to the extent necessary to make it enforceable, or if it cannot be so modified, then severed, and the remaining terms of this Agreement shall remain in full force and effect, and it is hereby declared the intention of the parties that they would have executed the Agreement as so modified.

8. Notice. Any notice to be given to Agent under this Agreement will be sufficient and deemed delivered if it is in writing and delivered to the U.S. Post Office to be sent prepaid by certified or registered mail addressed to Agent at his or her residential address as provided below, or to such other residential address as Agent shall have provided in writing to both Franchisee and Franchisor.

9. Applicable Law. Except to the extent governed by federal trademark, copyright and arbitration statutes, the existence, validity, construction and sufficiency of performance of this Agreement and all matters relating to it shall be governed by the laws of the State of Florida applicable to agreements made and to be entirely performed in Florida, without regard to, and without giving effect to, the application of any Florida conflict of laws rules; provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of Florida, then such provisions shall be governed by the laws of the state in which the office of Franchisee's temporary unskilled, semi-skilled and skilled industrial personnel business is located; and provided further that if Agent never was a Controlling Agent, this Agreement shall be governed by the laws of the state in which the office of Franchisee's temporary unskilled, semi-skilled and skilled industrial personnel business is located; and provided further that the Uniform Franchise Offering Circular delivered to Franchisee prior to entering into the Franchise Agreement contained a State Law Addendum, which is hereby incorporated into this Agreement, referencing and

summarizing certain existing local laws of other jurisdictions, and the application of Florida law shall not abrogate or reduce any rights of Franchisee or its Controlling Agent(s) provided for under such existing local laws which by their terms apply and supersede Florida law (unless local law conflicts with federal law and is preempted).

10. General. Except as otherwise expressly provided herein, this Agreement contains the entire understanding between the parties with respect to the subjects hereof, and supersedes all prior oral and written negotiations and agreements. Except as provided in Section 4, this Agreement may be amended only by an instrument in writing signed by Franchisee and Agent. The waiver of any breach or violation of this Agreement shall not be deemed to amend this Agreement and shall not constitute a waiver of any other or subsequent breach. Headings are for convenience and shall not limit or control interpretation. Words in this Agreement shall be deemed to refer to whatever number and gender the context requires. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Franchisor shall be a third party beneficiary of this Agreement and entitled to enforce it as though Franchisor were a signatory. Should Franchisor or Franchisee be required to enforce its rights hereunder, it shall be entitled to recover its reasonable costs and expenses, including without limitation attorneys' fees.

AGENT
 (Individually, and on behalf of Agent's Immediate Family Members and all persons and entities under Agent's control):

 (Signature)

 (Name: Printed or Typed)

Position(s) with Franchisee [check all that apply]:

- _____ % Owner
- Director
- Officer: _____ [provide title]
- Regional Manager
- Manager
- Assistant Manager
- Administrative Assistant
- Other: _____ [specify]

 (Residential Street Address)

 (City, State, Zip Code)

ACCEPTED BY FRANCHISEE
 (For itself and on behalf of Franchisor):

 (Full Legal Name of Franchisee)

By: _____
 (Signature)

 (Name Printed or Typed)

Its: _____
 (Title)