

EXHIBIT A

STATE EFFECTIVE DATES AND ADDENDA

Following this page are addenda for the States of Arkansas, California, Hawaii, Illinois, Indiana, Iowa, Maryland, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, North Dakota, Rhode Island, South Dakota, Washington, and Wisconsin. If you or your proposed Unit location are located in one of these states, please read the addendum for your state, and the addendum to the Franchise Agreement that may apply to your transaction with us.

The Effective Dates of this Offering Circular for the States of California, Connecticut, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin are listed below. The Effective Date in all other states is shown on the cover page of the Offering Circular.

The regulatory authorities and registered agents for service of process in each state are listed in *Exhibit B*.

<u>STATE</u>	<u>EFFECTIVE DATE</u>
California	April 20, 2005 (renewal pending)
Connecticut	August 12, 2004 (permanent)
Florida	September 13, 2005
Hawaii	August 4, 2005 (renewal pending)
Illinois	March 30, 2005 (renewal pending)
Indiana	August 10, 2005 (renewal pending)
Kentucky	September 17, 2004 (permanent)
Maryland	Not currently registered
Michigan	August 10, 2005
Minnesota	April 1, 2005 (renewal pending)
Nebraska	Not currently registered
New York	July 26, 2005 (renewal pending)
North Dakota	Not currently registered
Rhode Island	Pending
South Dakota	Not currently registered
Texas	August 1, 2001 (permanent)
Utah	August 13, 2005
Virginia	April 15, 2005 (renewal pending)
Washington	April 29, 2005 (renewal pending)
Wisconsin	March 30, 2005 (renewal pending)

ARKANSAS

The following provision supersedes any inconsistent provisions in the Offering Circular and applies to all franchises offered and sold in the State of Arkansas:

1. Any provision of the Franchise Agreement or Development Agreement that would require you, at the time you enter into the Agreement, to assent to a release, assignment, novation, waiver or estoppel which would relieve any person from liability imposed by the Arkansas Franchise Practices Act is void to the extent that the provision violates this law.

CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

The following provisions supersede any inconsistent provisions in the Offering Circular and apply to all franchises offered and sold in the State of California:

1. Neither we nor any person identified in Item 2 of this Offering Circular are subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a, et seq., suspending or expelling these persons from membership in the association or exchange.

2. California Business and Professions Code Sections 20000 through 200043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement or Development Agreement contains a provision that is inconsistent with the law, the law will control.

3. The Franchise Agreement and Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, et seq.).

4. The Franchise Agreement and Development Agreement contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

5. The Franchise Agreement and Development Agreement requires mediation, arbitration and litigation in the city where we then have our principal place of business (currently Dallas, Texas), with the costs being borne by the non-prevailing party. Prospective franchisees and developers are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the

Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

6. The Franchise Agreement and Development Agreement require application of the laws of the State of Texas. This provision may not be enforceable under California law.

7. Any condition, stipulation or provision in the Franchise Agreement or Development Agreement which would result in your waiver of compliance with any provision of California Franchise Relations Act is void to the extent that the provision violates this law.

8. To the extent that Sections 15.4 and 15.5 of the Franchise Agreement or Section 11.2 of the Development Agreement would otherwise violate California law, these sections are amended by providing that all litigation by or between you and us, involving a franchised business operating in the State of California, which arises directly or indirectly from the Franchise Agreement will be commenced and maintained in the state courts of California or the United States District Court for California, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

9. The Franchise Agreement requires a franchise to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporation Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

10. California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Corporations prior to a solicitation of a proposed material modification of an existing franchise.

11. The Franchise Agreement contains a liquidated damages clause. Under Civil Code, Section 1671 certain liquidated damage clauses are unenforceable.

11. The URL address of our web site is www.paciugo.com. OUR WEB SITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEB SITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT www.corp.ca.gov.

HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

A. As of the date of this Offering Circular, we have not registered or filed an offering circular in any state, except as shown on *Exhibit A*.

1. Unless exempt, the registration or filing of this Offering Circular is pending in the States shown on *Exhibit A* to this Offering Circular.
2. No states have refused, by order or otherwise, to register these franchises.
3. No states have revoked or suspended the right to offer these franchises.
4. The proposed registration of these franchises has not been withdrawn in any state.

B. Any provision of the Franchise Agreement or Development Agreement that would require you, at the time you enter into the Agreement, to assent to a release, assignment, novation, or waiver which would relieve any person from liability imposed by Hawaii Franchise Investment Law is void to the extent that the provision violates this law.

ILLINOIS

The following provisions supersede any inconsistent provisions in the Offering Circular and apply to all franchises offered and sold in the State of Illinois:

1. The fourth paragraph of the receipt as *Exhibit I* is amended to read as follows:

IF WE DO NOT DELIVER THIS OFFERING CIRCULAR ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE ILLINOIS ATTORNEY GENERAL OFFICE, 500 SOUTH SECOND STREET, SPRINGFIELD, ILLINOIS 62706.

2. Parts 2 and 3 of the second paragraph of the receipt as *Exhibit I* are amended to read as follows

(2) 14 DAYS BEFORE THE SIGNING OF A BINDING AGREEMENT; OR

(3) 14 DAYS BEFORE PAYMENT TO US.

3. Item 17 of the Offering Circular is amended by adding the following at the beginning of that Item:

NOTICE REQUIRED BY LAW

THE CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19 AND 20.

5. To the extent that Sections 15.4 and 15.5 of the Franchise Agreement or Section 11.2 of the Development Agreement would otherwise violate Illinois law, these sections are amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

6. The Illinois Franchise Disclosure Act, as amended, applies to this transaction and supersedes any conflicting provisions of the Franchise Agreement, Development Agreement or Texas law.

7. Any provision in the Franchise Agreement or Development Agreement that would require you to waive any right granted by the Illinois Franchise Disclosure Act is void to the extent that the provision violates this law.

INDIANA

The following provisions supersede any inconsistent provisions in the Offering Circular, and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Offering Circular, the Franchise Agreement, Development Agreement or Texas law, if these provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as including any material breach of the Franchise Agreement, will supersede the provisions of Section 13 of the Franchise Agreement to the extent Section 13 may be inconsistent with this prohibition.
3. Any provision in the Franchise Agreement or Development Agreement which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that the provision violates this law.
4. The following provision will be added to the Franchise Agreement as Section 15.6:

15.6 No Limitation on Litigation. Notwithstanding the foregoing provisions of this Section 16, any provision in the Franchise Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any contractual provision violates the Indiana Deceptive Franchise Practices Law.
4. The following provision will be added to the Development Agreement as Section 11.9:

11.9 No Limitation on Litigation. Notwithstanding the foregoing provisions of Section 11.2, any provision in the Development Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any contractual provision violates the Indiana Deceptive Franchise Practices Law.

IOWA

The following provision supersedes any inconsistent provisions in the Offering Circular and applies to all franchises offered and sold in the State of Iowa:

1. Any provision in the Franchise Agreement or Development Agreement which would result in your waiver of any rights under Iowa Business Opportunity Promotions Law prior to or at the time of your execution of the Franchise Agreement or Development Agreement is void to the extent that the provision violates this law.

MARYLAND

The following provisions supersede any inconsistent provisions in the Offering Circular, and apply to all franchises offered and sold in the State of Maryland:

1. Any provision in the Franchise Agreement or Development Agreement which terminates the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law.

2. Any provision in the Franchise Agreement or Development Agreement that would require you, as part of the Franchise Agreement or Development Agreement or as a condition of the sale or assignment of the franchise, to assent to a release which would relieve any person from liability imposed under the provisions of the Maryland Franchise Law is void to the extent that the provision violates this law.

3. Any provision in the Franchise Agreement or Development Agreement which operates to waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland is void to the extent that the provision violates this law.

MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

1. A prohibition on the right of a franchisee to join an association of franchisees.

2. A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this Act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any claims.

3. A provision that permits a Franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the franchisee to comply with any lawful provision of the Franchise Agreement or Development Agreement and to cure this failure after being given written notice thereof and a

reasonable opportunity, which in no event need be more than 30 days, to cure this failure.

4. A provision that permits a Franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the Franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of Franchisor's intent not to renew the license.

5. A provision that permits the Franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

6. A provision requiring that arbitration or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

7. A provision which permits a Franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a Franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:

a. The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards.

b. The fact that the proposed transferee is a competitor of the Franchisor.

c. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

d. The failure of the franchisee or proposed transferee to pay any sums owing to the Franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

8. A provision that requires the franchisee to resell to the Franchisor items that are not uniquely identified with the Franchisor. This subdivision does not prohibit a provision that grants a Franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the Franchisor

the right to acquire the assets of a franchise for the market or appraised value of the assets if the franchisee has breached the lawful provisions of the Franchise Agreement and has failed to cure the breach in the manner provided in Subdivision (c).

9. A provision which permits the Franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

MINNESOTA

The following provisions supersede any inconsistent provisions in the Offering Circular and apply to all franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement or Development Agreement which would require you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statutes sections 80C.01 to 80C.22 will be void to the extent that the contractual provision violates this law.

2. Minnesota Statute §80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Offering Circular or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Any provision in the Franchise Agreement or Development Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any Franchise Agreement relating to franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement or Development Agreement relating to exclusive mediation and arbitration.

3. The following language will appear as Section 15.6 of any Franchise Agreement issued in the State of Minnesota.

15.6 No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, this Section 16 and the first sentence of Section 17.5 will not in any way abrogate or

reduce any of your rights as provided for in the Minnesota Statutes, Chapter 80C.

4. Item 17 of this Offering Circular is amended by the addition of the following language:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure).

5. Item 13 of this Offering Circular is amended by the addition of the following language:

We will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System Standards.

MISSOURI

The following provision supersedes any inconsistent provisions in the Offering Circular, and applies to all franchises offered and sold in the State of Missouri:

1. Termination provisions contained in the Franchise Agreement will afford you 90 days written notice in advance of any termination, except that 90 days notice is not required for termination as a result of your criminal misconduct, fraud, abandonment, bankruptcy, insolvency, or giving a "no account" or "insufficient funds" check to us.

NEBRASKA

The following provisions supersede any inconsistent provisions in the Offering Circular and apply to all franchises offered and sold in the State of Nebraska:

1. No release language set forth in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Nebraska.

2. No language set forth in the Franchise Agreement or Development Agreement will operate to restrict the sale of any equity or debenture issue or the transfer of any securities of any franchisee or in any way prevent or attempt to prevent the transfer, sale or issuance of shares of stock or debentures to employees, personnel of the franchisee, or heirs of the principal owner, so long as basic financial requirements of the

Franchisor are complied with and any sale, transfer or issuance does not have the effect of accomplishing a sale of the franchise.

NEW JERSEY

The following provisions supersede any inconsistent provisions in the Offering Circular and apply to all franchises offered and sold in the State of New Jersey:

1. No release language set forth in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of New Jersey.
2. No language set forth in the Franchise Agreement or Development Agreement will operate to restrict the sale of any equity or debenture issue or the transfer of any securities of a franchise or in any way prevent or attempt to prevent the transfer, sale or issuance of shares of stock or debentures to employees, personnel of the franchisee, or heir of the principal owner, so long as basic financial requirements of the Franchisor are complied with, and provided that any sale, transfer or issuance does not have the effect of accomplishing a sale of the franchise.
3. Any term or condition which may directly or indirectly violate the New Jersey Franchise Practices Act is deleted from the Offering Circular and the Franchise Agreement.

NEW YORK

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THIS OFFERING CIRCULAR. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS OFFERING CIRCULAR.

The following provision supersedes any inconsistent provisions in the Offering Circular and applies to all franchises offered and sold in the State of New York:

1. No release language set forth in the Franchise Agreement or Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of New York.
2. Item 3 of the Offering Circular is amended by adding the following language at the end of that item:

Neither we nor any person identified in Item 2 of the Uniform Offering Circular:
(a) have an administrative, criminal or civil action pending against that person

alleging a felony, a violation of a franchise, anti-trust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations; (b) has any other action pending against that person, other than routine litigation incidental to the business, which is significant in the context of the number of franchisees or franchisees and the size, nature or financial condition of the franchise or franchise system or its business operations; (c) has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, anti-fraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations; (d) is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; (e) is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or (f) is subject to a currently effective injunction or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as to a real estate broker or sales agent.

3. Item 4 of the Offering Circular is amended by substitution of the following for the last paragraph of that item:

Neither we, our affiliates, nor our officers, during the ten year period immediately before the date of the Offering Circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after any of our officers held this position in the company or partnership.

4. Item 5 of the Offering Circular is amended by adding the following language at the end of that item:

Proceeds from initial franchise fees are added to working capital and are, in part, used to pay or defray some of the following expenses and costs incurred by us: (a) screening and approving prospective Franchisees; (b) employees' salaries, fringe benefits and expenses with respect to the preparation and registration of the franchise offering; (c) prior research and development relating

to the standards, procedures and techniques for the System; (d) providing you with initial training; (e) providing you with initial and continuing consultation; (f) legal fees, accounting fees and other fees incurred in connection with compliance with federal, state and other laws with respect to this franchise offering; and (g) administrative expenses.

5. Item 12 of the Offering Circular is amended by adding the following at the end of that item:

It is not possible to describe the Franchisee's Protected Territory in quantifiable terms, such as population or a radius of miles. The size of the Protected Territory granted will depend upon our evaluation of the geographic scope of each prospective Franchisee's reasonable market area. The territory may range in size from part of a zip code region or city limits to a multi-county area.

NORTH DAKOTA

The following provisions supersede any inconsistent provisions in the Offering Circular and apply to all franchises offered and sold in the State of North Dakota:

1. Covenants not to compete upon termination or expiration of the Franchise Agreement are subject to Section 9-08-06, N.D.C.C., and may be generally unenforceable in the State of North Dakota.
2. In the event that either party will make a demand for mediation, mediation will be conducted in a mutually agreed upon site.
3. To the extent that Sections 15.4 and 15.5 of the Franchise Agreement or Section 11.2 of the Development Agreement would otherwise violate North Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a franchised business operating in the State of North Dakota, will be commenced and maintained, at our election, in the state courts of North Dakota or the United States District Court for North Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.
4. North Dakota law applies to this transaction and supersedes any conflicting provisions of the Franchise Agreement, Development Agreement or Texas law.

RHODE ISLAND

The following provision supersedes the Offering Circular and applies to all franchises offered and sold in the State of Rhode Island:

1. To the extent that Sections 15.4 and 15.5 of the Franchise Agreement and Section 11.2 of the Development Agreement would otherwise violate Rhode Island law, these sections are amended by providing that all litigation by or between you and us, involving a Franchised Business operating in the State of Rhode Island, will be commenced and maintained, at our election, in the state courts of Rhode Island or the United States District Court for Rhode Island, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

SOUTH DAKOTA

The following provisions supersede any inconsistent provisions in the Offering Circular and apply to all franchises offered and sold in the State of South Dakota.

1. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law.

2. Franchise registration, employment, covenants to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this Agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Texas.

3. To the extent that Sections 15.4 and 15.5 of the Franchise Agreement and Section 11.2 of the Development Agreement would otherwise violate South Dakota law, these sections are amended by providing that all litigation by or between you and us, involving a Franchised Business operating in the State of South Dakota, will be commenced and maintained, at our election, in the state courts of South Dakota or the United States District Court for South Dakota, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements.

4. Termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the Offering Circular, and Franchise Agreement will afford you thirty (30) days written notice with an opportunity to cure the default before termination.

WASHINGTON

The following provisions supersede any inconsistent provisions in the Offering Circular and apply to all franchises offered and sold in the State of Washington:

1. Any provision in the Franchise Agreement or Development Agreement which would require you to assent to a release, assignment, novation, or waiver which would relieve

any person from liability imposed by the Washington Franchise Investment Protection Act will be void to the extent that the provision violates this Act.

2. If any of the provisions in this Offering Circular or Franchise Agreement or Development Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the Offering Circular and Franchise Agreement and Development Agreement, as applicable, with regard to any franchise sold in the State of Washington.

WISCONSIN

The following provision supersedes any inconsistent provision in the Offering Circular and applies to all franchises offered and sold in the State of Wisconsin:

1. The Wisconsin Fair Dealership Law, Chapter 135, Stats., supersedes any provisions of this Offering Circular and the Franchise Agreement and the Development Agreement that are inconsistent with that law.

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