

FRANCHISE DISCLOSURE DOCUMENT



Toro Taxes Franchise, LLC
A Nevada limited liability company
6130 Elton Avenue
Las Vegas, Nevada 89107
(702) 741-4444
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www.torotaxes.com

The franchise that we offer is for a business that provides services for the preparation and filing of income tax returns and related services and products (each, a “Franchised Business” or “Toro Taxes Business”). The Franchised Business may be established as either a full-service Toro Taxes store or a seasonally operated Toro Taxes kiosk.

The estimated initial investment necessary to begin operation of a Toro Taxes Business under a franchise agreement is \$37,835 to \$64,150. This includes \$25,000 that must be paid to the franchisor or its affiliates. The estimated initial investment necessary to begin operation of a Conversion Toro Taxes Business under a franchise agreement is \$13,210 to \$34,650. This includes \$5,000 to \$10,000 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Nick Maldonado, Toro Taxes Franchise, LLC at 6130 Elton Avenue, Las Vegas, Nevada 89107, (702) 741-4444.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: July 22, 2021

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits F and G.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Toro Taxes business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a Toro Taxes franchisee?	Item 20 or Exhibits F and G list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The Franchise Agreement require you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Nevada. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Nevada than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all your financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouses' marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments regardless of your sales levels. Your inability to make payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

NOTICE REQUIRED BY THE STATE OF 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.

The Michigan Franchise Law states in Sec. 445.1527, Sec.27 that each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) 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 shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) 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 franchise 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 franchise.
- (e) 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.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) 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 shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

- (iv) 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.
- (h) 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 to 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 such 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).
- (i) 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 services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Antitrust & Franchise
G. Mennen Williams Building, 1st Floor
525 West Ottawa
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

Toro Taxes®
Franchise Disclosure Document

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Toro Taxes Franchise, LLC, franchisor of the Toro Taxes franchise system, is referred to in this franchise disclosure document (the “Disclosure Document”) as “we”, “us” or “our” as the context requires. A franchisee is referred to in this Disclosure Document as “you” and “your” as the context requires. If you are a corporation, partnership or other legal entity (a “Corporate Entity”), our franchise agreement will also apply to your individual owners, shareholders, members, officers, directors and other principals.

The Franchisor

We are a Nevada limited liability company established on April 5, 2019. Our business address is 6130 Elton Avenue Las Vegas, Nevada 89107. We conduct business under our corporate name Toro Taxes Franchise, L.L.C and under the Toro Taxes trade name. We have first begun offering franchises as of the Issuance Date of this Disclosure Document. Our predecessor had been conducting business and offering franchises under the Toro Taxes name since September 2015. Other than as discussed above, we are not in any other business, we have not conducted business in any other line of business, and we have not offered or sold franchises in any other line of business. We do not have any parent company. Our registered agents for service of process are disclosed in Exhibit B of this Disclosure Document.

Our Predecessors

In an agreement effective on January 1, 2020, we acquired the rights and license to operate the Toro Tax Franchise System from our affiliate and predecessor Toro Tax Franchising LLC, a Nevada limited liability company established on October 23, 2014 with a principal place of business at 6130 Elton Avenue Las Vegas, Nevada 89107.

Additionally, we acquired the majority of the franchise assets of our affiliate and predecessor Los Taxes Franchise Corp. pursuant to an agreement with an effective date of January 1, 2020. As of the issuance date of this franchise document, all outlets previously operating pursuant to a Los Taxes Franchise Corp. agreement (“Former Los Taxes Franchisees”) are now operating within the Toro Taxes system under the Licensed Marks. Los Taxes Franchise Corp. is a Delaware corporation that was formed on June 9, 2015 and has its principal place of business at 11230 Triangle Lane, Wheaton, Maryland 20902. Los Taxes Franchise Corp began offering franchises for a tax preparation business since June 2016. Unless you are a former franchisee converting to the Toro Tax System, you will not conduct business directly with this affiliate.

The Franchised Business

We have developed and license a system (the “System”) for the operation of a business that provides: (i) individual income tax preparation, filing and related services for individuals; and (ii) business division services that include income tax preparation services, bookkeeping and related administrative services for businesses. The System is presently identified by the “Toro Taxes” trademark, the Toro Taxes logo and such other trade-names, trademarks, logos, and commercial symbols as we may designate, modify and adopt from time to time for use in the System and as same may or may not be registered with the United States Patent and Trademark Office (collectively referred to as the “Licensed Marks”).

In this Disclosure Document we refer to Toro Taxes Businesses in our System as “Toro Taxes Businesses” and we refer to the Toro Taxes Business that you will establish and operate as “your Toro Taxes Business”. A Toro Taxes Business may be established as either a store (a “Toro Taxes Store”) or as a Kiosk (a “Toro Taxes Kiosk”). A Toro Taxes Store will be established and operated from a retail store facility that is approved by us and is exclusively devoted to the operation of your Toro Taxes Business. A Toro Taxes Kiosk will be operated from a kiosk located within a retail store facility of a third-party business that is approved by us and will typically be operated on a seasonal basis. Toro Taxes Kiosk Businesses may be

operated seasonally from January 1 through April 30th (the “Tax Season”), unless the Toro Taxes Kiosk also elects to offer Business Division Services (defined below) directly to customers. If you operate a Toro Taxes Store or elect to provide Business Division Services from your Toro Taxes Kiosk, then your Toro Taxes Business must maintain normal weekly business hours throughout the entire calendar year.

You may enter into a Toro Taxes franchise agreement in the form attached to this Disclosure Document (the “Franchise Agreement”) to establish and operate a Toro Taxes Business at a fixed location (the “Franchise Location”). Your Franchise Agreement will designate whether your Toro Taxes Business is a Toro Taxes Store or a Toro Taxes Kiosk. You will operate your Toro Taxes Business exclusively from your approved Franchise Location.

If you are the operator of an existing tax preparation business (an “Existing Business”), you may qualify for a waived initial franchise fee under our conversion franchise program (the “Conversion Program”). If we approve your application to join our Conversion Program, you will execute a Conversion Addendum to the Franchise Agreement (Exhibit 12 of the Franchise Agreement).

You will be required to develop and operate your Toro Taxes Business in accordance with the requirements of our System. The System includes individual income tax preparation and filing services, financial and other value-added products and services for individuals including, but not limited to, services and products that include bank products, audit protection and roadside assistance and those products and services that we designate and require Toro Taxes Businesses to exclusively offer and provide (the “System Products and Services”). If you participate in our business division service program (the “Business Division”) the System Products and Services for your Toro Taxes Business will also include income tax preparation services, bookkeeping, and related administrative services for businesses (the “Business Division Services”).

We may modify the System Products and Services from time to time. The System also features and requires, as designated by us, the utilization of tax preparation software, tax preparation filing services, loan service providers, refund anticipation loan service providers, financial service providers and financial products, branded materials, uniforms, displays, and marketing materials that we may designate and modify from time to time (collectively, the “System Equipment, Supplies and Services”). You must exclusively utilize the System Equipment, Supplies and Services that we designate. Among other things, the System Equipment, Supplies and Services also includes bank products that your Toro Taxes Business must offer and provide to customers related to the processing and payment of fees due to your Toro Taxes Business for tax preparation services, other services provided by the Franchised Business, and for the processing and payment of tax refunds due to customers (“Bank Products”). You must operate your Toro Taxes Business in accordance with the specifications, procedures, criteria and requirements set forth in our confidential operations manual and other proprietary manuals that we may designate and loan to you and, as such operations manual and other manuals may be modified by us from time to time (collectively, the “Manuals”).

Franchise Agreement

You may enter into a franchise agreement in the form attached to this Disclosure Document as Exhibit E (the “Franchise Agreement”) to establish and operate one Toro Taxes Business from a single Franchise Location. Your Franchise Agreement will designate whether or not your Toro Taxes Business is a Toro Taxes Store or a Toro Taxes Kiosk. You will be required to develop and operate your Toro Taxes Business in accordance with the requirements of our System and at a Franchise Location that we approve in writing. A Toro Taxes Franchise Location will ordinarily be located in retail shopping centers and similar high traffic retail consumer based commercial locations. If you do not have an approved site for your Franchised Location you must select a site in accordance with the Franchise Agreement, our standards and specifications, and, you must obtain our written approval of the Franchise Location. Your rights will be

limited to the establishment and operation of a single location Toro Taxes Business that exclusively offers and provides our System Products and Services and uses our System Equipment, Supplies and Services from your Franchise Location.

Our Affiliates

Toro Enterprises, LLC

Our affiliate, Toro Enterprises, LLC, is a Nevada limited liability company established on August 6, 2013. Toro Enterprises, LLC's principal business address is 6130 Elton Avenue Las Vegas, Nevada 89107. Toro Enterprises, LLC utilizes the Licensed Marks and System in its operation of a Toro Taxes Businesses in Las Vegas, Nevada. You will not directly conduct business with this affiliate. Toro Enterprises, LLC has not in the past and does not now offer franchises in any lines of business.

Latinx Entrepreneur Training Centers LLC

Our affiliate, Latinx Entrepreneur Training Centers LLC, is a Nevada limited liability Company established on July 5, 2019. Latinx Entrepreneur Training Centers LLC's principal business address is 6130 Elton Avenue Las Vegas, Nevada 89107. This affiliate may provide certain training center services to your Franchised Business. Latinx Entrepreneur Training Centers LLC has not in the past and does not now offer franchises in any lines of business.

Toro Cares

Our affiliate, Toro Cares, is a Nevada nonprofit corporation established on January 30, 2020. Toro Cares' principal business address 6130 Elton Avenue Las Vegas, Nevada 89107. This affiliate is a charitable organization that conducts a charitable program involving the collection of donations from Toro Taxes businesses that elect to opt into the program. Opting into the program is voluntary. Toro Cares has not in the past and does not now offer franchises in any lines of business.

Toro Life, LLC

Our affiliate, Toro Life, LLC, is a Nevada limited liability Company established on December 21, 2016. Toro Taxes Business Division LLC's principal business address 6130 Elton Avenue Las Vegas, Nevada 89107. This affiliate may provide training and support to your Franchised Business. Toro Life, LLC has not in the past and does not now offer franchises in any lines of business.

Toro Taxes Business Division LLC

Our affiliate, Toro Taxes Business Division LLC, is a Nevada Limited Liability Company established on September 19, 2017. Toro Taxes Business Division LLC's principal business address is 6130 Elton Avenue Las Vegas, Nevada 89107. This affiliate may provide optional training, software and support to franchisees that offer business through their Toro Tax Business, including processing payments for your Franchised Business. Toro Taxes Business Division LLC has not in the past and does not now offer franchises in any lines of business.

Our Predecessor

Toro Tax Services, Inc.

Our predecessor Toro Tax Services, Inc. was a California corporation that was incorporated on September 10, 2012 and maintained a principal place of business at 1924 S. Maryland Pkwy, Las Vegas, Nevada 89104. Toro Tax Services, Inc. previously offered and entered into license agreements granting third party licensees the right to utilize the System and Licensed Marks in connection with the operation of Toro Taxes Businesses. Toro Tax Services, Inc. no longer offers licenses and will not offer licenses in the future. We disclose and identify Toro Taxes licensees with our franchisees in this Disclosure Document.

Market and Competition

Toro Tax Businesses provide tax preparation, tax filing and other financial services to retail consumers. You may also be given the option to offer additional services and products including, but not limited to, refund anticipation loans, tax planning services and assistance in resolving tax-related challenges (such as tax garnishments, tax liens, tax levies, tax payment plans, etc.) accounting services for businesses, insurance sales through our affiliates, and other tax and/or bookkeeping-related services and products agreed to by us in writing (the “Supplemental Services”). The individual tax preparation division of your Toro Taxes Business will be highly seasonal in nature with customer activity primarily occurring from December through the middle of April each year. The Business Division Services will not be seasonal and will be offered and provided throughout the year. The market for tax preparation services and Business Division Services and for the services offered by your Toro Taxes business is well established and extremely competitive. Competition includes large national tax preparation chains, as well as regional and local tax preparation chains, independent tax preparation businesses and local tax preparers, accountants and enrolled agents.

Industry Specific Laws

Your Toro Taxes Business will be governed by and subject to local, state and federal rules and regulations regarding tax preparation services, refund anticipation loans (“RALS”) and the services offered by your Toro Taxes Business, including the Supplemental Services that your Toro Taxes Business may be authorized to offer. You or your System Franchisees will not need to obtain a California’s lender license as all RALS are offered through a third party banking partner.

The Internal Revenue Code (“IRC”) and the rules and regulations issued under the IRC and by the Internal Revenue Service (“IRS”) extensively regulate all aspects of tax preparation businesses and your Toro Taxes Business. The preparation and electronic filing of tax returns is critical to the operations of your Toro Taxes Business. You cannot file tax returns electronically unless you qualify for and obtain an electronic filing identification number (“EFIN”) from the IRS. You can apply for an EFIN by submitting a completed application to the IRS. Instructions for becoming an authorized e-filer and obtaining an EFIN are available on the Internet. The IRS will screen you prior to issuing you an EFIN and if you do not pass the IRS background suitability check you will not be able to obtain an EFIN. You may not pass the IRS suitability check for a variety of reasons that include but are not limited to: an indictment or conviction of any criminal offense under the laws of the United States or of a state or other political subdivision, or an active IRS criminal investigation; failure to file accurate federal, state, or local tax returns; failure to pay any federal, state, or local tax liability; assessment of fraud penalties; suspension/disbarment from practice before the IRS or before a state or local tax agency; disreputable conduct or other facts that may adversely impact IRS e-file; misrepresentation on an IRS e-file application; unethical practices in return preparation; non-compliance with §6695(g) of the Internal Revenue Code; stockpiling returns prior to official acceptance to participate in IRS e-file; knowingly and directly or indirectly employing or accepting assistance from any firm, organization, or individual denied participation in IRS e-file, or suspended or expelled from participating in IRS e-file (including any individual whose actions resulted in the denial, suspension, or expulsion of a firm from IRS e-file); knowingly and directly or indirectly accepting employment as an associate, correspondent, or as a subagent from, or sharing fees with, any firm, organization, or individual denied participation in IRS e-file, or suspended or expelled from participating in IRS e-file (including any individual whose actions resulted in denial, suspension, or expulsion of a firm from IRS e-file); or you have been enjoined from filing returns by a federal or state court injunction or prohibited from filing returns by any federal or state legal action that prohibits you from participation. You cannot operate a Toro Taxes business if you are unable to obtain an EFIN. If necessary, you agree to allow us to discuss your EFIN status with the IRS and any state or local tax authorities. You agree to authorize the IRS and any state or local agency to fully disclose to us any issues or problems regarding your EFIN.

The IRS requires that all tax preparers become a Registered Tax Preparer (“RTP”) with the IRS to obtain a Preparer Tax Identification Number (“PTIN”) and tax preparers must renew their PTIN each year. You must have a minimum of one RTP in your Toro Taxes Business (which can be you, any owner or non-owner of your Toro Taxes Business) unless you are already a Certified Public Account or enrolled agent. Each of your tax preparers must use appropriate diligence in preparing tax returns, verify tax returns and submit their signatures and PTIN on all tax returns prepared by them. Your tax preparers must also furnish a copy of the tax returns to the client, maintain a client list, safeguard client’s privacy, and not negotiate, directly or indirectly, with clients regarding tax refund checks. You are required to retain copies of all tax returns prepared for at least three years. Each of your tax preparers is required to comply with the continuing professional education (“CPE”) requirements of the state where your Toro Taxes Business is located. It is your responsibility to ensure that each of your tax preparers adhere to the above requirements.

The Federal Trade Commission’s Safeguards Rule requires that tax preparers use physical, administrative and technological means to safeguard confidential client data. The federal Gramm Leach Bliley Act requires that tax preparers advise clients of what type of confidential data they collect, the use made of this data, and safeguards in place to protect it.

States have laws and regulations governing the preparation of state tax returns. Most states have regulations regarding the electronic filing of tax returns. However, many states accept the federal suitability testing, so if you can obtain an EFIN from the IRS, you can file many state returns electronically as well. Certain states also have privacy laws and may require tax preparers to purchase a bond. There may be other state laws and regulations that govern the practice of a tax preparation business.

In California, tax preparers are governed by the California Business and Professions Code Sec. 22250-22259. In summary, those laws require tax preparers (except certified public accountants, attorneys and their employees, certain trust companies and businesses, financial institutions regulated by the state or federal government, and persons enrolled to practice before the IRS) to post a bond, possess certain educational attainment in tax preparation, annually complete continuing education in tax preparation, maintain and furnish tax records to clients, provide specific disclosures related to RALs, if offered, and not engage in dishonest business or advertising practices.

Some states have laws and regulations with respect to RALs, which may include the regulation of advertising associated with RALs. Some states also require submission and approval of a registration application as a “loan broker”, “credit services organization”, or “tax refund anticipation loan facilitator” in order to offer RALs for a fee or some other consideration. The laws in regard to offering RALs in your state may change at any time as the federal government or your state government may issue new laws and regulations or revise existing laws regulating the offering of RALs. Lending institutions may also impose new rules or restrictions on RAL lending or may decide to no longer offer RALs. These regulatory and business changes are not within our control.

You should investigate whether there are any regulations or laws in relation to offering RALs and any state or local regulations, exams or requirements that may apply in the geographic area in which you intend to conduct business. You should consider both their effect on your business and the cost of compliance. Although we may monitor legal requirements that affect our franchisees and we make our information available to you, because of the number of potential state and local issues, we cannot guarantee that it will be complete, current and accurate. Therefore, we recommend that before signing the franchise agreement, you engage an attorney or other professional advisor to assist you in both determining what laws, ordinances and regulations may affect your establishment or operation of a Franchise, and in complying with them. You are responsible for obtaining all licenses required in your state, county, as well as locality.

Additionally, federal laws and many states and local jurisdictions have enacted laws, rules, and regulations that may apply to your Toro Taxes Business, rules and regulations related to the zoning, construction, design and maintenance of your Toro Taxes Business and laws and regulations that apply to businesses generally, including rules and regulations involving employment practices, wage and hour laws, immigration and employment laws, employee health and safety and emergency preparedness, and equal access for the disabled (including requirements imposed by The Americans with Disability Act of 1990 and numerous state equivalent laws that may affect your Toro Taxes Business, including specialized entrance ramps, doors, seating, bathroom facilities and other facility requirements).

It is your sole responsibility to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time. We recommend that you consult with your attorney for an understanding of all the laws applicable to your specific Toro Taxes Business.

ITEM 2 **BUSINESS EXPERIENCE**

Nick Maldonado, Chief Executive Officer

Nick Maldonado is our co-founder and has served as our Chief Executive Officer since our formation in April 2019. Since its formation in October 2014 he has been our predecessor, Toro Taxes Chief Executive Officer. From September 2012 and continuing to date Mr. Maldonado has been the Chief Executive Officer of our affiliate Toro Tax Services, Inc. where Mr. Maldonado is involved in the development and management of our affiliate owned Toro Taxes Business. From January 2014 and continuing to date Mr. Maldonado has been the Chief Executive Officer of our affiliate Toro Enterprises, LLC where Mr. Maldonado is involved in the development and management of our affiliate owned Toro Taxes Business. All of Mr. Maldonado's positions have been based out of Las Vegas, Nevada.

Oscar Toro, West Coast Chief Operating Officer

Oscar Toro is our co-founder and has served as our West Coast Chief Operating Officer since our formation in 2019. Since our predecessor's formation in October 2014, he has been the Chief Operating Officer of Toro Taxes Franchising, LLC. From September 2012 and continuing to date Mr. Toro has been the President of our affiliate Toro Tax Services, Inc. where Mr. Toro is involved in the development and management of our affiliate owned Toro Taxes Business. From January 2014 and continuing to date Mr. Toro has been the President of our affiliate Toro Enterprises, LLC where Mr. Toro has is involved in the development and management of our affiliate owned Toro Taxes Business. All of Mr. Toro's positions have been based out of Las Vegas, Nevada.

Javier Solis – East Coast Chief Operating Officer

Javier Solis has served as our East Coast Chief Operating Officer since 2019. Mr. Solis has also served President and Chief Executive Officer of Los Taxes Franchise Corp. in Brooklyn, New York since June 2015. Since December 1999, Mr. Solis has also been President of E-File Tax Group, Inc d/b/a Los Taxes located in Brooklyn, New York.

Jessica Velazquez, Chief Financial Officer

Ms. Velazquez has served as our Chief Financial Officer since May 2020. Ms. Velazquez also serves as the managing partner and a founding member of Indiva Advisors, LLP in Las Vegas, Nevada; she has held this position since April 2016. Prior to these positions, she was a corporate tax advisor from June 2013 to April 2016 for her practice.

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Antonia Andrade, Vice President of Franchise Operations. Antonia Andrade has served as our Vice President of Franchise Operations since 2019. Ms. Andrade also serves as our predecessor's Executive Administrator and has held this position since July 2014. Both of Ms. Andrade's positions have been based out of Las Vegas, Nevada.

ITEM 3 **LITIGATION**

Toro Franchisees v. Toro Tax Franchising, LLC. - American Arbitration Association proceeding commenced under case number 01-16-0003-5186 by six Colorado based franchisees seeking rescission of their franchise agreements and claiming damages against our predecessors Toro Tax Franchising, LLC. In this arbitration proceeding the claimant franchisees allege, that they were not provided with proper notice and disclosure of our franchise disclosure document. The claimant franchisees also allege that they were provided with false financial performance representations that induced them to enter into their franchise agreements and that these representations were not disclosed in the FDD and were untrue. We have denied the allegations of the claimants in this litigation without any side admitting any liability. The parties entered into a settlement agreement to dismiss the proceedings and terminate the respective franchise agreement without any admission of liability from either party. Our predecessor agreed to pay the plaintiffs \$126,000 in three equal installments, and the plaintiffs agreed to return all requested computer equipment. The parties entered into a mutual release of all claims and disputes, other than claims arising from the parties' failure to comply with the terms of the settlement agreement. The parties also agreed to a mutual non-disparagement and confidentiality covenant, including an agreement not to disclose the terms of the settlement and the plaintiffs' agreement not to knowingly communicate with System franchisees.

Commonwealth of Virginia, ex rel State Corporation Commission v. Javier Solis and Los Taxes, Inc - Case No Sec-2017-00026 - Javier Solis was named in a lawsuit regarding the Los Taxes, Inc. franchise system in which the Virginia Division discovered that the franchisor had offered and sold an unregistered franchise location in Arlington, Virginia, in 2013. Although, Mr. Solis and Los Taxes, Inc. neither admitted nor denied any allegations, they did consent to the Commissioner's Jurisdiction and authority to enter into a settlement. This matter was settled, and the case was dismissed. Solis and Los Taxes, Inc. paid \$3,000 in monetary penalties and \$500 for the cost of investigation to Treasurer of Virginia.

Other than these proceedings, no litigation is required to be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

Our Chief Executive Officer, Nick Maldonado, filed a bankruptcy petition under the liquidation provisions of Chapter 7 of the U.S. Bankruptcy Code on February 28, 2011. In re Nick Flores Maldonado, No. 11-12716-lbr (D. Nev. 2011). On June 1, 2011, the bankruptcy court entered a discharge.

Other than these proceedings, no bankruptcy is required to be disclosed in this Item.

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ITEM 5 **INITIAL FEES**

Franchise Agreement

When you sign a Franchise Agreement, you will pay to us a non-refundable initial franchise fee (the “Initial Franchise Fee”) of \$25,000 for a Toro Taxes Store or a Toro Taxes Kiosk. The Initial Franchise Fee is fully earned by us upon payment and non-refundable. In the fiscal year ending December 31, 2020, our initial franchise fee ranged from \$0 to \$25,000. We have not negotiated any terms of the Franchise Agreement.

The method we use to calculate the Initial Franchise Fee is uniform for all franchises that we offer through this Disclosure Document, except that we offer the following discounts, which cannot be combined with one another and which must be requested by you in writing at the time of signing the Franchise Agreement:

Multiple Franchise Agreements.

If during the term of your initial Franchise Agreement you enter into additional Franchise Agreements for a Toro Taxes Store or a Toro Taxes Kiosk with us, you will pay us a non-refundable initial franchise fee of \$12,500 for each additional franchise agreement. Prior to entering into any additional franchise agreements with us you must be in compliance with the terms of all of your agreements with us and you must obtain our approval.

Conversion Program Discount and Rebate.

If you have at least two years of experience operating an existing tax preparation business, including a retail office or an existing book of tax preparation business (an “Existing Business”) we will offer a discount initial payment (the “Conversion Program Discount”). If you qualify for the Conversion Program Discount you will pay a discounted initial payment equal to \$5,000 (the “Initial Payment”) and execute a promissory note for the full Initial Franchise Fee (the “Conversion Promissory Note”). If you meet certain conditions, we will return the \$5,000 as a rebate and forgive any balance owed under the promissory note (the “Conversion Program Rebate”): (i) we approve your application to convert your Existing Business and rebrand as a Toro Taxes franchise under our Conversion Program; and (ii) you convert or otherwise obtain at least 100 tax clients during the first tax season following your Franchised Business’s grand opening. These files are referred to as the converted client files (the “Converted Client Files”). If you do not have 100 Converted Client Files by the first tax filing date (i.e., April 15th) following the opening of your Franchised Business, we will retain the \$5,000 and payments will begin under your Conversion Promissory Note.

The Conversion Program must be requested at the time of applying for the franchise and represents a one-time rebate applicable to the Initial Franchise Fee paid for the conversion of your Existing Business. This rebate is subject to you assigning the required number of Converted Client Files, and your execution of a conversion addendum at the time you sign the Franchise Agreement. This rebate cannot be combined with other rebates of the Initial Franchise Fee. We will either pay the rebate to you or forgive a portion of your promissory note if you financed your Initial Franchise Fee with us.

We have the right to vary, waive (in whole or in part), negotiate or make an exception to our published fee structure and/or payment terms for any reason, including, without limitation, large or otherwise significant transactions. We also have the right to negotiate conversion funding or other incentives that may vary in type, amount and duration. Our exercise of these rights may have the effect of directly or indirectly decreasing the initial franchise fee.

Los Taxes Franchisee Conversion Discount and Initial Franchise Fee Credit

If you previously entered into a Franchise Agreement with our affiliate Los Taxes Franchise Corp., and you execute our form of Franchise Agreement, we will grant you an additional Initial Franchise Fee credit which

may be exchanged for an additional Toro Taxes Kiosk or Toro Taxes Store within 2 years of signing the Franchise Agreement (the “Los Taxes Franchise Fee Credit”).

If your Los Taxes franchise agreement has more than two years and/or Tax Seasons remaining, we will waive your Initial Franchise Fee. If you have less than two years remaining of your Los Taxes Franchise Agreement, you will pay an amount equal to the renewal fee described in your Los Taxes franchise agreement as your Initial Franchise Fee.

ITEM 6
OTHER FEES

Type of Fee <small>(Note 1)</small>	Amount	Due Date	Remarks
Individual Tax Preparation Royalty <small>(Note 2)</small>	10% of Gross Sales from Bank Product Transactions (excluding Gross Sales for Business Division Services and Non-Bank Product Transactions) and \$30 for each Non-Bank Product Transaction. Subject to minimum royalty fee obligation of \$3,000 for first Tax Season, \$6,000 for second Tax Season, and \$9,000 for third Tax Season and each Tax Season thereafter <small>(Note 3)</small>	(i) Pre-deducted from fee deposits when utilizing a bank product (ii) Weekly on the Tuesday of each week for the preceding week during any period between January 1 st and April 30 th for non-bank related charges (iii) Monthly on or before the 10 th day of each month for the preceding month during any period between May 1 st and December 31 st	We will not assess any Individual Tax Preparation Royalty on Gross Sales from Bank Product Transaction until January 1, 2024. This fee will be debited automatically from your business bank through ACH or, if applicable, will be pre-deducted from Gross Sales deposits processed through Bank Products.
Business Division Services Royalty Fees <small>(Note 2)</small>	You will pay the following Business Division Services Royalty for each Business Division Service you provide 18% of Gross Sales for all Business Division Services provided directly by your business ^(Note 3)	(i) Weekly on the Tuesday of each week for the preceding week during any period between January 1 st and April 30 th for non-bank related charges (ii) Monthly on or before the 10 th day of each month for the preceding month during any period between May 1 st and December 31 st	This fee will be debited automatically from your business bank through ACH or, if applicable, will be pre-deducted from Gross Sales deposits processed through Bank Products.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Brand Development Fund (Note 4)	2% of Gross Sales from Bank Product Transactions and Business Division Services, and a \$2 contribution for each Non-Bank Product individual tax preparation transaction in the previous weekly or monthly accounting period	i) Pre-deducted from fee deposits when utilizing a bank product (ii) Weekly on the Tuesday of each week for the preceding week during any period between January 1 st and April 30 th for non-bank related charges (iii) Monthly on or before the 10 th day of each month for the preceding month during any period between May 1 st and December 31 st	This fee will be debited automatically from your business bank through ACH or, if applicable, will be pre-deducted from Gross Sales deposits processed through Bank Products.
DMA Marketing Fund (Note 5)	5% of monthly Gross Sales generated by transactions that include a bank product or Business Division Services, and \$5 per transaction for each Non-bank Product Transaction in the previous week or accounting period	i) Pre-deducted from fee deposits when utilizing a bank product; (ii) Weekly on the Tuesday of each week for the preceding week during any period between January 1 st and April 30 th for non-bank related charges; (iii) Monthly on or before the 10 th day of each month for the preceding month during any period between May 1 st and December 31 st	You must pay us not less than 5% of Gross Sales per month for advertising and marketing in the designated marketing area for your Franchised Business
Grand Opening Marketing (Note 6)	\$1,000	Prior to opening	You must spend the grand opening marketing expenditure on the initial marketing and promotion for the Store.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Local and Regional Advertising Cooperatives (Note 7)	Set by a majority of the advertising cooperative members but not more than 1% of Gross Revenue unless all cooperative members agree	As determined by cooperative members	Established by cooperative members, not exceeding 2% of Gross Sales.
Technology Fee (Note 8)	We currently do not charge a Technology Fee but reserve the right to do so in the future up to \$250 per month	Due monthly on the 10 th day of each month for the prior month	This fee will be debited automatically from your business bank through ACH.
Bank Product Fee (Note 9)	Currently \$39.95 fee per tax return using a Bank Product, if permitted by law and subject to change	Pre-deducted from Gross Sales processed through Bank Products	This fee is for Bank Products utilized on behalf of your customers, such as refund anticipation loans, bonus checks and other Bank Products. This fee is subject to change.
Transmitter and Variable Software Fees (Note 9)	Currently \$64.95 per tax return using a Bank Product (if permitted by law). Fees are subject to change	Pre-deducted from Gross Sales processed through Bank Products	This fee is paid directly to the software company for each tax file that utilizes a Bank Product and is in addition to the Bank Product Fee. This fee is subject to change. We may receive rebates based on your payment of the Transmitter and Variable Software Fees.
Customer Service and Refund (Note 10)	Varies under the circumstances	On demand	This fee will be debited automatically from your business bank through ACH. This fee will be based on the costs incurred by us, including refunds and credits that we may pay or undertake on behalf of a customer that was not satisfied with the services or products of your Toro Taxes Business.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Initial Training for Additional Employees	<p>\$0 for on-line initial training</p> <p>\$175 per person for 1040 training if paid up in advance</p> <p>\$250 per person for 1040 if you defer payment until Tax Season</p> <p>\$600 per person for Business Division Services training</p>	On demand or on March 10 of Tax Season if financed	Under our pre-opening initial training program, we will train you or your managing owner and one designated manager. There is no charge if you participate in our on-line training program. If you attend our in-person live training sessions the initial training fee is \$175 per person if you pay the applicable fee in advance. If you defer payment so that we deduct the fees during Tax Season, a fee of \$250 per person will apply. If additional parties attend a Business Division Services training, a fee of \$600 per person will apply. Initial training is conducted at facilities that we designate and you must pay for all other expenses of your trainees, including salary, travel and accommodations.
Supplemental On-Site Training	Our then current daily rate per trainer, plus expenses. Our current daily trainer rate is \$750 per day	On demand	Following participation in our initial training program and the opening of your Toro Taxes Business, if you request that we provide training or assistance on-site at your Franchise Location, you must pay our then current fee for each trainer. You must also reimburse us for our trainer(s) expenses including travel and accommodations.
Annual Conference Noncompliance Fee (Note 11)	\$3,500 if you fail to attend the annual conference	On demand	This fee will be debited automatically from your business bank through ACH.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Annual Conference Attendance Fee (Note 11)	We reserve the right to charge up to \$750 for your designee's attendance and up to \$500 per person for each additional attendee	On demand, if you elect to bring additional parties to the Annual Conference	This fee will be debited automatically from your business bank through ACH.
Royalty, Dues and Fee Payment Late Charge	The lesser of 5% per month of any late royalty payment or \$50	On demand	Applies to past due payments of Royalty Fees, Annual Dues, and Technology Fees.
Royalty Reporting Charge	\$100 per occurrence	On demand	If you fail to submit to us a complete and accurate Royalty Report by the first Tuesday of each week for the preceding week during the Tax Season, and, otherwise, on the 10th day of each month for the preceding month you will be required to pay a royalty reporting charge.
Financial Reporting Late Charge	\$100 per occurrence	On demand	If you fail to submit or to timely submit to us your unaudited monthly profit and loss statement and balance sheet within 60 days after the end of each month, you will be required to pay a fee of \$100.
Interest Charges	The lesser of 18% per annum or the maximum legal rate allowable by the State in which your Toro Taxes Business is located	On demand	Applies to past due payments of Royalty Fees, Technology Fees, advertising fund fees and all other fees, charges, interest and payments due to us from you. Interest begins to accrue as of the date that any payment is due from you to us.
Review and Audit	Actual costs	On receipt of invoice	You must pay to us the costs we incur with the review and audit of your records if the review and/or audit performed by us results in a finding that you failed to comply with the terms of your Franchise Agreement.

Type of Fee (Note 1)	Amount	Due Date	Remarks
			These fees include the actual costs that we incur including, but not limited to, fees for accountants, attorneys, administrative staff, travel, meals and lodging expenses.
Transfer	\$2,500	Prior to the date of transfer	All transfers are subject to our approval and require the transferee's satisfaction of our training requirements.
Renewal	\$2,500	Upon signing renewal franchise agreement	Upon expiration of your initial Franchise Agreement you may possess the right (subject to our approval) to renew your Toro Taxes Business. At the time of renewal, you will be required to sign our then current Franchise Agreement.
Relocation Fee	\$2,500	On demand	All relocation requests are subject to our approval which we may grant or deny in our sole discretion. If we approve your relocation request, approval will be conditioned on compliance with your franchise agreements, requirements that we set forth for relocations and payment of the Relocation Fee.
Collection Costs and Attorney Fees	Amount incurred by us to collect unpaid Royalty fees and other fees or sums due from you to us	On demand	Includes expenses incurred by us in any mediation, arbitration or litigation concerning breach of our franchise agreement including attorney's fees, deposition expenses, expert witness fees, accounting fees and filing fees.
NSF Check Fee of Failed Electronic Fund Transfer (Note 13)	5% of amount or \$50 whichever is greater or maximum fee allowed by law	On demand	Applies to payment of Royalty Fees and Advertising Contributions and any other payments to us.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Non-compliance	Amount of fees, costs and/or expenses that we incur in connection with your non-performance of your obligations under the Franchise Agreement. Includes attorney fees	Within 14 days of our invoice	You must pay to us and reimburse us for all costs, fees and expenses that we incur as a result of or in connection with your breach of the Franchise Agreement. This includes legal, mediation, and arbitration fees, expenses and costs that we incur and legal fees that we incur with outside legal counsel and costs associated with services and work performed by our own in-house legal staff.
Supplier Review	Our actual costs to review a supplier suggested by you	Within 14 days of invoice	As determined by us, in our reasonable business judgment. We may require your submission of samples and specifications.
Unauthorized Product or Service Fee	\$250 per day of use of unauthorized products or services	If incurred	Payable if you sell any products or perform any services other than those that have not previously been authorized by us in writing.
Referral Commissions	75% of the amount collected from Business Division Services customers referred to us by you	As incurred	You will receive a 25% commission on work referred to us. We will credit this commission to your account.
Annual Dues (Note 12)	\$1,750 per year	Payable annually on March 10	The continuing Annual Dues are a general continuing fee that we may use in our discretion.
Annual Business Software Fee	\$999 per year	Payable annually on March 10	If you request to offer Business Division Services pursuant to our Business Division Services addendum (Exhibit 15 of the Franchise Agreement), you will enter into our Business Division Services Addendum and pay the Annual Business Software Fee upon signature and on March 10 of each year of your Term.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Annual Fee for Additional Software Licenses	\$399 per additional network	Payable annually on March 10	This fee will apply if you request access to our Individual Tax Preparation Software on a network other than your Office or Kiosk's computer network.

Footnotes to Item 6
“Other Fees”

Note 1: Type of Fee / Fees Payable

The above table describes other recurring or isolated fees or payments that you must pay to us, our affiliates, or which we or our affiliates impose or collect on behalf of a third party, in whole or in part. All fees are recurring unless noted. All fees are payable to us unless otherwise noted and are not refundable unless otherwise noted. All fees payable to us shall be payable subject to our specification and instruction, including, but not limited to, our election to have all fee automatically drafted from your business bank account or automatically debited or charged to your business bank account. We will also pre-deduct certain fees from Gross Sales processed on behalf of the Franchised Business and/or to be paid to the Franchise Business through Bank Products.

Bank Products are products and services offered by intermediary banks, lending and financial institutions for the purpose of facilitating the payment of income tax preparation and filing fees and the processing and payment of income tax return refunds and payments to customers. Your Toro Taxes Business must offer and utilize the Bank Products and Bank Product service providers and lenders that we designate from time to time.

You will be required to sign an ACH authorization form at the term you enter into your Franchise Agreement (Franchise Agreement Exhibit 11) permitting us to electronically debit your designated bank account for payment of all fees payable to us (other than the Initial Franchise Fee) as well as any amounts owed to us or our affiliated for goods or services. You must deposit all Gross Sales from the operation of your Toro Taxes Business into the bank accounts for which the ACH authorization was granted. You must install at your expense and use any pre-authorized payment and computerized point of sale systems, automatic payment systems, electronic funds transfer systems or automatic banking system that we may reasonably require related to the operation of your Toro Taxes Business and/or to facilitate the timely payment of fees from you to us by electronic debit. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account.

Note 2: Royalty Fees

Throughout the term of the Franchise Agreement, the Royalty Fees described below will apply:

Individual Tax Returns and Other Services Not Involving Business Division Services: You must pay to us the following fees (collectively, the “Base Royalty Fee”): (i) a continuing Royalty Fee equal to 10% of Gross Sales from individual tax files containing a bank product (each, a “Bank Product Transaction”); (ii) a Royalty Fee of \$30 for each tax file that does not contain a bank product (each, a “Non-Bank Product Transaction”); and (iii) the Business Division Services Royalty Fees described in the table below. These fees are due throughout the Term of your Franchise Agreement, except that we will waive the Base Royalty Fee as it relates to Bank Product Transactions through December 31, 2023. Your Royalty Fee obligations are subject to the following minimum requirements (the “Supplemental Royalty Fee”): (a) if the Base

Royalty Fees paid to us by the Franchised Business during your first Tax Season do not equal or exceed \$3,000 then you must pay to us a Supplemental Royalty Fee equal to the difference between the amount of the Base Royalty Fees paid to us during your first Tax Season and \$3,000; (b) If the Base Royalty Fees paid to us by the Franchised Business during your second Tax Season do not equal or exceed \$6,000 then you must pay to us the difference between the amount of the Base Royalty Fees paid to us during your second Tax Season and \$6,000; and (c) For your third Tax Season and for each and every Tax Season thereafter if the Base Royalty Fees (for each particular Tax Season) do not equal or exceed \$9,000 (respectively for each Tax Season) then you must pay to us the difference between the amount of the Base Royalty Fees paid to us during each respective Tax Season and \$9,000.

Business Division Services: If you elect to provide Business Division Services directly to your customers, you will pay the corresponding royalty on a flat fee or monthly basis as described in the table below.

BUSINESS DIVISION SERVICE TYPE	APPLICABLE ROYALTY FEE
Business Service Intermediate Package	18% of Gross Sales
Business Service VIP Package	18% of Gross Sales
Business Entity Tax Return Preparation	18% of Gross Sales
Business Minority Certification	18% of Gross Sales
Financial Statements Package	18% of Gross Sales
Not-For-Profit Certification Package	18% of Gross Sales
CPA Financial Statements Package	18% of Gross Sales
Audit Representation	18% of Gross Sales

If you elect to refer customers seeking Business Division Services to us and our affiliates, we will pay or credit you an amount equal to 25% of the fees we collect from the customers you refer (the “Referral Commission”). The Referral Commission will be excluded from the calculation of your Gross Sales. You will not need to pay any royalty or other fees due under the Franchise Agreement to us on the Referral Commission.

At all times, Royalty Fees related to Gross Sales involving Bank Products will be pre-deducted and paid immediately to us. Royalty Fees not otherwise pre-deducted shall be payable weekly on the first Tuesday of each week for the prior week during any period between January 1st and April 30th and on the 10th of each month for the prior month during any period between May 1st and December 31st. If any federal, state or local tax, other than an income tax, is imposed upon the Royalty Fee paid by you to us which we cannot directly and, dollar for dollar, offset against taxes required to be paid by us under any applicable federal or state laws, you must compensate us in the manner prescribed by us so that the net amount or net effective rate received by us is not less than that which has been established by the Franchise Agreement and which was due to us on the effective date of the Franchise Agreement.

Note 3: Gross Sales

The term “Gross Sales” as used in this Disclosure Document and the Franchise Agreement means the total dollar sales from all customers of your Toro Taxes Business and, includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, Bank Products, Bank Product transfers, agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by you in exchange for any form of monetary or non-money consideration (whether or not payment is received at the time of the sale), from or derived by you or any other person or corporate entity from business conducted or which started in, on, from or through your Toro Taxes Business and/or your Franchise Location, whether such business is/was conducted in compliance with or in violation of the terms of the Franchise Agreement. Gross sales further includes, the total gross amount of revenues and sales from whatever source derived from and/or derived by you (including any person and/or corporate

entity acting on your behalf) from business conducted within and/or outside your Franchise Location that is related to your Toro Taxes Business and/or a competitive business located and/or operated at your Franchise Location and/or off-site away from your Franchise Location. However, we will not include any Referral Commissions we pay and/or credit to you in the calculation of Gross Sales.

Note 4: Brand Development Fund

Throughout the term of the Franchise Agreement you must pay to us a continuing Brand Development Fund Fee in an amount equal to: (i) Two 2% of Gross Sales for Gross Sales derived from a tax filings containing a Bank Product or any Business Division Services; and (ii) a flat fee of \$2 per Non-Bank Product Transaction. Brand Development Fund Fees shall be payable weekly on the first Tuesday of each week for the prior week during any period between January 1st and April 30th and on the 10th of each month for the prior month during any period between May 1st and December 31st.

Note 5: DMA Marketing Fund

You will pay on a monthly and ongoing basis an advertising contribution equal to: (i) 5% of your monthly Gross Sales on Bank Product Transactions and Business Division Services; and (ii) a \$5 contribution for each Non-Bank Product Transaction, toward the Designated Marketing Area Fund (“DMA Marketing Fund”) for your designated marketing area (“DMA”) that includes the Designated Territory of your Store. We will utilize the DMA marketing fund for the marketing and promotion of your Toro Taxes stores and other Stores located within your DMA.

Note 6: Grand Opening Marketing

You must spend not less than \$1,000 toward the marketing and promotion of the grand opening of your Toro Taxes Business. Your marketing must be pre-approved by us prior to the grand-opening of your Toro Taxes Business.

Note 7: Local and Regional Advertising Cooperatives – If two or more Toro Tax Business are operating within a market designated by us we reserve the right to establish and require your participation in a local or regional advertising cooperative within a geographic area, region, or market designated by us. If a local or regional advertising cooperative is established within a market that includes your Business(s), you will be required to participate in the cooperative and make on-going payments to the cooperative in such amounts and subject to such caps as established by the cooperative members. We anticipate that each Toro Tax franchisee will have one vote for each Toro Tax location located within the cooperative market and that cooperative decisions shall be made based on approval of a simple majority vote based on a quorum of not less than twenty-five percent of the designated cooperative members. Contributions to a local or regional cooperative that we designate shall count toward the satisfaction of your local marketing obligations and shall not exceed 2% of your monthly Gross Sales.

Note 8: Technology Fee

Currently, we do not charge a Technology Fee but reserve the right to do so in the future. The Technology Fee will not exceed \$250 per month. However, on an on-going basis, separate and apart from the Technology Fee, you will be required to pay, among other things the Transmitter and Software Fees which include, in part, a variable software fee for each tax return that involves a Bank Product.

Note 9: Bank Product Fees and Transmitter and Software Fees.

You must utilize the Bank Products that we designate and you must purchase the Bank Products from us or the vendors that we designate from time to time. You must pay us a bank product fee for each tax return utilizing a Bank Product. The Bank Product Fee is payable to us and is in addition to other fees that our designated supplier / bank may charge in connection with the Bank Product provided on behalf of your customer. The Bank Product Fee is currently \$39.95 per Bank Product. This fee is subject to change.

Transmitter and Software Fees are fees paid to us for each tax return that is processed using a Bank Product and is in addition to the Bank Product Fee. This fee is variable and is based on each tax return that is processed with and/or utilizes a Bank Product. The Transmitter and Software Fee is currently \$64.95 per tax return processed using a Bank Product. This fee is subject to change.

Note 10: Customer Service and Refunds.

You your services to your customers. If we believe we must respond to a complaint by a customer of your Toro Taxes Business and we or our designees determine that your customer is entitled to reimbursement of fees paid to you or other sums related to penalties, assessments and/or other charges imposed on them as a result of the products or service provided by your Toro Taxes business, we may reimburse your customer directly and you must reimburse us for the amounts that we reimburse your customer.

Note 11: Annual Conference Attendance Fees and Annual Conference Noncompliance Fee

You or your Managing Owner must attend the conference on the dates and at the location that we designate. You will be responsible for all travel, lodging, food, automobile rental expenses and employee wages that you incur in connection with your attendance. If you fail to attend the annual conference, we will charge you a non-compliance fee of \$350 If you attend the Annual Conference, we may charge an attendance fee of up to \$750 for the attendance of one individual who must be a franchisee or an owner of franchisee. If additional individuals attend, you may be charged an additional fee of up to \$500 per additional attendee. You will be responsible for all travel and accommodation expenses associated with your attendance at the conference. (Franchise Agreement, Article 4.B.);

Note 12: Annual Dues. The continuing Annual Dues are an ongoing annual fee used for administrative purposes associated with the franchise system that we determine in our discretion. Currently, the Annual Dues include the base license fees for your access to the individual tax return preparation software that we designate and require as a part of the System Equipment, Products and Services. The Annual Dues are subject to change, but we will not increase the Annual Dues by more than \$100 in one calendar year.

Note 13: NSF – Minnesota. Not sufficient funds are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

A. YOUR ESTIMATED INITIAL INVESTMENT – START-UP KIOSK OR STORE

Type of Expenditure <small>(Note 1)</small>	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee <small>(Note 2)</small>	\$25,000	Lump sum	When signing the Franchise Agreement	Us
Construction and Leasehold Improvements <small>(Note 3)</small>	\$0 - \$7,000	Varies	Before opening	Approved Third party suppliers and vendors, subject to our specifications
Furniture, Fixtures, Office Supplies and Equipment <small>(Note 4)</small>	\$1,500 - \$3,500	As billed	As incurred	Approved Third party suppliers and vendors, subject to our specifications
Scanner and Signature Pad Equipment Fee <small>(Note 5)</small>	\$1,000	Lump sum	When signing the Franchise Agreement	Approved Third party suppliers and vendors, subject to our specifications
Signs <small>(Note 6)</small>	\$810 - \$1,350	As billed	Before opening	Approved Third party suppliers and vendors, subject to our specifications
Computer, Software and Point of Sales System <small>(Note 7)</small>	\$2,500 - \$4,500	As billed	As incurred	Approved Third party suppliers and vendors, subject to our specifications
Prepaid Rent and Lease Deposits <small>(Note 8)</small>	\$1,000 - \$3,000	Lump sum	Varies	Third party landlord
Utility Deposits <small>(Note 9)</small>	\$225 - \$500	As billed	Before opening	Utility companies
Insurance Deposits <small>(Note 10)</small>	\$300 - \$800	As billed	Varies	Insurance companies
Travel and Lodging for Initial Training <small>(Note 11)</small>	\$0 - \$2,000	As incurred	Before opening	Third parties

Type of Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is Made
Grand Opening Marketing Expense (Note 12)	\$1,000 - \$3,000	Lump Sum	Before opening	Approved Third party suppliers and vendors, subject to our specifications
Professional Fees (Note 13)	\$1,000 - \$2,000	As billed	Before opening	Approved Third party suppliers and vendors, subject to our specifications
Business Licenses and Permits (Note 14)	\$500 - \$1,500	Lump sum	Before opening	Government authorities
Additional Funds – Initial period of 3 months (Note 15)	\$3,000 - \$9,000	As incurred	Before opening	Us, utilities approved vendors, employees and other providers of services and/or goods necessary for the operation of your Toro Taxes Business.
TOTAL ESTIMATE (Notes 1 and 15)	\$37,835 - \$64,150			

Footnotes to Item 7
“Your Estimated Initial Investment”

Note 1: About Your Estimated Initial Investment

You should carefully review these estimates with your business, accounting and legal advisors before making any decision in signing a Franchise Agreement. These estimates do not include interest and financing charges that you may incur and they do not include royalties, marketing development and other continuing fees that you will be required to pay to us. Payments are non-refundable unless otherwise noted. The total estimates are based on the historical experiences of our affiliate). Your costs may vary based on a number of factors including but not limited to the geographic area in which you open, local market conditions, your Franchise Location, the time it takes to build sales and your skills at operating a business. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area.

Note 2: Initial Franchise Fee

The Initial Franchise Fee for your Toro Taxes Business is \$25,000. The Initial Franchise Fee is the same whether your Toro Taxes Business is a Toro Taxes Store or a Toro Taxes Kiosk. All fees paid to us for your Initial Franchise Fee are non-refundable. There are no refunds under any other circumstances and the foregoing shall not limit our right to terminate or cancel your Franchise Agreement under other circumstances.

Note 3: Construction and Leasehold Improvements

This estimate is for the costs for the construction and build-out of a Toro Taxes Business but does not include furniture, fixtures and equipment. We have based our estimates on the historical experience of our affiliate.

We strongly advise you to find a lease for the Franchise Location that requires no construction and minimal leasehold improvements. In most cases you will need to alter the interior of your Franchised Business before you open for operation. The costs will vary widely and may be significantly higher than what is projected in the table above depending on such factors as property location, the condition of the property and the extent of alterations required for the property. You should investigate all these costs in the area in which you wish to establish a Franchise. These sums do not include any sums for the purchase of real property, as we do not expect that you will buy real property. For Toro Taxes Stores, a typical leased location is a small retail store in a shopping center or shopping mall that has approximately 200 to 1,200 square feet of usable space. For a Toro Taxes Kiosk, you will typically be subleasing less than 800 square feet of usable space within an existing retail business located in a shopping center or shopping mall. You may be able to reduce the expense for space if you are able to occupy a space in an existing location that compliments another business. Whether or not any build out expenses are refundable depend on the terms and conditions of your contracts with construction and mechanical contractors, as well as your lease agreement. You may incur greater or lesser leasehold improvement costs depending on your ability to negotiate leasehold improvements with your landlord. Lease payments for the periods of time that you occupy your premises are generally not refundable. In the event you leave your leased premises before the termination of your lease, you may owe the landlord payment for the entire lease term depending on the terms and conditions of your lease. At this time, we are permitting franchisees to operate home-based businesses until December 31, 2021.

Note 4: Furniture, Fixtures and Equipment

This is an estimate for the items we would expect you to need for desks, tables, chairs, sofas, shelving units, cubicles, cabinets and filing cabinets all necessary for the operation of your business. Actual furniture and fixture costs will vary due to the square footage of your Franchised Business. You must build and/or purchase the furnishings and fixtures that meet our specifications, which may change from time to time. The cost of all furnishings and fixtures will depend on financing terms available, the condition of the furnishing and fixtures and other factors. Expenses for furnishings and fixtures may or may not be refundable depending on the terms of the invoice or the purchase agreement.

Note 5: Scanner and Signature Pad Equipment Fee

The Scanner and Signature Pad Equipment Fee is for two signature pads and scanners that we designate. You are required to purchase and utilize the signature pads and scanners that we designate prior to the opening of your Toro Taxes Business.

Note 6: Signs

You will be required to purchase, subject to our design and construction specifications and approval, interior and exterior signs and displays that we designate. This estimate is for the cost to produce wall signage to be mounted to the outside of the building of your Toro Taxes Business and interior signage. Additionally, these figures include various other elements of brand identification within the Franchise Location such as wall graphics and window graphics. The low end of the estimate represents your costs if you are purchasing signage for a Toro Tax Kiosk, and the high estimate assumes you are purchasing signage for a Toro Tax Store.

Note 7: Computer and Software

Currently, you are required to purchase and utilize a minimum of 2 new computers if you operate a Kiosk or 4 new computers if you operate an Office, and each computer is required to have, at minimum, the following: Processor Quad Core or higher, I7 for Server (Main) Computer, I5 for workstations(s), hard drive of 500 GB or more for Server, Hard Drive of 250 GB or more for workstations and a Secured Wi-Fi or Internet Connection. You are also required to purchase and utilize an all-in-one printer of your choice for general use in your Toro Taxes Business. You will be solely responsible for the acquisition, operation, maintenance, and upgrading on your computer system. There are no optional or required maintenance contracts specified by us. We may modify the specifications and the components of any such computer

systems from time to time and may require you to obtain specified computer hardware and/or software, including, a license to use proprietary software developed by us or others, as well as service and support contracts for the hardware and software. You are also required to license and utilize remote log-in access software that we designate and provide us with on-going access to all computer systems utilized by your Toro Taxes Business.

Note 8: Lease Deposits and Real Property

You will be required to operate your Toro Taxes Business from a commercial retail business location that we approve and that complies with local and state laws. The cost of real estate varies considerably based on the local real estate market and the size and location of the property that you elect to purchase or lease. The “Estimated Initial Investment” respecting your establishment of a Toro Taxes Business is based on the assumption that you will be leasing the Franchise Location for your Toro Taxes Business. You will be required to pay the landlord a security deposit that will be calculated based upon rent that the landlord requires to be held as security. The amount of your security deposit is something that you will negotiate directly with the landlord and will vary significantly based on a number of factors, including the desirability of your leased location and your own negotiations. The “Estimated Initial Investment” does not include the purchase of real property should you elect to purchase the real property as the approved Franchise Location for your Toro Taxes Business.

Note 9: Utility Deposits

To secure the appropriate utilities required for the operation of your Toro Taxes Business, including but not limited to gas, electric, water, sewer and a high-speed internet connection, you will be required to pay upfront deposits to each applicable utility company.

Note 10: Insurance Deposits

You are required to maintain certain specified insurance respecting the operations of the Franchised Business. Your actual payments for insurance and the timing of those payments will be determined based on your agreement with your insurance company and insurance agent. The cost of your insurance coverage will be based on factors outside of our control. The amount charged for insurance coverage may be significantly more or less than our estimate. This estimate is for the cost of an initial deposit in order to obtain the minimum required insurance. You should check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit. The cost of coverage will vary based upon the area in which your Toro Taxes Business will be located, your experience with the insurance carrier, the loss experience of the carrier and other factors beyond our control. We strongly recommend that you consult with your insurance agent before signing a Franchise Agreement.

Note 11: Travel and Lodging

Prior to opening your Toro Taxes Business, you must complete our pre-opening training programs which are offered either on-line or at the training center that we designate in Las Vegas, Nevada. If you elect to attend our in-person training program, in addition to paying our initial training fee of: (i) \$175 per additional person (after the first two trainees) attending our in-person standard tax preparation training (or \$250 per person if you elect to defer payment until Tax Season); and (ii) \$600 per person for additional parties attending our Business Division Services training. You are responsible for the travel, food, and lodging expenses that you and your participating manager (if any) will incur when you attend our training program and the salary and benefit costs of your attendees. Costs vary due to distances from your location to our training facility and the quality of the food and lodging you choose. Other factors include seasonal variations in the price of travel and lodging expenses, general economic conditions, and your persistence in obtaining the best prices available.

Note 12: Grand-Opening Marketing Expense

You must spend at least \$1,000 prior to the opening your Toro Taxes Business for the purpose of promoting your grand opening. Prior to the opening of your Toro Taxes Business you must submit your grand opening marketing plan to us for our pre-approval.

Note 13: Professional Fees: Architect, Engineer, Attorney, Accountant

These fees are representative of the costs for engagement of professionals. You will be required to hire a licensed architect and engineer to prepare and have approved architectural and engineering plans for the construction and build-out of your Toro Taxes Business facility which must conform to our brand standards and specifications and comply with local applicable laws, rules and regulations. You will also incur fees with an attorney and, potentially an accountant, for the initial review and advisory services and representation consistent with the start-up of a Toro Taxes Business. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document and the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting the Franchised Business.

Note 14: Business Licenses and Permits

You are responsible for applying for, obtaining and maintaining all required permits and licenses necessary to operate the Franchised Business. The licenses necessary to operate the Franchised Business will vary depending on local, municipal, county and state regulations. All licensing fees are paid directly to the governmental authorities when incurred, and are due prior to opening the Franchised Business.

Note 15: Additional Funds

You will need additional capital to support on-going businesses expenses such as payroll, inventory, marketing, rent and utilities. In making this estimate we have not considered and do not estimate sales revenue that you may or may not generate. However, it is extremely common for new businesses to generate negative cash flow. We estimate that this additional funds estimate will be sufficient to cover on-going expenses for the start-up phase of the Franchised Business, which we calculate and estimate to be 3 months. This is only an estimate and we cannot assure you that you will not incur additional expenses during the initial start-up phase or that your start-up phase will not last longer than three months. Also, there is no assurance that additional working capital will not be necessary during this start-up phase or after. We have relied on the experiences of our affiliate in making this estimate.

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B. YOUR ESTIMATED INITIAL INVESTMENT – CONVERSION

Type of Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee (Note 2)	\$5,000	Lump sum	When signing the Franchise Agreement	Us
Construction and Leasehold Improvements (Note 3)	\$0 - \$3,000	Varies	Before opening	Approved Third party suppliers and vendors, subject to our specifications
Furniture, Fixtures, Office Supplies and Equipment (Note 4)	\$500 - \$1,500	As billed	As incurred	Approved Third party suppliers and vendors, subject to our specifications
Scanner and Signature Pad Equipment Fee (Note 5)	\$1,000	Lump sum	When signing the Franchise Agreement	Approved Third party suppliers and vendors, subject to our specifications
Signs (Note 6)	\$810 - \$1,350	As billed	Before opening	Approved Third party suppliers and vendors, subject to our specifications
Computer, Software and Point of Sales System (Note 7)	\$100 - \$4,500	As billed	As incurred	Approved Third party suppliers and vendors, subject to our specifications
Insurance Deposits (Note 8)	\$300 - \$800	As billed	Varies	Insurance companies
Travel and Lodging for Initial Training (Note 9)	\$0 - \$2,000	As incurred	Before opening	Third parties
Grand Opening Marketing Expense (Note 10)	\$1,000 - \$3,000	Lump Sum	Before opening	Approved Third party suppliers and vendors, subject to our specifications
Professional Fees (Note 11)	\$1,000 - \$2,000	As billed	Before opening	Approved Third party suppliers and vendors, subject to our specifications
Business Licenses and Permits (Note 12)	\$500 - \$1,500	Lump sum	Before opening	Government authorities

Type of Expenditure (Note 1)	Amount	Method of Payment	When Due	To Whom Payment is Made
Additional Funds – Initial period of 3 months (Note 13)	\$3,000 - \$9,000	As incurred	Before opening	Us, utilities approved vendors, employees and other providers of services and/or goods necessary for the operation of your Toro Taxes Business.
TOTAL ESTIMATE (Notes 1 and 13)	\$13,210 - \$34,650			

Note 1: About Your Estimated Initial Investment

You should carefully review these estimates with your business, accounting and legal advisors before making any decision in signing a Franchise Agreement. These estimates do not include interest and financing charges that you may incur and they do not include royalties, marketing development and other continuing fees that you will be required to pay to us. Payments are non-refundable unless otherwise noted. The total estimates are based on the historical experiences of our affiliate). Your costs may vary based on a number of factors including but not limited to the geographic area in which you open, local market conditions, your Franchise Location, the time it takes to build sales and your skills at operating a business. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area.

Note 2: Initial Franchise Fee

If you apply for our Conversion Program and meet our then-current specifications, we will allow you to pay a down payment of \$5,000 and enter into a Conversion Promissory Note for the balance of the \$20,000 Initial Franchise Fee due for startup franchisees. If prior to the tax filing date (i.e., April 15) of your first tax season as a Toro Taxes franchisee, you convert or otherwise obtain 100 Converted Client Files, we will return the down payment to you as a rebate and forgive your Conversion Promissory Note. The Initial Franchise Fee for your Toro Taxes Business is waived if you qualify based upon your Existing Business.

Note 3: Construction and Leasehold Improvements

This estimate is for the costs for the construction and build-out of a Toro Taxes Business but does not include furniture, fixtures and equipment. We have based our estimates on the historical experience of our affiliate. The low estimate assumes that you will operate from your Existing Business’s location. If your Existing Business did not have an office meeting our standards and specifications, we strongly advise you to find a lease for the Franchise Location that requires no construction and minimal leasehold improvements. In most cases you will need to alter the interior of your Franchised Business before you open for operation. The costs will vary widely and may be significantly higher than what is projected in the table above depending on such factors as property location, the condition of the property and the extent of alterations required for the property. You should investigate all these costs in the area in which you wish to establish a Franchise. These sums do not include any sums for the purchase of real property, as we do not expect that you will buy real property. For Toro Taxes Stores, a typical leased location is a small retail store in a shopping center or shopping mall that has approximately 200 to 1,200 square feet of usable space. Depending on your Existing Business’s location, you may not be required to make any changes to your premises. Whether or not any build out expenses are refundable depend on the terms and conditions of your contracts with construction and mechanical contractors, as well as your lease agreement. You may incur greater or lesser leasehold improvement costs depending on your ability to negotiate leasehold improvements with your landlord. Lease payments for the periods of time that you occupy your premises are generally not

refundable. In the event you leave your leased premises before the termination of your lease, you may owe the landlord payment for the entire lease term depending on the terms and conditions of your lease.

Note 4: Furniture, Fixtures and Equipment

This is an estimate for the items we would expect you to need for desks, tables, chairs, sofas, shelving units, cubicles, cabinets and filing cabinets all necessary for the operation of your business. Actual furniture and fixture costs will vary due to the square footage of your Franchised Business. You may be able to utilize your Existing Business's furniture for operation of the Franchised Business. You must build and/or purchase the furnishings and fixtures that meet our specifications, which may change from time to time. The cost of all furnishings and fixtures will depend on financing terms available, the condition of the furnishing and fixtures and other factors. Expenses for furnishings and fixtures may or may not be refundable depending on the terms of the invoice or the purchase agreement.

Note 5: Scanner and Signature Pad Equipment Fee

The Scanner and Signature Pad Equipment Fee is for two signature pads and scanners that we designate. You are required to purchase and utilize the signature pads and scanners that we designate prior to the opening of your Toro Taxes Business.

Note 6: Signs

You will be required to purchase, subject to our design and construction specifications and approval, interior and exterior signs and displays that we designate. This estimate is for the cost to produce wall signage to be mounted to the outside of the building of your Toro Taxes Business and interior signage. Additionally, these figures include various other elements of brand identification within the Franchise Location such as wall graphics and window graphics. The low end of the estimate represents your costs if you are purchasing signage for a Toro Tax Kiosk, and the high estimate assumes you are purchasing signage for a Toro Tax Store.

Note 7: Computer and Software

Currently, you are required to purchase and utilize a minimum 4 new computers, and each computer is required to have, at minimum, the following: Processor Quad Core or higher, I7 for Server (Main) Computer, I5 for workstations(s), hard drive of 500 GB or more for Server, Hard Drive of 250 GB or more for workstations and a Secured Wi-Fi or Internet Connection. You may be able to utilize the computers used by your Existing Business if these computers meet our standards and specifications. You are also required to purchase and utilize an all-in-one printer of your choice for general use in your Toro Taxes Business. You will be solely responsible for the acquisition, operation, maintenance, and upgrading on your computer system. There are no optional or required maintenance contracts specified by us. We may modify the specifications and the components of any such computer systems from time to time and may require you to obtain specified computer hardware and/or software, including, a license to use proprietary software developed by us or others, as well as service and support contracts for the hardware and software. You are also required to license and utilize remote log-in access software that we designate and provide us with on-going access to all computer systems utilized by your Toro Taxes Business.

Note 8: Insurance Deposits

You are required to maintain certain specified insurance respecting the operations of the Franchised Business. Your actual payments for insurance and the timing of those payments will be determined based on your agreement with your insurance company and insurance agent. The cost of your insurance coverage will be based on factors outside of our control. The amount charged for insurance coverage may be significantly more or less than our estimate. This estimate is for the cost of an initial deposit in order to obtain the minimum required insurance. You should check with your local carrier for actual premium quotes and costs, as well as the actual cost of the deposit. The cost of coverage will vary based upon the area in which your Toro Taxes Business will be located, your experience with the insurance carrier, the loss experience of

the carrier and other factors beyond our control. We strongly recommend that you consult with your insurance agent before signing a Franchise Agreement.

Note 9: Travel and Lodging

Prior to opening your Toro Taxes Business, you must complete our pre-opening training programs which are offered either on-line or at the training center that we designate in Las Vegas, Nevada. If you elect to attend our in-person training program, in addition to paying our initial training fee of: (i) \$175 per additional person (after the first two trainees) attending our in-person standard tax preparation training (or \$250 per person if you elect to defer payment until Tax Season); and (ii) \$600 per person for additional parties attending our Business Division Services training. You are responsible for the travel, food, and lodging expenses that you and your participating manager (if any) will incur when you attend our training program and the salary and benefit costs of your attendees. Costs vary due to distances from your location to our training facility and the quality of the food and lodging you choose. Other factors include seasonal variations in the price of travel and lodging expenses, general economic conditions, and your persistence in obtaining the best prices available.

Note 10: Grand-Opening Marketing Expense

You must spend at least \$1,000 prior to the opening your Toro Taxes Business for the purpose of promoting your grand opening. Prior to the opening of your Toro Taxes Business, you must submit your grand opening marketing plan to us for our pre-approval.

Note 11: Professional Fees Attorney, Accountant

These fees are representative of the costs for engagement of professionals. You will incur fees with an attorney and, potentially an accountant, for the initial review and advisory services and representation consistent with the start-up of a Toro Taxes Business. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document and the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting the Franchised Business.

Note 12: Business Licenses and Permits

You are responsible for applying for, obtaining and maintaining all required permits and licenses necessary to operate the Franchised Business. The licenses necessary to operate the Franchised Business will vary depending on local, municipal, county and state regulations. All licensing fees are paid directly to the governmental authorities when incurred, and are due prior to opening the Franchised Business.

Note 13: Additional Funds

You will need additional capital to support on-going businesses expenses such as payroll, inventory, marketing, rent and utilities. In making this estimate we have not considered and do not estimate sales revenue that you may or may not generate. However, it is extremely common for new businesses to generate negative cash flow. We estimate that this additional funds estimate will be sufficient to cover on-going expenses for the start-up phase of the Franchised Business, which we calculate and estimate to be 3 months. This is only an estimate and we cannot assure you that you will not incur additional expenses during the initial start-up phase or that your start-up phase will not last longer than three months. Also, there is no assurance that additional working capital will not be necessary during this start-up phase or after. We have relied on the experiences of our affiliate in making this estimate.

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ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may only offer and sell the System Products and Services that we designate and you may only utilize those products, supplies, equipment and services that we authorize and designate in writing including, but not limited to, the System Equipment, Supplies and Services. To insure that our standards and specifications of quality, service, customer care and System development are maintained, you must operate your Toro Taxes Business in strict conformity with the Franchise Agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in our Manuals.

Source Restricted Purchases and Leases - Generally

We require that you purchase or lease certain “source restricted” goods and services for the development and operation of your Toro Taxes Business. Source restricted goods and services are goods and services that must meet our specifications and/or must be purchased from an approved or designated supplier. We may designate a supplier, which may include us or our affiliates, as the exclusive supplier for the System. Our specifications and list of approved and designated suppliers are contained in the Manuals. We will notify you of any changes to our specifications or list of approved or designated suppliers. We may notify you of these changes in various ways, including written or electronic correspondence, amendments and updates to the Manuals, verbal and other forms of communication. We formulate and modify our standards and specifications for products and services based upon our industry experience in establishing and operating a Toro Taxes Business and our management decisions as to the overall operation and expansion of the System.

Suppliers and Supplier Criteria

We may designate ourselves and our affiliates as the sole and exclusive suppliers of source restricted goods and services. We may designate ourselves or a third party as the sole and exclusive supplier irrespective of the existence of competing suppliers. If there is no designated supplier for a particular item, you will purchase all products, supplies and services from suppliers who meet our specifications and standards.

If you want to purchase or lease a source restricted item from a supplier that has not been previously approved and designated by us in writing, you must send us a written request for approval and submit any additional information that we may request. We will always charge you a supplier review and testing fee and request that you send us samples from the supplier for testing and documentation from the supplier for evaluation. We may also require, subject to our discretion, that we be allowed to inspect the supplier’s facilities. We will notify you of our approval or disapproval within a reasonable time, not to exceed 60 days, after we receive your written request for approval and all additional information and samples that we may request. We may, in our sole and absolute discretion, withhold our approval. When considering and evaluating the approval of a particular supplier, among other things, we consider: whether the supplier can demonstrate to our reasonable satisfaction the ability to meet our standards, specifications, service requirements and production requirements, the suppliers quality control, whether or not there are the exclusive supplier of the particular item, whether or not our affiliate or affiliates are the exclusive supplier of the particular item, and, whether or not the suppliers approval, in our sole and exclusive determination, will allow us to advance the overall interests of the System.

As described below in more detail, we currently require that you purchase or lease the following source restricted goods and services: Lease for your Toro Taxes Business; Tax Preparation Software; Bank Products; System Equipment, Supplies and Services; Furniture and Fixtures; Signage; Computer Equipment; Branded Items and Marketing Materials; and Insurance.

We estimate that your purchase of goods and services from suppliers according to our specifications, including your purchase of goods or services from our designated exclusive suppliers to represent

approximately 75% of your total purchases and leases in establishing your Toro Taxes Business and approximately 30% of the on-going operating expenses of your Toro Taxes Business. Currently no officer of ours owns any interest in any of our designated suppliers.

Lease - We do not review the terms of the lease for your Toro Taxes Business Location but require that your landlord acknowledge our rights as set forth in the lease rider attached to the Franchise Agreement (the "Lease Rider") and that you collaterally assign the lease to us as set forth in the collateral assignment of lease attached as Exhibit 8 to the Franchise Agreement. We possess the right to disapprove of a proposed lease if the landlord refuses to sign the Lease Rider in substantially the form set forth in Exhibit 7 to the Franchise Agreement. The Lease Rider is intended to afford us certain rights including our right to be notified in the event of a lease default and, potentially, for us to enter the premises of your Toro Taxes Business Location.

Income Tax Preparation Software – Your Toro Taxes Business must exclusively utilize the tax preparation software and Business Division Services software that we designate for the preparation and filing of income tax returns. Currently we are the only approved supplier of the income tax preparation and Business Division Services software. The on-going base license fee for the income tax preparation software is included in the Annual Dues that you will pay to us. Additional license fees will apply if you request access to the software on another computer network, such as your home network. In addition to the base license fee, for each tax return prepared and processed using a Bank Product you must pay to us the Transmitter and Variable Software Fee. To electronically file tax returns using the income tax preparation software, for your Toro Taxes Business, you must possess a valid EFIN. The income tax preparation software and Business Division Services software programs are not proprietary to us and, at present, are provided to us by Petz Enterprises. At all times we reserve the right to change, modify and/or supplement the income tax preparation software that you must exclusively utilize. We also reserve the right to develop our own income tax preparation software. The income tax preparation software and Business Division Services software is a part of our System Equipment, Supplies and Services.

Accounting and Business Services Software – You must exclusively utilize our designated provider(s) of accounting, bookkeeping, and business services software. Our current designated provider is Xero.

Bank Products - Your Toro Taxes Business must exclusively utilize the banks, lenders, financial institutions and Bank Products that we designate to facilitate the payment of income tax preparation and service fees, and the processing and payment of income tax return refunds and payments to customers including, but not limited to refund anticipation loans. At all times we reserve the right to change, modify and/or supplement the authorized providers of Bank Products. The Bank Products are a part of our System Equipment, Supplies and Services.

System Equipment Supplies and Services - Your Toro Taxes Business must exclusively utilize the System Equipment, Supplies and Services that we designate, including tax preparation software and Bank Products that we designate. Additionally, you must exclusively utilize those services and products that we designate for Supplemental Services including, but not limited to, audit protection insurance, roadside assistance, and other value-added services and products that we designate.

Furniture and Fixtures - Your Toro Taxes Business must be equipped with branded and unbranded furniture and fixtures that we designate and that meet our standards and specifications. You may purchase unbranded furniture and fixtures from any supplier of your choosing, provided that the furniture and fixtures meet our specifications and standards, which may also include specified manufacturers and brands. If the furniture and fixtures that we designate are specified to be branded with the Licensed Marks, then you may only purchase such furniture and fixtures from our designated exclusive suppliers.

Signage - The signage for your Toro Taxes Business must meet our standards and specifications. You are currently required to purchase your signs from our designated exclusive supplier as set forth in the Operation Manual.

Computer Equipment and Point of Sale - You will be required to purchase the computer systems, point of sale systems and software systems designated by us in the Manuals.

Branded Items and Marketing Materials - All materials bearing the Licensed Marks including, but not limited to, stationary, business cards, brochures, apparel and displays, must meet our standards and specifications and must be purchased from either us directly or our designated exclusive suppliers. All of your marketing materials must comply with our standards and specifications and must be approved by us before you use them. You may market your Toro Taxes Business through approved digital media and social media platforms provided that you do so in accordance with our digital media and social media policies. You must purchase all branded marketing materials from either us or our designated exclusive supplier. We may require that you exclusively utilize our designated supplier for social and digital media marketing services and exclusively utilize our social media platforms, vendors and marketing channels.

Insurance - You must obtain the insurance coverage that we require from time to time as set forth in the Franchise Agreement and as may be supplemented and modified in the Manuals. All insurance policies required under your Franchise Agreement must be written by a responsible carrier, reasonably acceptable to us and all insurance (excluding workers' compensation) must name us, our officers, directors, shareholders, partners, agents, representatives and independent contractors as additional insured's. The insurance policies must include a provision for a 60-day notice of cancellation to us. A certificate of insurance must be furnished to us prior to the effective date of your Franchise Agreement and prior to each policy renewal period. Insurance coverage must be at least as comprehensive as the minimum requirements set forth in the chart below. You must consult your carrier representative to determine the level of coverage necessary for the Franchised Business. Higher exposures may require higher limits.

Continuing Education Credits - We may designate a provider of the continuing professional education credits you are required to complete for your license. Our designated provider may also be an affiliate.

Insurance Requirements

- a) Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations and fire damage coverage, in the amount of \$1,000,000 per occurrence and \$2,000,000 aggregate;
- b) "All Risks" or "Special Form" coverage for the full cost of replacement of the business premises and all other property in which we may have an interest with no coinsurance clause;
- c) Business Interruption insurance in such amount as will reimburse you for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners or attributable to prevention of access to the Franchised Business, with coverage for a period of interruption of 180 days and such longer period as we may specify periodically. Business interruption insurance is required with liability limits in amounts we may reasonably specify which will relate to the right to be reimbursed for direct or indirect loss of earnings attributed to all perils commonly insured against by prudent business owners;
- d) Professional Liability Insurance that covers you for damages that you create that do not result in property or bodily injury with such minimum policy limit as we reasonably specify;

- e) Automobile liability coverage (optional), including coverage of owned, non-owned and hired vehicles, with minimum coverage in such amounts as we reasonably specify;
- f) Product Liability Insurance that covers you for damages that result in injury from products that you distribute with such minimum policy limit as we reasonably specify;
- g) Crime insurance with such coverage amount as we reasonably specify;
- h) Workers' compensation insurance in amounts provided by applicable law or, if permissible under applicable law, any legally appropriate alternative providing substantially similar compensation to injured workers, subject to the conditions set forth in the Franchise Agreement;
- i) Employment practices liability insurance (optional) that covers you and your Franchised Business against claims made by employees, former employees or potential employees for discrimination, wrongful termination, sexual harassment and other employment related obligations;
- j) Tenant's liability insurance, if such insurance is required by the terms of your lease (if applicable);
- k) Any other Insurance required by the state or locality in which the Franchised Business is located and operated in such amounts as required by statute; and
- l) Other insurance coverage, as we or the lessor of your Franchised Business location may reasonably require.

With regard to any construction, renovation or remodeling of the Franchised Business, you must maintain builder's risks insurance and performance and completion bonds in forms and amounts (in no event less than \$1,000,000 per claim), and written by a carrier or carriers, satisfactory to us. All of the policies must name us, as additional insured and must include a waiver of subrogation in favor of all those parties.

Purchase Agreements

We may negotiate group rates, including price terms, for the purchase of equipment and supplies necessary for the establishment or operation of your Toro Taxes Business. We may also negotiate group rates for the provision of certain services, such as continuing professional education courses from a designated supplier, which may also be an affiliate. Presently there are no purchases or supply agreements in effect for source restricted products or services and there are no purchasing or distribution cooperatives that you must join. You will not receive any material benefits from purchasing particular products and/or services, or for using designated or approved suppliers.

Franchisor Revenue from Source Restricted Purchases

We reserve the right to receive rebates, payments or other material benefits from suppliers based on purchases from franchisees and Toro Taxes Businesses in the System. In fiscal year 2020, we received \$296,694 from franchisee purchases which represents 12% of our total revenue of \$2,502,363. This includes revenue of \$514,679 from bank product fees. In 2020, our predecessors Toro Taxes Franchising, LLC and Los Taxes Franchise Corp. did not receive any revenue from franchisee purchases. Other than the amounts received by our predecessors and identified above, we did not receive any rebates or revenue from purchases from our System franchisees in fiscal year 2020.

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ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

OBLIGATION	ARTICLE(S) IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	1, 2.A, 3.A and 3.B	7 and 11
b. Pre-opening purchases and leases	1, 3 and 8, 5.A	7 and 8
c. Site development and other pre-opening requirements	1, 3,4, 7.F, 7.G, 7.I, 7.J, 8 and 9.B	6, 7 and 11
d. Initial and ongoing training	1, 4 and 7.J	11
e. Opening	1 2, 3, 4 and 9.B	11
f. Fees	1, 3, 4.A, 5, 9, 12, 13, 14, 15, 16 and 18.N.	5, 6 and 7
g. Compliance with standards and policies/manual	1, 3, 4, 7 8, 9 and 12	8 and 11
h. Trademarks and proprietary information	1, 6, 7 and 11	13 and 14
i. Restrictions on products and services offered	1, 3, 4.D, 7.F, 7.G, 7.H, 7.I, 7.J and 8	8, 11 and 16
j. Warranty and customer service requirements	1 and 7	16
k. Territorial development and sales quotas	1 and 2	12
l. Ongoing product and service purchases	1, 3, 4.D, 5 and 7	8
m. Maintenance, appearance and remodeling requirements	1 and 7	7 and 17
n. Insurance	1 and 8	7 and 8
o. Advertising	1, 3, 4.D, 7.I, 9 and 11	6 and 11
p. Indemnification	1 and 10	6
q. Owner's participation, management, staffing	1, 4, 6 and 7	11 and 15
r. Records and reports	1, 5 and 12	6
s. Inspections and Audits	1 and 13	6 and 11
t. Transfer	1 and 14	17
u. Renewal	FA: 1 and 15 DA: 1 and 3	17
v. Post-termination obligations	1, 6, 17 and 18	17
w. Non-Competition Covenants	1, 6 and 17 and 18	17
x. Dispute Resolution	1, 18.F and 18.G	17
y. Other: Individual guarantee of franchisee obligations	1, 2.C, 6, 14.C and 14.E	15

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or other obligation.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING,
COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Obligations

1. Grant of Franchise - We will grant to you the right to operate a Toro Taxes Business from a Franchise Location that is located within a designated territory. (Franchise Agreement, Article 2);

2. Franchise Agreement Designated Territory - Once you secure a Franchise Location that we approve, we will define the Designated Territory for your Toro Taxes Business and include the geographic boundaries and/or a description of your Designated Territory within the Schedules and/or Exhibits to the Franchise Agreement. (Franchise Agreement, Article 2, Schedule 1, Schedule 2, and Exhibit 5);

3. Manuals - We will loan you a copy of our confidential and proprietary Manuals. You must operate your Franchised Business in accordance with the Manuals and all applicable laws, rules and regulations. At all times, we reserve the right to supplement, modify and update the Manuals. (Franchise Agreement, Articles 1 and 4.D). The operations manual as of the Issuance Date of this Disclosure Document presently consists of 68 pages and the table of contents to the operations manual is attached as Exhibit C to this Disclosure Document (Franchise Agreement, Article 4). The major subjects contained in the operations manual consists of establishing, developing, marketing and operating the Franchised Business. (Franchise Agreement, Article 4);

4. Site Review, Approval and Designated Territory - We will review the proposed site that you select for your Franchise Location and we will notify you of our approval or disapproval of your proposed site. Once you select a site that we approve of as your Franchise Location, we will identify your Designated Territory. However, if you negotiate and we agree to grant a Designated Territory prior to your selection of an approved Franchise Location, then you must establish your Franchise Location within the Designated Territory at a site that we approve as your Franchise Location. At all times, you must obtain our approval of your Franchise Location. Additional information about site selection is discussed in more detail below in this Item 11.

5. Approved Suppliers and Distributors - We will provide you with a list of our approved suppliers and distributors (to the extent that we have designated them), either as part of the Manuals or otherwise in writing. (Franchise Agreement, Articles 3 and 4);

6. Signs, Equipment, Furniture, and Fixtures - We will provide you with a list of our approved signage, equipment, furniture and fixtures (to the extent that we have designated them), either as part of the Manuals or otherwise in writing and we will review and approve, in our discretion, your proposed signage, equipment, furniture and fixtures. (Franchise Agreement, Articles 3 and 4);

7. Website and Digital Media - We will identify and locate your Toro Taxes Business on our website. You may not utilize any websites, web-based media or digital media unless expressly approved by us in writing.

We strictly control how you may or may not use websites and digital media and you must assign all website media and digital media accounts to us. (Franchise Agreement, [Article 9](#));

8. Initial Training: Owner and Manager – Prior to the opening of your Toro Taxes Business you or, if you are a Corporate Entity, your Managing Owner must attend and complete our initial training program. We will provide you (and up to one of your designated managers) with training in accordance with our initial training program. The details of our initial training program is described below in the training section of this [Item 11](#). (Franchise Agreement, [Article 4](#)).

Site Selection

Although you are responsible for selecting a site for your Franchise Location, you must obtain our approval of your proposed Franchise Location. Generally, we do not own or lease the real property that will serve as your Franchise Location and you are responsible for all costs and expenses in locating and evaluating proposed sites for your Franchise Location and the demographic data associated with your proposed sites. Before you enter into a lease or other agreement securing your Franchise Location you must obtain our approval. We will provide you with site selection guidelines for your Toro Taxes Business. If your Franchise Agreement specifies and grants to you a Designated Territory, your Franchise Location must be located within your Designated Territory at a site that we approve. Your rights in and to a Toro Taxes Business Location that we approve must be subordinate to our rights as set forth in the Lease Rider attached as [Exhibit 7](#) to the Franchise Agreement and the Collateral Assignment of Lease attached as [Exhibit 8](#) to the Franchise Agreement.

Although there is no specified time limit for us to review the proposed site for your Toro Taxes Business Location, we will do so within a reasonably expedient time period, not exceeding 30 days of our receipt of your written request for our review of a proposed site and your submission to us of the information and documentation that we may request concerning the proposed site. In determining whether to approve or disapprove a proposed site for your Franchise Location, factors that we take into consideration include: (a) demographic factors, traffic patterns, parking, building structures, visibility and available sign locations; (b) characteristics of the proposed site; (c) the location of your proposed site relative to your overall Designated Territory and proximity to other Toro Taxes Businesses, if your Designated Territory was previously designated; and (d) whether or not the landlord for the Toro Taxes Business Location approves of our Lease Rider in substantially the same form as contained in [Exhibit 7](#) of the Franchise Agreement.

Within 90 days of signing your Franchise Agreement you must secure a Franchise Location and lease agreement that we approve. If you do not meet this obligation, we may terminate your Franchise Agreement without refunding any fees to you. It is your obligation to consult with government agencies, architects, engineers and legal professionals to evaluate and determine that your Franchise Location permits the establishment and operation of the Franchised Business and that you possess the necessary licenses, permits and authority to operate a Toro Taxes Business, offering and selling the System Products and Services. (Franchise Agreement, [Articles 2, 3, 7](#) and [16](#)).

Time to Open

You may not open your Toro Taxes Business until: (a) you timely secure a Franchise Location that we approve; (b) you or, if you are a Corporate Entity, your Managing Owner and a manager have completed, to our satisfaction, our initial training program for owners and managers; (c) obtained the necessary licensing and authorization from state and regulatory agencies to occupy your Franchise Location and operate your Toro Taxes Business; and (d) have obtained and provided us with written proof of the required insurance, and.

We estimate that the length of time between the signing your Franchise Agreement and opening your Toro Taxes Business to be approximately 30 days. Factors that may affect this estimated time period include: (a)

evaluating and selecting a suitable site for your Franchise Location that is approved by us; (b) timeliness of your submission to us of information and documentation that we may request in determining whether or not to approve of the site for your proposed Franchise Location; (c) length of time taken by you, your Managing Owner and manager to complete, to our satisfaction, our initial training program; (d) negotiating and obtaining a suitable lease for your Franchise Location that is approved by us; (e) obtaining third-party lender financing, if necessary; and (f) obtaining the necessary licenses for the operation of your Toro Taxes Business. If your Toro Taxes Business is a Toro Taxes Store than you must open your store within 120 days of the date of signing the Franchise Agreement, otherwise we may terminate your Franchise Agreement without refunding any fees to you. If your Toro Taxes Business is a Toro Taxes Kiosk, you must open your Toro Taxes Kiosk no later than the commencement of the Tax Season occurring immediately following the date of signing the Franchise Agreement, otherwise we may terminate your Franchise Agreement without refunding any fees to you.

Post-Opening Obligations

1. On-Line Training - On an on-going basis we will provide you, your managing owner and managers with access to our on-line training programs. (Franchise Agreement, Article 4).

2. Communication of Operating Standards - We may establish, update and provide you with consultations and communications as to the standards, procedures and System requirements as to the operation of your Toro Taxes Business including, but not limited to, System Products and Services, System Equipment, Supplies, and Services, marketing and promotion standards, and as we may, in our discretion, designate, modify, supplement and amend from time to time and, as set forth in the Manuals which we may, in our discretion, modify from time to time. (Franchise Agreement, Articles 4.B. and 4.D.);

3. Marketing Standards and Approval - We will provide the marketing and promotions for your Store through our DMA Marketing Fund. For additional advertising or promotions conducted by you, we may establish, update and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, those marketing materials and mediums that you may utilize. We will respond to your request respecting the communication of our approval or disapproval of marketing materials and/or mediums that may be requested by you for use in the marketing and promotion of the Franchised Business. At all times we maintain full discretion and as (Franchise Agreement, Article 4.B.);

4. Approved Vendors - We will provide the names and addresses of approved vendors and suppliers for the System Products and Services and the System Equipment, Supplies, and Services. (Franchise Agreement, Articles 4.B. and 4.D.);

5. Annual System Conference - We may, in our sole discretion, coordinate an annual conference to be attended by franchisees of the System that are in good standing. You or your Managing Owner are required to attend any annual conference. If you fail to attend the annual conference, you will be charged an Annual Conference Noncompliance Fee of \$3,500. We may charge an Annual Conference Attendance Fee not exceeding \$750 may charge a fee of up to \$500 per person for each additional attendee. You will be responsible for all travel and accommodation expenses associated with your attendance at the conference. (Franchise Agreement, Article 4.B.);

6. Administration of Marketing Fund - We administer and manage System-wide marketing funds comprised of a Brand Development Fund and DMA Marketing Fund. We have implemented a Brand Development Fund and DMA Marketing Fund (Franchise Agreement, Articles 9.A.);

7. Hiring and Training of Employees - We do not provide assistance with the hiring and training of your employees. You will be directly responsible for the management and supervision of your employees. For

the protection of the System you must ensure that all employees wear and maintain the proper uniforms with our approved System branded apparel. You must monitor and ensure that all System Products and Services are offered and provided in accordance with the System standards and Manuals; and

8. Pricing - You will exclusively determine the prices that you charge for the System Products and Services provided by your Toro Taxes Business. However, we may suggest pricing levels that we recommend.

Advertising.

1. Generally - All advertising, marketing, marketing materials and all marketing mediums used by you in the marketing and promotion of your Toro Taxes Business must be pre-approved by us in writing and conform to our standards and specifications. You may only utilize those advertising and marketing materials and mediums that we designate and approve in writing. In our discretion we may make available to you approved marketing templates comprised of pre-approved ads, ad copy and digital media that you may utilize at your own expense. If you wish to utilize marketing materials and/or marketing mediums that are not currently approved by us in writing, you may submit a written request requesting permission and we will approve or disapprove of your request within 15 days of your submission of the written request and sample marketing materials. (Franchise Agreement, Article 9);

2. Local Marketing and DMA Marketing Fund – You will pay your local marketing contribution directly to us and we will conduct marketing on your behalf in the geographic area where your Designated Territory is located. We will designate a regional or local Designated Marketing Area Marketing Fund (“DMA Marketing Fund”) for a designated marketing area (“DMA”) that includes the Designated Territory of your Store (See, Franchise Agreement, Article 9.F). You must contribute on a weekly or monthly basis the following amounts: (i) 5% of your gross sales from Bank Product Transactions and Business Services Division transactions; and (ii) a payment of \$5 for each Non-Bank Product Transaction. If you conduct your own marketing, you must obtain our approval of all marketing materials and media (Franchise Agreement, Article 9.B). We will review your local marketing programs and notify you if we approve same.

We will administer the DMA Marketing Fund and the DMA Marketing Fund will be subject to the terms of your Franchise Agreement and the administration rules that we establish. Your DMA Marketing Fund may conduct and administer media advertising, marketing and public relations for all of its contributing members and we may establish governance rules such that determinations and decisions as to marketing spends and utilization of the funds in the DMA Marketing Fund may be determined by a simple majority of franchisees in the DMA with twenty-five percent of the member franchisees voting and constituting a quorum. Your DMA Marketing Fund may employ the services of advertising agencies and public relations firms. Each Store with operating territories located within the DMA will contribute a DMA Marketing Fund Contribution. The DMA Marketing Fund will be required to maintain unaudited financial records detailing its expenditures for approved media advertising, marketing and public relations in your DMA, and will provide its contributing members with an unaudited accounting of how the monies contributed to the DMA Marketing Fund were spent each year. Contributions to the DMA Marketing Fund will be spent in the fiscal year in which they are paid. We maintain the authority, in our discretion, to change, dissolve or merge DMA Marketing Funds. Our company and/or our affiliate owned Stores may but are not required to contribute to any DMA Marketing Fund. We will administer this marketing fund in our sole discretion. There are no governing documents as to how we will administer this fund other than as contained in the Franchise Agreement.

We have established and require your participation in a DMA consisting of your Designated Territory and adjacent areas. Other than the DMA Marketing Fund, we have not established any local or regional advertising cooperative.

3. Digital Media and Website - All digital media and marketing must be approved by us. We will designate for your Franchise Location information about your Toro Taxes Business on the www.torotaxes.com webpage or such other websites as we may designate for the System. (Franchise Agreement, Article 9);

4. Brand Development Fund - We will control and administer a brand development fund. (the "Brand Development Fund") (Franchise Agreement, Article 9.A). As disclosed in Item 6 of this Disclosure Document, you must contribute: (i) a weekly / monthly sum not to exceed 2% of weekly / monthly Gross Sales to the Brand Development Fund from Gross Sales generated from the provision of Business Division Services and any transactions containing a bank product; and (ii) a flat payment of \$2 for each Non-Bank Product Transaction. We may use the Brand Development Fund for market studies, research, service development, product development, testing, research studies, technology development, advertising and public relations studies or services, creative production and printing of advertising and marketing materials, advertising copy and commercials, tracking costs, agency fees, administrative costs, which may include reimbursement for direct administrative and personnel costs associated with advertising and public relations, and any other costs associated with the development, marketing and testing of advertising, marketing and public relations materials, and the purchase of media placement, advertising time and public relations materials in national, regional or other advertising and public relations media in a manner determined by us, in our sole discretion, to be in the best interest of the franchisees and the System. Our company and/or affiliate owned Toro Taxes Businesses may but are not required to contribute to the Brand Development Fund. The Brand Development Fund will be required to maintain unaudited financial records detailing its expenditures and will make available to you (no more frequently than one time in any twelve-month period) an unaudited accounting of how the monies contributed to the Brand Development Fund were spent each year. We are not required to segregate the Brand Development Fund from our general operating funds and we are not a fiduciary or trustee of the Brand Development Fund. The Brand Development Fund will not be used to directly promote your Toro Taxes Business or the marketing area in which your Toro Taxes Business will be located. (Franchise Agreement, Article 9.A). We may utilize the Brand Development Fund to develop and test various media and technologies for potential utilization and/or improvement of the operations of Toro Taxes Businesses and the marketing of Toro Taxes Businesses. These technology developments and/or improvements may relate, among other things, to our website and to the interaction and potential enhancement of web offerings that may or may not be implemented on behalf of Toro Taxes Businesses. You may or may not benefit from these technology developments and improvements. The Brand Development Fund will be uniformly imposed upon all franchisees. (Franchise Agreement, Article 9.A.);

We have received compensation from the fund for administration fees and graphic design. We may use the Brand Development Fund to compensate ourselves for administrative fees associated with managing the Brand Development Fund and for our internal employee salaries, expenses and overhead associated with or reasonably allocated to managing the activities of the Brand Development Fund and performing services on behalf of the Brand Development Fund including, but not limited to, directing, developing and managing media of the Brand Development Fund. We will not directly utilize the Brand Development Fund to directly market the sale of Toro Taxes Businesses, however the advertising, marketing and brand development materials developed (including the System Website) may contain basic information as to the availability of Toro Taxes Businesses and contact information for franchise inquiries. In our most recent fiscal year ending December 31, 2020, we did not collect any Brand Marketing Fund fees.

5. Advertising Council - We have not established and advertising council but reserve the right to do so in the future. (Franchise Agreement, Article 9.A); and

6. Grand-Opening Marketing - You must spend at least \$1,000 prior to the opening your Toro Taxes Business for the purpose of promoting your grand opening. Prior to the opening of your Toro Taxes Business you must submit your grand opening marketing plan to us for our pre-approval.

Computer System.

You must utilize the computer systems and point of sale systems that we specify and designate. Presently, you are required to purchase and utilize the following computer equipment: a minimum of 2 new computers if you operate a Kiosk or 4 new computers if you operate an Office, and each computer is required to have, at minimum, the following: Processor Quad Core or higher, I7 for Server (Main) Computer, I5 for workstations(s), hard drive of 500 GB or more for Server, Hard Drive of 250 GB or more for workstations and a Secured Wi-Fi or Internet Connection. You are also required to purchase and utilize an all-in-one printer of your choice for general use in your Toro Taxes Business. You will be solely responsible for the acquisition, operation, maintenance, and upgrading on your computer system. There are no optional or required maintenance contracts specified by us. We may modify the specifications and the components of any such computer systems from time to time and may require you to obtain specified computer hardware and/or software, including, a license to use proprietary software developed by us or others, as well as service and support contracts for the hardware and software. You are required to exclusively utilize the tax return preparation and filing software that we designate. You are obligated to install the software upgrades and patches as provided by the manufacturer of the computer and point of sale system. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty Your estimated costs for the maintenance, repair and updates for the computer and point of sale systems is \$2,500 per year. You will also be required to utilize those customer reward programs and systems that we designate. There are no contractual limitations on the frequency or cost of this obligation. Additionally, we have no contractual limits imposed upon our access to a franchisee's computer information and our obligation for maintenance, repairs, updates and upgrades to franchisee's computerized system. We will have access to all of the information and data that is electronically collected and stored on your computer systems and point of sale system and, as such, will have access to all data related to the sales, customer orders, customer information and financial performance of your Toro Taxes Business.

Initial Training.

Prior to the opening of your Franchised Business, you or, if you are a Corporate Entity, your managing owner is required to complete our initial franchise training program either at our corporate training facility in Las Vegas, Nevada or on-line (the "Initial Training"). In addition to our Initial Training program, you, your managing owner, and your tax preparers will be required to participate in our on-going tax preparation training programs offered on-line (the "On-Going Tax Training"). We do not charge training fees for our on-line courses or charge a fee the first two individuals to attend annual training, but do charge a fee of \$175 per day, per additional person attending our live training for 1040 tax preparation sessions, provided that you pay in advance. If you elect to defer payment and have the Initial Training fees or any other live training session fees deducted from your account during Tax Season, you will pay a fee of \$250 per person for each additional person attending Initial Training or On-Going Tax Training. If you have additional parties (after the first two attendees) complete our Business Division Services training, you will pay a training fee equal to \$600 per person. You are responsible for costs associated with attending live training programs such as employee salaries, travel, room and board. (Franchise Agreement, Section 4.5).

In addition to the Initial Training and the On-Going Tax Training, You and your personnel are also required to participate in the 20-hour online annual continuing education training program that we designate. The cost for such annual training will not exceed \$1,000 per person. This annual training is in addition to all local, state or federal continuing education requirements to which you and your personnel may be subject.

After the opening of your Franchise, we will provide to you and your personnel access to information and support through franchise portals online. Support will also be available from our professionals, and we may provide continuing education sessions at locations designated by us such as at one of our corporate training facilities or via the World Wide Web. Continuing education sessions may have a registration charge to you which will not exceed \$250 per person. We may refer you to our affiliates for continuing professional education courses. You are responsible for costs associated with you attending the meetings such as travel,

room and board. The content will cover particular aspects including but not limited to: tax preparation methods and techniques, changes in tax preparer regulations, industry developments, new services, product updates (including updated list of approved vendors and suppliers), updates to advertising and marketing materials, operational and customer service standards, sales and promotions, administration and so forth. We may conduct an annual convention at such place as shall be designated by us for all Franchisees. A registration fee for each participant may be required which we will work in good faith to maintain at our cost and you will be responsible for costs associated with attending the convention such as travel, room and board. The registration fee for conferences will not exceed \$500 per person. The fees charged above may be increased a reasonable amount based on reasonable criteria.

TRAINING PROGRAM

The following chart summarizes the subjects covered in our initial training program:

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Initial Training			
Toro Taxes Business Without Business Division			
Franchise Operations	4		Online
Individual Tax Return Preparation	40	0	Las Vegas, Nevada or Online
Total Hours: Owner and Managers	48		

Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Initial Training			
Toro Taxes Business with Business Division			
Franchise Operations	4		Online
Tax Return Preparation	40	0	Las Vegas, Nevada or Online
Business Tax Returns, entity formation and bookkeeping	40	0	Online
Total Hours: Owner and Managers	84		

Instructional materials that will be utilized in the initial training process includes our Manuals and our on-line training programs. All training will be conducted under the direction and supervision of Nick Maldonado, our President and CEO. Mr. Maldonado has over nine years of experience in all phases of operating a tax preparation business. Toro Taxes Business. If we grant an Area Representative territory within your market, the Area Representative may assist with training you. In addition to initial training you will also be required to participate in and satisfy all other training programs that we may establish respecting the operation of your Toro Taxes Business. (Franchise Agreement, [Articles 4](#) and [7.J](#)).

On an on-going basis, after the opening of your Toro Taxes Business we reserve the right to require that you (or your managing owner if you are a corporate entity) attend a system-wide training program (the “[System-Wide Training Program](#)”) that we may establish in our sole discretion. If we establish a System-Wide Training Program, the program will be offered from our corporate offices in Las Vegas, Nevada or, on-line, if we so designate, or a franchisee owned Toro Taxes Business that we designate and certify and,

you will be responsible for all travel, lodging, food, automobile rental expenses and employee wages that you incur in attending.

ITEM 12 **TERRITORY**

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Franchise Agreement

Under the Franchise Agreement, we will grant to you the right to operate the Franchised Business from a single approved Franchise Location. Once you secure a Franchise Location that we approve, we will grant to you a “Designated Territory”. Except as to our Reserved Rights as discussed below in this Item 12, we will not establish or license another to establish a Toro Taxes Business within the Designated Territory during the term of your Franchise Agreement.

The scope of your Designated Territory will vary from the scope and size of the operating territories of other franchisees in our System and will be determined by us based on population density, demographics, and geographical boundaries. While there is no minimum size for a Designated Territory, the scope and size of the area comprising your Designated Territory will, generally, be a geographic area that contains up to 20,000 residents. Our determination as to the number of residents within your Designated Territory will be made at the time of signing your Franchise Agreement and will be based on raw data and without regard to demographics or other qualifying factors. You may only operate your Toro Taxes Business from your Franchise Location.

We will not alter the size of your Designated Territory without your written consent. We will not decrease the size of your Designated Territory if the population within your Operating Territory increases. We will not increase the size of your Designated Territory if the population within your Designated Territory decreases. The continuation of your Designated Territory is not dependent upon the achievement of a certain sales volume, market penetration or any other contingency other than your continued compliance with terms and conditions of your Franchise Agreement. The Franchise Agreement does not grant any options, rights of first refusal or similar rights to you for the acquisition of additional franchises within your Designated Territory or contiguous areas.

Although we will not establish and open or grant another System franchisee the right to establish and open a Toro Tax Business at a Franchised Location that is located within your Designated Territory, you may face competition from other Toro Tax Business’ and System Franchisees including System franchisees with Toro Tax Business locations and/or designated territories that are adjacent to and/or within a close proximity to your Franchised Location or Designated Territory. There are no restrictions on us, our affiliates or our System Franchisees from advertising or soliciting customers of Toro Tax Business’ from anywhere, including within your Designated Territory except that there are restrictions on your ability to solicit business from outside your Designated Territory as we reserve the right to approve or disapprove of your marketing, marketing mediums and marketing distribution channels. There are no territorial restrictions from accepting business from customers outside of your Designated Territory except that you may only provide the services and products of your Toro Tax Business from your Toro Tax Business Location. There are no territorial restrictions on you from soliciting or accepting business from customers outside of your Designated Territory except that you may only provide the services and products of your Toro Tax Business from your Toro Tax Business Location.

Reserved Rights

We and our affiliates reserve to ourselves the exclusive right on any and all terms and conditions that we deem advisable and without any compensation or consideration to you (Franchise Agreement, Article 2.D) to engage in the following activities: (a) operate and grant to others the right to operate Toro Taxes Businesses or other businesses using the System and Licensed Marks at locations outside your Designated Territory and, if applicable, Development Territory, as we deem appropriate and irrespective of the proximity to your Designated Territory and, if applicable, Development Territory; (b) acquire, merge with or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as, or similar to, the Franchised Business, and after such acquisition, merger or affiliation to own and operate and to franchise, or license others to own and operate and to continue to own and operate such businesses of any kind, even if such businesses offer and sell products and services that are the same as or similar to the Franchised Business (but not utilizing the Licensed Marks) within your Designated Territory and, if applicable, within your Development Territory; (c) be acquired by, merge with, or otherwise affiliate with one or more businesses of any kind, including businesses that offer and sell products and services that are the same as or similar to the Franchised Business, even if such business or businesses presently or, in the future, own and operate, franchise or license others to own and operate businesses that offer and sell products and services that are the same as or similar to the Franchised Business (but not utilizing the Licensed Marks) within your Designated Territory and, if applicable, your Development Territory; (d) use the Licensed Marks and System to distribute the approved products and services offered and sold by the Franchised Business or products and services similar to the approved products and services offered and sold by the Franchised Business in alternative channels of distribution (including the world wide web) within or outside your Designated Territory and, if applicable, your Development Territory; and (e) use the Licensed Marks and System and to license others to use the Licensed Marks and System, to engage in all other activities not expressly prohibited by the Franchise Agreement.

Our affiliate, Los Taxes Franchise Corp., operates and franchises tax preparation business offering similar products and services to the System Services and Products under the “Los Taxes” trademark. There are currently no restrictions on where a Los Taxes franchisee can solicit or accept customers, including within your designated territory. We intend to allow Los Taxes franchisees to convert to the Toro Taxes system and we will work with Los Taxes and its franchisees to resolve any territory conflicts during the conversion process. Any conflicts not addressed through conversions will be addressed by us and our affiliate on a case-by-case basis. Other than Los Taxes, we or affiliates do not operate, franchise, or have plans to operate or franchise any other business with substantially similar products and services. Los Taxes Franchise Corp. maintains its principal business address at 11230 Triangle Lane, Wheaton, Maryland 20902.

Additional Disclosures

The Franchise Agreement and, if applicable, the Development Agreement do not grant you any right to share in the proceeds received by us, our affiliates or any third-party from the activities outlined in the preceding paragraph as to our Reserved Rights including, soliciting or conducting business under our Reserved Rights within your Designated Territory. We do not grant you the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside your Designated Territory.

Your right to relocate the Franchised Business is not guaranteed and is at our discretion. In evaluating your relocation request we will evaluate your compliance with your Franchise Agreement, your prior operational history, the location of other Toro Taxes Businesses, our expansion plans, your Designated Territory, demographics and other factors that, at the time of your request, are relevant to us.

Our affiliate, Los Taxes Franchise Corp., operates and franchises tax preparation business offering similar products and services to the System Services and Products under the “Los Taxes” trademark. There are currently no restrictions on where a Los Taxes franchisee can solicit or accept customers, including within


your designated territory. We intend to allow Los Taxes franchisees to convert to the Toro Taxes system and we will work with Los Taxes and its franchisees to resolve any territory conflicts during the conversion process. Any conflicts not addressed through conversions will be addressed by us and our affiliate on a case-by-case basis. Other than Los Taxes, we or affiliates do not operate, franchise, or have plans to operate or franchise any other business with substantially similar products and services. Los Taxes Franchise Corp. maintains its principal business address at 11230 Triangle Lane, Wheaton, Maryland 20902.

ITEM 13
TRADEMARKS

We grant to you the license to use the “Toro Taxes” mark and certain other trademarks, service marks and commercial symbols in connection with the operation of the Franchise Business and as designated by us in the Manuals. The marks identified in the chart below have been registered by us with the United States Patent and Trademark Office. We reserve the right to supplement and modify the marks that you may or may not use in your Toro Taxes Business. You may only use the Licensed Marks in the manner authorized by us in writing and pursuant to the terms of the Franchise Agreement. You may not use the Licensed Marks in the name of your corporation or other corporate entity that you may establish for your Toro Taxes Business.

Principal Trademarks Registered with the United States Patent and Trademark Office

The following trademarks (the “Marks”) are a part of our System, will be used by you in the operations of your Toro Taxes Business, unless otherwise designated by us, and are registered with the United States Patent and Trademark Office (“USPTO”). All required affidavits have been filed and none of our Marks have been renewed. We intend to file all marks for renewal at the times required by law.

Mark	Registration Number	Registration Date	Register
Toro Taxes (Word Mark)	4738068	May 19, 2015	Principal
 (Design Mark)	4780534	May 12, 2015	Principal

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark and Appeal Board, or the trademark administrator in any state or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Licensed Marks. There are no agreements currently in effect which limit our right to use or license others to use the Licensed Marks.

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Licensed Marks in the state where your Toro Taxes business will be located or elsewhere. You must immediately provide us with written notice as to any claims that you may become aware of respecting the Licensed Marks including your use of the Licensed Marks and/or a claim associated with a third-party’s

use of a trademark that is identical or confusingly similar to the Licensed Marks. At all times we maintain the exclusive discretion to take any and all actions or, to refrain from any action, that we believe to be appropriate in response to any trademark infringement, challenge or claim. We possess the sole right to exclusively control any and all litigation, legal proceedings, administrative proceedings and/or settlements respecting any actual or alleged infringement, challenge or claim relating to the Licensed Marks. You must sign all documents, instruments and agreements and undertake the actions that we, with the advice of our legal counsel, determine to be necessary or advisable respecting the protection and/or maintenance of our interests in the Licensed Marks in any legal proceeding, administrative proceeding or as may be otherwise determined by us. As to the foregoing, we will reimburse you for the reasonable out-of-pocket administrative expenses that you incur and pay in complying with our written instructions.

We will protect your right to use the Licensed Marks and other related rights and to protect you against claims of infringement and unfair competition related to the Licensed Marks, provided that your use of the Licensed Marks is in accordance with the Franchise Agreement, the Manuals, and is consistent with our instructions and the license granted to you. We will indemnify you against direct damages for trademark infringement in a proceeding arising out of your use of the Licensed Marks, provided your use of the Licensed Marks comply with the terms of your Franchise Agreement, the Manuals, our written instructions to you and, you have timely notified us of the claim, have given us sole control of the defense and settlement of the claim, and you are in compliance with your Franchise Agreement. If we defend the claim, we have no obligation to indemnify or reimburse you with respect to any fees or disbursements of any attorney that you retain.

If any third-party establishes, to our satisfaction and in our sole discretion that its rights to the Licensed Marks are, for any legal reason, superior to any of our rights or of a nature that we believe, in our sole discretion, that it is advisable to discontinue and/or modify the Licensed Marks, then we will modify and/or replace the Licensed Marks and you must use the substitutions, replacements and/or variations of and/or to the Licensed Marks and use the those trademarks, service marks, logos and trade names required designated by us. In such event, our sole liability and obligation will be to reimburse you for the direct out-of-pocket costs of complying with this obligation, which you must document to our satisfaction, including, by way of example, alterations in signage and replacement of marketing materials.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents. We have copyrighted or may copyright advertising materials and design specifications, our Manuals and other written materials and items. We have not applied to the United States Copyright Office to register these copyrights. We have not applied to the United States Patent and Trademark Office for the issuance of any patents.

You must keep as confidential our Manuals, any supplements to the Manuals and any other manuals or written materials (including those materials made available to you in electronic format or as part of an online or cloud based network that is a part of the System or designated by the System) used in connection with the Franchised Business. The Manuals contain information about our System, System Products and Services, System Equipment, Supplies and Services, proprietary products, marketing systems, and, among other things, confidential methods of operation. We consider the information a trade secret and extremely confidential. You must use all reasonable means to keep this information confidential and prevent any unauthorized copy, duplication, record or reproduction of this information. You must also require your employees to sign confidentiality agreements that will require them to keep confidential, both during and after their employment, all information designated by us as confidential. You must immediately inform us if you learn of any unauthorized use, infringement or challenge to the copyrighted materials, proprietary or confidential information, including but not limited to our Manuals. We will take any and all action(s) (or

refrain from same) that we determine, in our sole discretion, to be appropriate. We may control any action we choose to bring. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright or patent. If any third-party establishes to our satisfaction, in our sole discretion, that its right to these materials are superior, then you must modify or discontinue your use of these materials in accordance with our written instructions.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL
OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires that you or, if you are a Corporate Entity, that your managing shareholder or partner be personally responsible for the daily management and operation of your Toro Taxes Business (the “Managing Owner”). We must approve your Managing Owner and your Managing Owner must dedicate his or her full-time efforts to the on management and operation of your Toro Taxes Business (Franchise Agreement, Article 7.J).

You and, if you are a Corporate Entity, each of your members, shareholders and partners (collectively, “Owners”), must personally guarantee all of your obligations to us under the Franchise Agreement. Each Owner and Owner’s spouse must personally guarantee your obligations to us under the Franchise Agreement (Franchise Agreement Articles 2.C and 6 and Franchise Agreement Exhibits 1 and 2). You must also promise in writing that, among other things, during the term of the Franchise Agreement you will not participate in any business that in any way competes with or is similar to the Franchised Business, and that for 36 months after the expiration of termination of the Franchise Agreement (with said period being tolled during any periods of non-compliance), you will not participate in any competitive business located within and/or servicing customers located within your Designated Territory and a 25 mile radius surrounding your Designated Territory. Further, you will not participate in any competitive business located within and/or servicing customers located within a 25 mile radius of any other Toro Taxes Business and/or the designated territory of any other Franchised Business. Your managers and other employees and agents with access to our confidential information will be required by us to sign a confidentiality agreement (Franchise Agreement Article 6 and Franchise Agreement Exhibit 4).

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell the System Products and Services as specified in the Manuals or otherwise approved by us in writing and may only sell the products and services required by us. We can change the products and services that you must offer. There is no limitation on our right to change the products and services offered by Toro Taxes Businesses. You are not limited to whom you may sell products and services of your Toro Taxes Business, provided that you do so exclusively from your Franchise Location and, as otherwise required by and in compliance with the standards we determine for the System.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Article 2.B	The term is 5 years for a Toro Taxes Store or a Toro Taxes Kiosk.
b. Renewal or extension of the term	Article 15	If you meet our conditions for renewal you may renew your franchise for an additional 5 year term for a Toro Taxes Store, or an additional 3 year term for a Toro Taxes Kiosk.
c. Requirements for franchisee to renew or extend	Article 15	You must: not be in default of the Franchise Agreement; give us 90 days prior written notice; have complied with all material terms and conditions of your current Franchise Agreement; sign our then current form of franchise agreement and related agreements; sign a general release; pay a renewal fee; pay all monetary obligations owed to us; remodel and upgrade the Franchise Location for your Toro Taxes Business; and maintain the right to continue to occupy your Franchise Location. Upon renewal, the then current form of franchise agreement that you will be required to sign may contain terms and conditions materially different from those in your previous franchise agreement.
d. Termination by franchisee	Article 16.B	You may terminate only if we fail to cure a material breach of the Franchise Agreement within the cure period.
e. Termination by franchisor without cause	Not applicable	We can terminate without cause only if you and we mutually agree, in writing, to terminate.
f. Termination by franchisor with "cause"	Article 16.A	We can terminate if you are in default.
g. "Cause" defined-curable defaults	Article 16.A(3)	You will have 30 days to cure: a failure to open your Toro Taxes Business in accordance with the terms of the Franchise Agreement; fail to pay any uncontested fee to anyone; fail to conform to and comply with our System; issue any check or funds that are dishonored; fail to pay for leasehold improvements before opening; lose possession of your Franchise Location; fail to comply with regulations of any government agency; fail to maintain required and continuous insurance coverage; misuse the Licensed Marks; or if applicable, a failure to comply with the terms of your other franchise agreement(s). You have 10 days to cure a failure to pay any fees due to us or an affiliate.

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
h. “Cause” defined-non-curable defaults	Articles 16.A(1) and 16.A(2)	The following defaults cannot be cured: you are convicted of any law affecting your Toro Taxes Business or a felony; you are deemed insolvent; you make an assignment for the benefit of creditors; you abandon your Toro Taxes Business; you refuse to allow an audit by us; you violate the Franchise Agreement on 3 or more separate occasions; or your conduct materially impairs our Licensed Marks or Business System.
i. Franchisee’s obligations on termination/non-renewal	Articles 6 and 17	You must cease representing yourself as a Franchised Business; cease using our Licensed Marks and System; immediately pay what you owe to us pursuant to the Franchise Agreement; immediately return all printed materials provided to you by us; alter the appearance of your Toro Taxes Business; transfer your telephone directory listings to us; cease using proprietary products and our approved suppliers; and transfer your Domain Names, Websites and Search Engines to us (nothing contained herein shall be implied to permit you to register domain names, websites and/or search engines related to your Toro Taxes Business).
j. Assignment of the contract by franchisor	Article 14.A	No restriction on our right to assign.
k. “Transfer” by franchisee-definition	Articles 1 and 14.B	An assignment, sale, or gift; assignment to owned or controlled corporation; assignment if death or disability; sale of capital stock to the public; or grant of mortgage, lien, or security interest.
l. Franchisor’s approval of transfer by franchisee	Article 14.B	Transfers require our prior written consent, which may be granted or withheld in our sole discretion.
m. Conditions for franchisor’s approval of transfer	Article 14.C	Provide us 30 days written notice of the transfer; pay all money owed to us; complete a written agreement between you and us; you and us sign a joint and mutual release; transferee meets our standards; transferee signs a transfer and assignment agreement, and if required signs the current form of franchise agreement; transferee and managers successfully complete training program; transferee has acquired all valid licenses; and you pay the transfer fee.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Article 14.F	We have the right to match any offer to purchase your Toro Taxes Business or the corporate entity operating your Toro Taxes Business.

PROVISION	SECTIONS IN FRANCHISE AGREEMENT	SUMMARY
o. Franchisor's option to purchase franchisee's business	Not applicable.	Not applicable.
p. Death or disability of franchisee	Article 14.D	The executor or other personal representative or the remaining shareholders must appoint a manager within a reasonable period of time and that manager must attend training; if you are an individual, your Franchise Agreement may be transferred to your beneficiary without paying a transfer fee to us.
q. Non-competition covenants during the term of the franchise	Article 6	No involvement in any competitive business and must comply confidentiality, non-disclosure and non-solicitation covenants.
r. Noncompetition covenants after the franchise is terminated or expires	Articles 6 and 17.E	No involvement for 3 years in competing business in: your designated territory; a 25 mile radius of your designated territory; a 25 mile radius of the designated territory of any other Toro Taxes Business; and you must comply with confidentiality, non-disclosure and non-solicitation covenants.
s. Modification of the agreement	Article 18.L	Requires writing signed by you and us, except for unilateral changes that we may make to the Manuals or our unilateral reduction of the scope of a restrictive covenant that we may make in our sole discretion.
t. Integration/merger clauses	Article 18.M	Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Not applicable	Not Applicable.
v. Dispute resolution by arbitration or mediation	Article 18.G	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in Las Vegas, Nevada and, if mediation is unsuccessful, then to binding arbitration in Las Vegas, Nevada (Subject to applicable state law).
w. Choice of forum	Article 18.G	All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, Las Vegas, Nevada (Subject to applicable state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Nick Maldonado, Toro Taxes Franchise, L.L.C at 6130 Elton Avenue Las Vegas, Nevada 89107 and (702) 741-4444; the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2018 to 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	55	61	+6
	2019	61	68	+7
	2020	68	144	+76
Company Owned	2018	28	32	+4
	2019	32	32	0
	2020	32	30	=2
Total Outlets	2018	83	93	+10
	2019	93	100	+7
	2020	100	174	+74

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2018 to 2020

State	Year	Number of Transfers
California	2018	1
	2019	0
	2020	0
Nevada	2018	2
	2019	0
	2020	0
Total	2018	3
	2019	0
	2020	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2018 to 2020

State	Year	Outlets at start of year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of year
Arizona	2018	8	0	0	0	0	2	6
	2019	6	5	0	0	0	0	11
	2020	11	1	0	0	0	0	12
California	2018	12	5	0	0	0	1	16
	2019	16	0	0	0	0	0	16
	2020	16	1	0	0	0	0	17
Colorado	2018	15	0	0	0	0	0	15
	2019	15	4	1	0	0	0	18
	2020	18	5	0	0	0	0	23

State	Year	Outlets at start of year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of year
Delaware	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	4	0	0	0	0	4
Florida	2018	0	0	0	0	0	0	0
	2019	0	5	0	0	0	0	5
	2020	5	5	0	0	0	0	10
Georgia	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	4	0	0	0	0	4
Illinois	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	3	0	0	0	0	3
Kentucky	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
Maryland	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	10	0	0	0	0	10
Minnesota	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
Nevada	2018	5	4	0	0	0	0	9
	2019	9	0	3	0	0	0	6
	2020	6	2	0	0	0	0	8
New Jersey	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0

State	Year	Outlets at start of year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of year
	2020	0	6	0	0	0	0	6
New Mexico	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
New York	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	9	0	0	0	0	9
North Carolina	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	2	0	0	0	0	2
Oklahoma	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
Oregon	2018	2	0	0	0	0	2	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Pennsylvania	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	13	0	0	0	0	13
Texas	2018	10	2	0	0	0	0	12
	2019	12	1	6	0	0	0	7
	2020	7	4	0	0	0	0	11
Utah	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Washington	2018	2	0	0	0	0	1	1

State	Year	Outlets at start of year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at end of year
	2019	1	4	2	0	0	0	3
	2020	0	2	0	0	0	0	2
Wisconsin	2018	1	0	0	0	0	0	1
	2019	1	1	1	0	0	0	1
	2020	1	0	0	0	0	0	1
Totals	2018	55	12	0	0	0	6	61
	2019	61	21	13	0	0	1	68
	2020	68	76	0	0	0	0	144

**TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2018 to 2020**

State	Year	Outlets at start of year	Outlets Opened	Outlets Reacquired by Franchisor	Outlets Closed	Outlets Sold to Franchisee	Outlets at end of year
California	2018	10	1	0	0	0	11
	2019	11	0	0	0	0	11
	2020	11	0	0	0	0	11
New Mexico	2018	0	1	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
Nevada	2018	18	1	0	0	0	19
	2019	19	0	0	0	0	19
	2020	19	0	2	0	0	21
Texas	2018	0	1	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
Totals	2018	28	4	0	0	0	32

	2019	32	0	0	0	0	32
	2020	32	0	0	2	0	30

**TABLE NO. 5
PROJECTED OPENINGS
AS OF JANUARY 1, 2021**

State	Franchise Agreement Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Arizona	0	4	0
California	0	20	0
Colorado	0	3	0
Delaware	0	4	0
Florida	0	5	0
Georgia	0	4	0
Kentucky	0	1	0
Maryland	0	11	0
Minnesota	0	1	0
Nevada	0	5	0
New Jersey	0	4	0
New York	0	8	0
North Carolina	0	8	0
Pennsylvania	0	12	0
Virginia	0	2	0
Washington	0	2	0
Totals	0	94	0

Notes to Tables:

During the last three fiscal years, franchisees and licensees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We know of no franchisee organizations that are associated with our System and that utilize our Licensed Marks or the Toro Taxes trade name as part of the franchisee organizations name.

Exhibit F to this Disclosure Document contains a list of our then current Toro Taxes franchisees and licensees as of the end of December 31, 2018, our most recently completed fiscal year.

Exhibit G to this Disclosure Document contains a list of Toro Taxes franchisees and licensees that had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

ITEM 21 **FINANCIAL STATEMENTS**

Attached as Exhibit D is our audited financial statements as of December 31, 2020 and December 31, 2019.

ITEM 22 **CONTRACTS**

Attached to this Disclosure Document or to the Exhibits attached to and comprising the Franchise Agreement attached to this Disclosure Document are copies of the following franchise and other contracts and agreements in use or proposed for use:

Exhibit <u>E</u>	Franchise Agreement
Exhibit <u>H</u>	State Specific Addendum
Exhibit <u>I</u>	State Effective Dates

Schedules and Exhibits to the Franchise Agreement

Schedule <u>1</u>	Franchise Type and Location Acknowledgement
Schedule <u>2</u>	Designated Territory Acknowledgment
Schedule <u>3</u>	Statement of Franchisee's Owners
Exhibit <u>1</u>	Franchise Owner and Spouse Agreement and Guaranty
Exhibit <u>2</u>	Joinder Agreement
Exhibit <u>3</u>	Franchisee Disclosure Questionnaire and Representations Statement
Exhibit <u>4</u>	Confidentiality Agreement
Exhibit <u>5</u>	Franchise Location and Designated Territory Acknowledgment
Exhibit <u>6</u>	Site Selection Acknowledgment
Exhibit <u>7</u>	Lease Agreement Rider
Exhibit <u>8</u>	Collateral Assignment of Lease
Exhibit <u>9</u>	Assignment of Telephone Numbers and Digital Media Accounts
Exhibit <u>10</u>	General Release
Exhibit <u>11</u>	ACH Authorization Form
Exhibit <u>12</u>	Conversion Addenda (12-a and 12-b)
Exhibit <u>13</u>	Initial Franchise Fee Promissory Note
Exhibit <u>14</u>	Initial Franchise Fee and Capital Funding Promissory Note
Exhibit <u>15</u>	Security Agreement
Exhibit <u>16</u>	Business Division Services Addendum

Individual state law may supersede the provisions contained in your Franchise respecting the requirement that you execute a general release as a condition to assignment, sale or transfer. See, the state specific addenda contained in Exhibit H of this Disclosure Document.

ITEM 23
RECEIPTS

Two copies of a detachable receipt in Exhibit J are located at the very end of this Disclosure Document. Please sign one copy of the receipt and return it to us at the following address Nick Maldonado, Toro Taxes Franchise, L.L.C, 6130 Elton Avenue Las Vegas, Nevada 89107. The duplicate is for your records.

[THE DISCLOSURE DOCUMENT ENDS HERE]



FRANCHISE DISCLOSURE DOCUMENT

**EXHIBIT A
STATE ADMINISTRATORS**

LIST OF STATE ADMINISTRATORS

California

Department of Financial Protection and Innovation
320 West 4th Street Suite 750
Los Angeles, CA 90013

Commissioner of Financial Protection and
Innovation
2101 Arena Boulevard
Sacramento, CA 95834
1-866-275-2677

Connecticut

Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, CT 06103

Florida

Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, FL 32399

Hawaii

Franchise & Securities Division
State Department of Commerce
P.O. Box 40
Honolulu, HI 96813

Illinois

Office of the Attorney General
Franchise Bureau
500 South Second Street
Springfield, IL 62706

Indiana

Indiana Secretary of State
Indiana Securities Division
Franchise Section
302 W. Washington Street Room E-111
Indianapolis, IN 46204

Kentucky

Office of the Attorney General
Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, KY 40601

Maine

Department of Professional and Financial
Regulations
Bureau of Banking
Securities Division
121 Statehouse Station
Augusta, ME 04333

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202

Michigan

Michigan Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
670 Law Building
PO Box 30213
Lansing, MI 48909

Minnesota

Minnesota Department of Commerce
Securities Division
8⁵ 7th Place East, Suite 280
St. Paul, MN 55101

Nebraska

Nebraska Department of Banking and Finance
Commerce Court
1230 O Street, Suite 400
Lincoln, NE 68509

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
212-416-8222

North Carolina

Secretary of State
Securities Division
300 North Salisbury Street, Suite 100
Raleigh, NC 27603

North Dakota

Office of Securities Commissioner
600 East Boulevard 5th Floor - Department 414
Bismarck, ND 58505

LIST OF STATE ADMINISTRATORS (CONTINUED)

Rhode Island

Department of Business Registration
Division of Securities
233 Richmond Street Suite 232
Providence, RI 02903

South Carolina

Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, SC 29201

South Dakota

Department of Labor and Regulation
Division of Securities
124 South Euclid, Suite 104
Pierre, SD 57501

Texas

Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, TX 78701

Utah

Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
PO Box 146704
Salt Lake City, UT 84114

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street 9th Floor
Richmond, VA 23219

Washington

Department of Financial Institutions
Securities Division
PO Box 9033
Olympia, WA 98507

Wisconsin

Franchise Office
Wisconsin Securities Commission
PO Box 1768
Madison, WI 53701



FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B
AGENTS FOR SERVICE OF PROCESS

Attn: Nick Maldonado
Toro Taxes Franchise, L.L.C
6130 Elton Avenue Las Vegas, Nevada 89107

California

Commissioner of Financial Protection and
Innovation
Department of Financial Protection and Innovation
320 West 4th Street Suite 750
Los Angeles, CA 90013

Commissioner of Financial Protection and
Innovation
2101 Arena Boulevard
Sacramento, CA 95834
1-866-275-2677

Connecticut

Banking Commissioner
Department of Banking
Securities and Business Investment Division
260 Constitution Plaza
Hartford, CT 06103

Hawaii

Director of Department of Commerce and
Consumer Affairs
335 Merchant Street, Suite 203
Honolulu, HI 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Maryland

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202

Michigan

Michigan Department of Commerce
Corporation and Securities Bureau
6546 Mercantile Way
Lansing, MI 48910

Minnesota

Commissioner of Commerce of Minnesota
Department of Commerce
8⁵ 7th Place East, Suite 280
St. Paul, MN 55101

New York

Secretary of State
99 Washington Avenue
Albany, NY 12231

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue, State Capitol
Fifth Floor, Dept 414
Bismarck, ND 58505
Phone 701-328-4712

Rhode Island

Director of Department of Business Regulation
233 Richmond Street, Suite 232
Providence, RI 02903

South Dakota

Department of Labor and Regulation
Division of Securities
124 South Euclid, Suite 104
Pierre, SD 57501

Virginia

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219

Washington

Securities Administrator
Washington Department of Financial Institutions
150 Israel Road SW
Tumwater, WA 98501

Wisconsin

Wisconsin Commissioner of Securities
345 W Washington Avenue
Madison, WI 53703



FRANCHISE DISCLOSURE DOCUMENT

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FRANCHISE DISCLOSURE DOCUMENT

**EXHIBIT D
FINANCIAL STATEMENTS**



Barry Knepper
CFOCPA

CONSENT

Barry Knepper, CPA hereby consents to the use in the Franchise Disclosure Document issued by In Toro Taxes Franchise, LLC on July 22,2021 as it may be amended, of our report dated July 22,2021, relating to the financial statements of Franchisor for the period ending December 31,2020.

A handwritten signature in black ink, appearing to read 'Barry Knepper', with a long horizontal flourish extending to the right.

Barry Knepper, CPA

**TORO TAXES FRANCHISE, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2020**

TORO TAXES FRANCHISE, LLC

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BARRY KNEPPER
CERTIFIED PUBLIC ACCOUNTANT
33202 SPRUCE POND CIRCLE PLAINVIEW, NY 11803

INDEPENDENT AUDITOR'S REPORT

To the members
Toro Taxes Franchise, LLC

We have audited the accompanying financial statements of Toro Taxes Franchise, LLC. (the "Company"), which comprise the balance sheets as of December 31,2020 and 2019 and the related statements of income, members' deficit, and cash flows for the year ended December 31,2020 and the period April 5,2019-December 31,2019, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

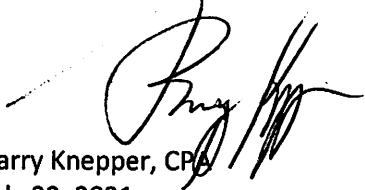
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the U.S.("U.S. GAAS"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Toro Taxes Franchise, LLC. as of December 31,2020, and 2019 and the results of its operations and its cash flows for the year ended December 31,2020 and the period April 5,2019-December 31,2019, in accordance with U.S. GAAP.


Barry Knepper, CPA
July 22, 2021

**TORO TAXES FRANCHISE,LLC
BALANCE SHEET**

	DECMEBER 31	
	2020	2019
<u>ASSETS</u>		
Current Assets		
Cash	\$ 148,808	\$ 80,054
Accounts receivable	842,171	625,410
Accrued interest receivable	—	54,059
Deferred commission expense	—	63,982
Prepaid expenses	129,379	56,250
Due from related parties	92,202	57,900
Total current assets	1,212,560	937,655
Fixed assets, net	84,228	11,716
Security deposits	30,625	24,625
	\$ 1,327,413	\$ 973,996
<u>LIABILITIES AND MEMBERS' DEFICIT</u>		
Current Liabilities		
Accounts payable	\$ 209,121	\$ 69,813
Deferred franchise fees	409,250	78,000
Loan payable-current	109,339	194,257
Total current liabilities	727,710	342,070
Loan payable	2,077,445	1,361,993
Members' deficit	(1,477,742)	(730,067)
Total Liabilities and Members' Deficit	\$ 1,327,413	\$ 973,996

See notes to financial statements

TORO TAXES FRANCHISE, LLC
STATEMENTS OF OPERATIONS AND MEMBERS' DEFICIT

	YEAR ENDED DECEMBER 31, 2020	APRIL 5, 2019- DECEMBER 31, 2019
Royalties	\$ 1,776,054	\$ —
Marketing fees	307,413	—
Franchise fees	293,694	—
Other income	125,202	17,067
	<u>2,502,363</u>	<u>\$ 17,067</u>
Operating expenses	<u>2,247,783</u>	<u>1,042,888</u>
Net income(loss) from operations	254,580	(1,025,821)
Interest income	87,821	54,584
Interest expense	<u>(328,498)</u>	<u>—</u>
Net Income(Loss)	13,903	(971,237)
Members' Equity-Beginning	(730,067)	—
Member Distributions	(761,578)	—
ASC 606 Adjustment	<u>—</u>	<u>241,170</u>
Members' Deficit-Ending	<u>\$ (1,477,742)</u>	<u>\$ (730,067)</u>

See notes to financial statements

**TORO TAXES FRANCHISE,LLC
STATEMENT OF CASH FLOWS**

	DECEMBER 31	
	2020	2019
OPERATING ACTIVITIES		
Net Income(Loss)	\$ 13,903	\$ (971,237)
Depreciation	5,819	—
Adjustments to reconcile net income(loss) to net cash provided(used) by operating activities:		
Changes in assets and liabilities		
Accounts receivable	(216,761)	(625,410)
Accrued interest receivable	54,059	(54,059)
Deferred commission expense	63,982	(69,812)
Prepaid expenses	(73,129)	(56,250)
Due from related parties	(34,302)	(57,900)
Security deposits	(6,000)	(24,625)
Accounts payable	139,308	69,813
Deferred franchise fees	331,250	325,000
	<u>278,129</u>	<u>(1,464,480)</u>
INVESTING ACITITIVES		
Fixed asset acquisitions	<u>(78,331)</u>	<u>(11,716)</u>
FINANCING ACTITIES		
Loan payable	630,534	1,556,250
Member disributions	(761,578)	—
	<u>(131,044)</u>	<u>1,556,250</u>
Net Increase in Cash	68,754	80,054
Cash-Beginning	<u>80,054</u>	<u>—</u>
Cash-Ending	<u>\$ 148,808</u>	<u>\$ 80,054</u>

See notes to financial statements

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2020

1. THE COMPANY-Toro Taxes Franchising, LLC (“the Company”) is a Nevada limbed liability corporation that was formed in April 2019 to offer franchises that provide services for the preparation and filing of income taxes and related services and products. Our predecessor had been conducting business and offering franchises under the Toro Taxes name since September 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition-In accordance with FASB ASC Subtopic 952-06, Franchisors, Revenue Recognition, nonrefundable initial franchise fees paid by franchise owners are recognized as revenue the earlier of when the franchisee commences operations or upon termination of the franchise agreement. Initial franchise fees collected prior to commencing operations are recorded as deferred initial franchise fees.

In May 2014, the FASB issued a new accounting standard ASU No. 2014-09, “*Revenue from Contracts with Customers (Topic 606)*”, that attempts to establish a uniform basis for recording revenue to virtually all industries’ financial statements. The revenue standard’s core principle is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. Additionally, the new guidance requires enhanced disclosure to help financial statement users better understand the nature, amount, timing and uncertainty of the revenue recorded.

The new standard changes how the Company records initial franchise fees from franchisees, area developer fees and brand development fees. Under Legacy GAAP, franchise fees, which are non-refundable, were recognized as income when substantially all services to be performed by the Company and conditions relating to the sale of the franchise were performed or satisfied, which generally occurred when the franchisee commenced operations. Upon adoption as of January 1, 2020, the Company recorded an increase to decrease revenue of \$247,000, a decrease to deferred commission expense of \$5,830 and a cumulative adjustment to decrease accumulated member’s equity of \$241,170 on the Balance Sheet.

Franchise Arrangements-The Company’s franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a gourmet pizza delivery restaurant for a specified number of years.

Concentration of Credit Risk—financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company’s cash accounts did not exceed the Federal Deposit Insurance Company’s (FDIC) insurance limit of \$ 250,000. The Company maintains its cash and cash equivalents with accredited financial institutions. The Company reviews the credit history of its franchisees before extending credit. The Company establishes its allowances based upon factors including the credit risk of specific franchisees, historical trends, and other information.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED DECEMBER 31,2020

Property and Equipment-Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed principally on the straight-line method over the estimated useful life of each type of asset which ranges from five to seven years. Leasehold improvements are depreciated over the life of the asset or the corresponding lease agreement, whichever is shorter. Major improvements are capitalized, while expenditures for repairs and maintenance are expensed when incurred. Upon retirement or disposition, the related costs and accumulated depreciation are removed from the accounts, and any resulting gains or losses are credited or charged to income.

Use of Estimates- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Taxes on Income - The Company is a limited liability corporation. Income and expenses for the Company pass through directly to the shareholders and is reported on their individual income tax returns. Therefore, no provision or liability for federal income tax has been included in the financial statements.

3. LOAN PAYABLE

The Company entered into a working capital advance loan program with a processor of tax refund related financial products. The principal amount of the working capital advances at December 31,2020 and 2019 were \$2,186,783 and \$1,362,003, respectively, with monthly interest on the outstanding at an interest rate of 5%. Payments are made annually by applying tax return processing fees generated by the Company to the principal balance due in with a balloon payment of the balance due in July 2027. The total commitment under the advance program is \$4,000,000 , subject to certain operating benchmarks.

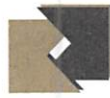
4. RELATED PARTY TRANSACTIONS

From time to time, the Company makes advances to related entities. These advances bear no interest and are due upon demand. On December 31, 2020, and 2019, the balances due to the Company were \$92,202 and \$57,900, respectively.

5. SUBSEQUENT EVENTS

In an agreement effective on January 1, 2020, the Company acquired the rights and license to operate the Toro Tax Franchise System from our affiliate and predecessor Toro Tax Franchising LLC. Additionally, we acquired the majority of the franchise assets of our affiliate and predecessor Los Taxes Franchise Corp. pursuant to an agreement with an effective date of January 1, 2020.

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through July 22,2021, the date at which the financial statements were made available.



Barry Knepper
CFOCPA

CONSENT

Barry Knepper, CPA hereby consents to the use in the Franchise Disclosure Document issued by Toro Taxes Franchise, LLC (“Franchisor”) on June 26,2020, as it may be amended, of our report dated June 18,2020 relating to the financial statements of Franchisor for the period ending December 31,2019.



Barry Knepper, CPA

**TORO TAXES FRANCHISE, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2019**

TORO TAXES FRANCHISE, LLC

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BARRY KNEPPER
CERTIFIED PUBLIC ACCOUNTANT
33202 SPRUCE POND CIRCLE PLAINVIEW, NY 11803

INDEPENDENT AUDITOR'S REPORT

To the members
Toro Taxes Franchise, LLC

We have audited the accompanying financial statements of Toro Taxes Franchise, LLC. (the "Company"), which comprise the balance sheet as of December 31, 2019 and the related statements of income, members' deficit, and cash flows for the period then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the U.S. ("U.S. GAAS"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

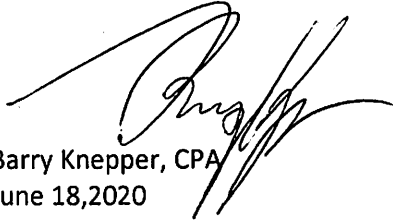
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Toro Taxes Franchise, LLC. as of December 31, 2019 and the results of its operations and its cash flows for the period then ended in accordance with U.S. GAAP.

Emphasis of Matter

The COVID-19 outbreak in 2020(see Note5)has caused business disruption in a variety of industries, markets and geographic regions, which has resulted inconsiderable amount of uncertainty a t the financial impact and duration, which cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink, appearing to read 'Barry Knepper', written over the typed name and date.

Barry Knepper, CPA
June 18,2020

**TORO TAXES FRANCHISE,LLC
BALANCE SHEET
DECEMBER 31,2019**

ASSETS

Current Assets	
Cash	\$ 80,054
Accounts receivable	625,410
Accrued interest receivable	54,059
Deferred commission expense	69,812
Prepaid expenses	56,250
Due from related parties	57,900
Total current assets	943,485
Fixed assets, net	11,716
Security deposit	24,625
	\$ 979,826

LIABILITIES AND MEMBERS' DEFICIT

Current Liabilities	
Accounts payable	\$ 69,813
Deferred franchise fees	325,000
Loan payable-current	194,257
Total current liabilities	589,070
Loan payable	1,361,993
Members' deficit	(971,237)
Total Liabilities and Members' Deficit	\$ 979,826

See notes to financial statements

TORO TAXES FRANCHISE,LLC
STATEMENTS OF OPERATIONS AND MEMBERS' DEFICIT
APRIL 5,2019--DECEMBER 31,2019

Revenues	\$ 17,067
Operating expenses	<u>1,042,888</u>
Net loss from operations	(1,025,821)
Interest income	<u>54,584</u>
Net loss	(971,237)
Members' Equity-Beginning	<u>—</u>
Members' Deficit-Ending	<u><u>\$ (971,237)</u></u>

See notes to financial statements

TORO TAXES FRANCHISE,LLC
STATEMENT OF CASH FLOWS
DECEMBER 31,2019

OPERATING ACTIVITIES

Net loss	\$ (971,237)
Adjustments to reconcile net loss to net cash used by operating activities:	
Changes in assets and liabilities	
Accounts receivable	(625,410)
Accrued interest receivable	(54,059)
Deferred commission expense	(69,812)
Prepaid expenses	(56,250)
Due from related parties	(57,900)
Security deposit	(24,625)
Accounts payable	69,813
Deferred franchise fees	325,000
	<u>(1,464,480)</u>

INVESTING ACITITIVES

Fixed asset acquisitions	<u>(11,716)</u>
--------------------------	-----------------

FINANCING ACTITIES

Loan payable	<u>1,556,250</u>
--------------	------------------

Net Increase in Cash 80,054

Cash-Beginning —

Cash-Ending \$ 80,054

See notes to financial statements

**TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019**

1. THE COMPANY-Toro Tax Franchising, LLC (“the Company”) is a Nevada limbed liability corporation that was formed in April 2019 to offer franchises that provide services for the preparation and filing of income taxes and related services and products. Our predecessor had been conducting business and offering franchises under the Toro Taxes name since September 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition-In accordance with FASB ASC Subtopic 952-06, Franchisors, Revenue Recognition, nonrefundable initial franchise fees paid by franchise owners are recognized as revenue the earlier of when the franchisee commences operations or upon termination of the franchise agreement. Initial franchise fees collected prior to commencing operations are recorded as deferred initial franchise fees.

In May 2014, the FASB issued a new accounting standard ASU No. 2014-09, “*Revenue from Contracts with Customers (Topic 606)*”, that attempts to establish a uniform basis for recording revenue to virtually all industries’ financial statements. The revenue standard’s core principle is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. Additionally, the new guidance requires enhanced disclosure to help financial statement users better understand the nature, amount, timing and uncertainty of the revenue recorded.

The new standard will change how the Company records initial franchise fees from franchisees, area developer fees and brand development fees. Under Legacy GAAP, franchise fees, which are non-refundable, were recognized as income when substantially all services to be performed by the Company and conditions relating to the sale of the franchise were performed or satisfied, which generally occurred when the franchisee commenced operations.

On April 8, 2020 The Financial Accounting Standards Board (“FASB”) announced the delay of the ASC 606 revenue recognition rules for one year. The rules would be effective with the year ended December 31, 2020 for the Company.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a gourmet pizza delivery restaurant for a specified number of years.

Concentration of Credit Risk—financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company’s cash accounts did not exceed the Federal Deposit Insurance Company’s (FDIC) insurance limit of \$ 250,000. The Company maintains its cash and cash equivalents with accredited financial institutions. The Company reviews the credit history of its franchisees before extending credit. The Company establishes its allowances based upon factors including the credit risk of specific franchisees, historical trends, and other information.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED DECEMBER 31, 2019

Use of Estimates- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Taxes on Income - The Company is a limited liability corporation. Income and expenses for the Company pass through directly to the shareholders and is reported on their individual income tax returns. Therefore, no provision or liability for federal income tax has been included in the financial statements.

3. NOTE PAYABLE

The Company entered into a working capital loan with a processor of tax refund related financial products. The principal amount of the loan is \$1,500,000 with monthly interest on the outstanding balance added to the amount due at an interest rate of 5%. Annual payments of \$194,257 are due in March of 2020-2023 with a balloon payment of the balance due in March 2024. The loan guaranteed by future tax processing fees and by the members of the Company.

4. RELATED PARTY TRANSACTIONS

From time to time, the Company makes advances to related entities. These advances bear no interest and are due upon demand. At December 31, 2019, the balances due to the Company were \$57,900.

5. SUBSEQUENT EVENTS

In an agreement effective on January 1, 2020, we acquired the rights and license to operate the Toro Tax Franchise System from our affiliate and predecessor Toro Tax Franchising LLC. Additionally, we acquired the majority of the franchise assets of our affiliate and predecessor Los Taxes Franchise Corp. pursuant to an agreement with an effective date of January 1, 2020.

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization ("WHO"), has caused business disruption in a variety of industries, markets and geographic regions. Such business disruptions, according to some economists may be severe enough to result in a recession. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the severity of impact on the Company's business. While we expect this matter to impact our business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through June 18, 2020, the date at which the financial statements were made available.



FRANCHISE DISCLOSURE DOCUMENT

**EXHIBIT E
FRANCHISE AGREEMENT**



Toro Taxes Franchise, L.L.C

Toro Taxes Franchise Agreement

Franchisee Name

Provisions Contained in this Franchise Agreement and the Schedules and Exhibits Attached Hereto are subject to the Copyright of The Internicola Law Firm, PC, © 2021 The Internicola Law Firm, PC

Toro Taxes Franchise Agreement

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Schedules and Exhibits

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Toro Taxes Franchise Agreement

THIS FRANCHISE AGREEMENT (the “Agreement”) is entered into on _____, 20__ (“Effective Date”), by and between Toro Taxes Franchise, L.L.C, a Nevada limited liability company with a principal place of business located at 6130 Elton Avenue Las Vegas, Nevada 89107, (the “Franchisor”) and _____ (the “Franchisee”).

RECITALS

WHEREAS, Franchisor has developed a distinctive and proprietary system (the “System”) for the development and operation of a business that provides services for the preparation and filing of income tax returns and related services and products under the Licensed Marks (defined below) (each, a “Franchised Business”, or “Toro Taxes Business”);

WHEREAS, the System and, therefore, each Toro Taxes Business, is identified by the Licensed Marks and distinctive trade dress, service offerings, business formats, equipment, products, supplies, operating procedures, programs, methods, procedures, and marketing and advertising standards, all of which are part of the System and all of which Franchisor may modify from time to time; and

WHEREAS, Franchisee desires to obtain the non-exclusive license and right to use the System in connection with the operation of one Toro Taxes Business from a single fixed location within a designated territory and pursuant to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties do hereby agree, as follows:

ARTICLE 1 DEFINITIONS

Supplementing the terms and definitions contained in the foregoing “Recitals”:

“Accounting Period” is the period of time selected and determined by Franchisor respecting the required measurement and reporting of financial information and payment of financial obligations by Franchisee. The applicable measurement period shall be determined by Franchisor from time to time with respect to Franchisee’s obligations to report financial information and data to Franchisor (including Gross Sales) and Franchisee’s payment of all fees, including, but not limited to, Royalty Fees, Advertising Contributions, Technology Fees, Annual Dues, other royalties due on Business Division Services, Bank Product Fees, Transmitter and Variable Software Fees, and other on-going fees. As to all fees computed, involving, calculated and/or based on Gross Sales related to and/or involving Bank Products, the Accounting Period shall be immediate and shall occur upon receipt of Gross Sales throughout the entire Term of this Agreement. In all other instances: (a) during the Tax Season, the Accounting Period shall be a weekly period commencing not later than the earlier of (i) the Scheduled Business Commencement Date, or (ii) the Actual Business Commencement Date of the Franchised Business and shall continue each and every week thereafter throughout the Term of this Agreement; and (b) during such times occurring outside of the Tax Season, , the Accounting Period shall be a monthly period commencing not later than the earlier of (i) the Scheduled Business Commencement Date, or (ii) the Actual Business Commencement Date of the Franchised Business and shall continue each and every month thereafter throughout the Term of this Agreement.

“Actual Business Commencement Date” refers to and means the date of the grand opening of the Franchised Business and/or the date upon which the Franchised Business is open to the public.

“Additional Tax Preparation Software License Fee” refers to the fee due if Franchisee requests additional access to Tax Preparation Software from a network connection other than the network connection used for the Office or Kiosk, which shall be equal to \$399 per additional device. The Additional Tax Preparation Software License Fee shall apply for each additional network on which Franchisee or its agents request access to the Tax Preparation Software.

“Advertising Contributions” refers to and means any and all obligations of Franchisee to contribute to or pay fees to Franchisor, Franchisor’s affiliate and/or designees as set forth in this Agreement including, but not limited to, the Brand Development Fund Fee and the DMA Marketing Fund Fee (Article 9.A).

“Alternative Channels of Distribution” refers to and means tax preparation services and related products and services processed and provided on-line and through the world wide web.

“Ancillary Agreements” refers to and means, individually and collectively, each and every agreement between: (a) Franchisor and Franchisee but, not including this Agreement; (b) Franchisor and each of Franchisee’s Owners, whether individually and/or collectively; and (c) Franchisor and each Spouse of Franchisee’s Owners, whether individually and/or collectively. Without limitation to the foregoing, the term Ancillary Agreements includes the Franchise Owner and Spouse Agreement and Guaranty, Joinder Agreement, Lease Agreement Rider, Collateral Assignment of Lease and the Assignment of Telephone Numbers and Digital Media Accounts, as said agreements, individually and/or collectively, may have been entered into between the foregoing parties.

“Annual Conference Attendance Fee” refers to and means an annual conference fee to be paid by Franchisee to Franchisor. The Annual Conference Attendance Fee shall be designated by Franchisor and may include a fee of up to \$750 per person for the first attendee and \$500 per person for each additional person attending the Annual System Conference.

“Annual Conference Noncompliance Fee” refers to and means a fee imposed if Franchisee or its designee fails to attend the Annual System Conference. Franchisee shall pay Franchisor in an amount equal to \$3,500 for each Annual System Conference that Franchisee fails to attend.

“Annual Dues” shall have the meaning defined and set forth in Article 5.I of this Agreement.

“Annual System Conference” refers to and means a conference that may be established and organized by Franchisor for the purpose of facilitating networking among Toro Taxes franchisees, and general education. Franchisor shall designate and determine whether or not an Annual System Conference shall occur and, if one is established in any particular year, the dates, content and location of the Annual System Conference. The Annual System Conference shall be for a duration of not more than three consecutive days per calendar year. Franchisee is responsible for all costs and expenses associated with Franchisee’s travel to and attendance at the Annual System Conference.

“Assignment of Telephone Numbers and Digital Media Accounts” refers to and means the Assignment of Telephone Numbers and Digital Media Accounts agreement attached to this Agreement as Exhibit 9.

“Bank Products” refers to and means all products and services offered by intermediary banks, lending institutions, financial institutions and/or Franchisor for the purpose of facilitating the payment of income tax preparation and filing fees and the processing and payment of income tax return refunds and payments to customers. Franchisee’s Toro Taxes Business must offer and utilize the Bank Products and Bank Product

service providers and lenders that Franchisor designates from time-to-time in Franchisor's Reasonable Business Judgment.

"Bank Product Fee" shall have the meaning defined and set forth in Article 5.D. of this Agreement.

"Bank Product Transaction" refers to a transaction relating to an individual tax file (such as the filing of a tax return) that involves a bank product.

"Brand Development Fund" shall have the meaning defined and set forth in Article 9.A. of this Agreement.

"Brand Development Fund Fee" shall have the meaning defined and set forth in Article 9.A. of this Agreement.

"Business Division Services" refers to and means System Products and Services that are supplemented to also include services and products for businesses including income tax preparation, bookkeeping, and other accounting and/or administrative services performed on behalf or and/or provided to businesses and such other products and services designated by Franchisor from time to time in the Operations Manual.

"Business Division Services Software" refers to and means the software, internet, web based and/or cloud based system or systems, as same may be individually or collectively designated by Franchisor, in Franchisor's Reasonable Business Judgment, as being required for use by the Franchised Business in connection with the System Products and Services including, Business Division Services. At all times Franchisor shall possess direct live access and storage-based access to all data and information maintained by Franchisee in the Business Management System and related to the Business Management System Data. Tax Preparation Software is a part of the Business Management System.

"Business Division Services Software Fee" shall refer to the fee due for the Business Division Services Software: (i) upon entering into the Business Division Software Addendum attached as Exhibit 16 of this Agreement; and (ii) due on March 10 of each year of the Term subsequent to Franchisee's execution of the Business Division Software Agreement, unless the rights granted under the Business Division Software Addendum are terminated prior to the expiration or termination of this Agreement.

"Business Management System" refers to and means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by Franchisor, in Franchisor's Reasonable Business Judgment, as being required for use by the Franchised Business, including, but not limited to, the Tax Preparation Software and Business Division Services Software. Franchisor reserves the right to modify and designate alternative Business Management Systems as Franchisor determines in Franchisor's Reasonable Business Judgment. Without limitation to the foregoing, the Business Management System may include: (a) multiple point of sale systems installed and maintained on-site at the; (b) web based, private server based, network based and/or cloud based Tax Preparation Software, Business Division Services Software, processing systems, production systems and/or service delivery systems; and (c) customer membership and rewards systems. The Business Management System or systems may, in whole or in part, include and utilize internet, intranet and cloud based and accessed applications, software, databases and/or systems that require Franchisee to access such systems and information through the internet or a private network and that stores the data and information relating to the Franchised Business on off-site servers through accounts and/or servers controlled by Franchisor. At all times Franchisor shall possess direct live access and storage-based access to the Business Management System for the Franchised Business and to Franchisee's Business Management System Data.

“Business Management System Data” refers to and means the forms, data, tools, customer information, tax returns and sales information that: (a) is pre-populated or entered into the Business Management System utilized by Franchisee; (b) is entered (whether by Franchisor or Franchisee) into the Business Management System utilized by Franchisee; (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of the Franchised Business.

“Certified Training Site” refers to and means a Franchise Location that Franchisor has approved or, approves from time to time, as a training facility for the establishment and operation of Toro Taxes Businesses.

“Collateral Assignment of Lease” refers to and means the Collateral Assignment of Lease agreement attached to this Agreement as Exhibit 8.

“Competitive Business” refers to and means any business that is the same as or similar to a Toro Taxes Business including, but not limited to, any income tax preparation business and/or any other business that offers, sells and/or provides products and/or services similar to the System Products and Services, as, the System Products and Services are authorized and designated by Franchisor as of the Effective Date of this Agreement and, as Franchisor may designate from time to time in the future.

“Confidential Information” refers to and means all of Franchisor’s and/or Franchisor’s affiliates trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date of this Agreement and as same may be developed, modified and supplemented in the future, constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of Toro Taxes Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by Toro Taxes Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Toro Taxes Businesses; (d) customer lists and information related to Toro Taxes Businesses and the Franchised Business; (e) Business Management System Data; (f) current and future information contained in the Operations Manual; and (g) Know-How.

“Confidentiality Agreement” refers to and means the form of “Confidentiality Agreement” attached to this Agreement as Exhibit 4.

“Controlling Interest” a Controlling Interest shall exist for the following individuals, Owners, partners and/or entities: (a) (If Franchisee is a corporation) a controlling interest shall exist for such shareholders and Owners of the voting shares of stock of Franchisee as (i) shall permit voting control of Franchisee on any issue and/or (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (b) (If Franchisee is a general partnership) a controlling interest shall exist for such partners and Owners that possess a managing partnership interest or such percentage of the general partnership interests in Franchisee as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination, or entity from blocking voting control on any issue or exercising any veto power; (c) (If Franchisee is a limited partnership) a controlling interest shall exist for such partners and Owners that possess a general partnership interest; and (d) (If Franchisee is a limited liability company) a controlling interest shall exist for such members and Owners that possess a percentage of the membership interests as (i) shall permit determination of the outcome on any issue, and (ii) shall prevent any other person, group, combination or entity from blocking voting control on any issue or exercising any veto power.

“**Copyrights**” refers to and means all works and materials for which Franchisor or any affiliate of Franchisor has secured common law or registered copyright protection and Franchisor utilizes and/or allows Toro Taxes franchisees to use, sell or display in connection with the development, marketing and/or operation of a Toro Taxes Business, whether as of the Effective Date of this Agreement or any time in the future.

“**Corporate Entity**” refers to and means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

“**Customer Service and Refund Fee**” shall have the meaning defined and set forth in Article 5.E of this Agreement.

“**Customer Vouchers**” refers to and means any and all gift cards, vouchers, receipts, cards and other evidence of a pre-paid purchase transaction (for goods and/or services and whether in electronic form, printed form, card or otherwise) concerning a Toro Taxes Business.

“**Designated Territory**” refers to and means the territory identified and described in Schedule 2 attached to and made a part of this Agreement or, if Schedule 2 is not completed at the time of signing this Agreement, in accordance with Exhibit 5 to this Agreement. Franchisor, in Franchisor’s Reasonable Business Judgment and sole discretion, shall determine the Designated Territory.

“**Digital Media**” refers to and means any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web (including, but not limited to websites), linked by the internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, YouTube, and Google+, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to, Toro Taxes Businesses, the Franchised Business, the Licensed Marks, the System and/or Franchisor. Digital Media further includes the System Website, web pages and website subdomains (including those related to, associated with and/or a part of the System Website) associated with and/or related to the Franchised Business and all web pages, blog posts, videos, articles, social media accounts and pages, website directory pages, information, sub-domains and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

“**Digital Media Marketing**” refers to and means all marketing, advertising and promotion that involves and/or utilizes Digital Media and relates to the marketing, advertising and/or promotion of the Franchised Business. Among other things, Digital Media Marketing includes paid advertising and content-based marketing.

“**DMA**” refers to and means a “designated marketing area” as exclusively determined and/or designated by Franchisor in Franchisor’s Reasonable Business Judgment and as further defined in Article 9.F of this Agreement.

“**DMA Marketing Fund**” refers to and means a fund mandated, designated and/or required by Franchisor and comprised of funds contributed by or to be contributed by Toro Taxes Store franchisees with operating territories and/or Store Facilities located, in whole or in part, within a DMA defined and designated by Franchisor. The term DMA Marketing Fund shall have the further meaning as set forth in Article 9.F of this Agreement.

“**DMA Marketing Fund Fees**” shall have the meaning defined and set forth in Article 9.F of this Agreement.

“**Due Date**” shall have the meaning defined and set forth in Article 5.B. of this Agreement. Without limitation to the foregoing, for on-going Royalty Fees, the Due Date varies depending on whether or not the Gross Sales related to the applicable Royalty Fees involve a Bank Product.

“**Effective Date**” shall be the date set forth, defined and referred to in the first paragraph of this Agreement.

“**EFIN**” refers to and means the “Electronic Filing Identification Number” as determined by the Internal Revenue Service and required to electronically file tax returns.

“**Facility**” refers to and means the fixed commercial retail facility/facilities from which a Toro Taxes Business/Toro Tax Businesses is/are established and operated. Franchisee’s Facility must be located at and be a part of the Franchise Location.

“**Franchise Disclosure Questionnaire and Representations Statement**” refers to and means the form of “Franchise Disclosure Questionnaire and Representations Statement” attached to this Agreement as Exhibit 3.

“**Franchise Location**” shall have the meaning defined and set forth in Article 2.A. of this Agreement. The Franchise Location must be designated in accordance with either Schedule 1 or Exhibit 5 of this Agreement and must be approved by Franchisor, in Franchisor’s Reasonable Business Judgment.

“**Franchise Location and Designated Territory Acknowledgment**” refers to and means the form “Franchise Location and Designated Territory Acknowledgment” attached to this Agreement as Exhibit 5.

“**Franchise Owner and Spouse Agreement and Guaranty**” refers to and means the form of agreement attached to this Agreement as Exhibit 1. The Franchise Owner and Spouse Agreement and Guaranty is an agreement and guarantee individually, jointly and severally entered into by the Owners and Spouses of Franchisee.

“**Franchised Business**” refers to and means the Toro Taxes Business that Franchisee shall develop and is required to establish, maintain and operate as part of the System and in accordance with the terms, conditions and obligations set forth in this Agreement and the Operations Manual. Without limitation to the foregoing, the Franchised Business shall be exclusively established, maintained, owned and operated by Franchisee at and from a Franchise Location that has been approved by Franchisor in accordance with the terms and conditions of this Agreement. The determination and designation of the Franchised Business, and thereby Franchisee’s Toro Taxes Business, as either a Toro Taxes Store or a Toro Taxes Kiosk is designated and set forth in Article 2.A. and Schedule 1 of this Agreement. Once designated and set forth in this Agreement, the type of Franchisee’s Toro Taxes Business cannot be modified.

“**Franchisee’s Facility**” If Franchisee’s Toro Taxes Business is a Toro Taxes Store, “**Franchisee’s Facility**” refers to and means the retail store from which Franchisee operates the Franchised Business. If Franchisee’s Toro Taxes Business is a Toro Taxes Kiosk, the term “**Franchisee’s Facility**” refers to and means the retail kiosk from which Franchisee operates the Franchised Business. Without limitation to the foregoing, Franchisee’s Facility must be located at and/or within a Franchise Location approved by Franchisor.

“**Franchisor’s Reasonable Business Judgment**” refers to, means and relates to any and all decisions, actions and choices made by Franchisor concerning or relating to this Agreement, the System, Toro Taxes Businesses and the Franchised Business where Franchisor undertakes or makes such decision with the

intention of benefitting or acting in a way that could benefit the System including, as examples and without limitation, enhancing the value of the Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining designated territory markets, minimizing potential customer confusion as to the location of Toro Taxes Businesses, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. Franchisee agrees that when a decision, determination, action and/or choice is made by Franchisor in Franchisor's Reasonable Business Judgment that such decision, determination, action or choice made by Franchisor shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee agrees that in connection with any decision, determination, action and/or choice made by Franchisor in Franchisor's Reasonable Business Judgment that: (a) Franchisor possesses a legitimate interest in seeking to maximize Franchisor's profits; (b) Franchisor shall not be required to consider Franchisee's individual economic or business interests as compared to the overall System; and (c) should Franchisor economically benefit from such decision, determination, action and/or choice that such economic benefit to Franchisor shall not be relevant to demonstrating that Franchisor did not exercise reasonable business judgment with regard to Franchisor's obligations under this Agreement and/or with regard to the System. Franchisee agrees that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee's or such third party's judgment for Franchisor's Reasonable Business Judgment. Franchisee further agrees that should Franchisee challenge Franchisor's Reasonable Business Judgment in any legal proceeding that Franchisee shall possess the burden of demonstrating, by clear and convincing evidence, that Franchisor failed to exercise Franchisor's Reasonable Business Judgment.

"GAAP" refers to and means United States Generally Accepted Accounting Principles.

"Gross Sales" refers to and means the total dollar sales from all business and customers of the Franchised Business and includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, Bank Products, Bank Product transfers agreements to pay or other consideration including the actual retail value of any goods or services traded, borrowed, or received by Franchisee in exchange for any form of non-money consideration (whether or not payment is received at the time of the sale), from or derived by Franchisee or any other person or Corporate Entity from business conducted or which started in, on, from or through the Franchised Business, the Franchise Location, and/or Franchisee's Facility whether such business is/was conducted in compliance with or in violation of the terms of this Agreement. Supplementing the foregoing, Gross Sales further includes the total gross amount of revenues and sales from whatever source derived from and/or derived by Franchisee (including any person and/or Corporate Entity acting on behalf of Franchisee) from business conducted within and/or outside the Designated Territory that is related to the Franchised Business and/or a Competitive Business located and/or operated at the Franchise Location, at Franchisee's Facility, within the Designated Territory, outside the Designated Territory, and/or otherwise (the foregoing does not constitute approval for Franchisee's operation of a Competitive Business and/or the operation of a Toro Taxes Business outside of the Designated Territory). Gross sales do not include sales or use taxes collected by Franchisee.

"Immediate Family" refers to and means the spouse of a person and any other member of the household of such person, including, without limitation, children of such person.

"IP Claim" shall have the meaning defined and set forth in Article 11.E of this Agreement.

"Joinder Agreement" refers to and means the form "Joinder Agreement" attached to this Agreement as Exhibit 2.

“Know-How” refers to means Franchisor’s trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a Toro Taxes Business including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How includes information contained in the Operations Manual and the Confidential Information.

“Lease Agreement Rider” refers to and means the form “Lease Agreement Rider” attached to this Agreement as Exhibit 7.

“Licensed Marks” refers to and means the trademarks, service marks, emblems and indicia of origin, including the “Toro Taxes Business” trademark, the Toro Taxes Business logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans and designs authorized by Franchisor in connection with the identification of Toro Taxes Businesses and the System Products and Services, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by Franchisor in Franchisor’s Reasonable Business Judgment.

“Managers” refers to and means the Managing Owner plus all assistant managers of the Franchised Business and all other employees, independent contractors, consultants, directors, officers and board members who may possess access to the Confidential Information.

“Managing Owner” if Franchisee is a partnership or Corporate Entity, the Managing Owner shall be the Owner responsible for the day to day oversight, management and operation of the Franchised Business. The Managing Owner must possess and maintain an ownership and equity interest in the Franchisee such that said individual owns, holds and controls not less than 25% of the equity and ownership interests in Franchisee. At all times the Managing Owner must: (a) meet all of Franchisor’s minimum training and brand quality control standards and criteria for managers as may be set forth in the Operations Manual; (b) successfully complete Franchisor’s initial training program; (c) timely and successfully complete Franchisor’s Tax Preparer Training Programs; (d) timely and successfully complete all Supplemental Training Programs designated by Franchisor; and (e) manage the operations of the Franchised Business.

“Media Content” refers to and means any and all information, data, articles, blog posts, press releases, social media posts, web page content, special offers, product information, service information, web posts, videos and other information relating to or concerning the Franchised Business, the System, Digital Media, and/or the Licensed Marks that is or was made available by Franchisor, Franchisee and/or, Franchisee’s agents, to the public in print or electronic media that is published, listed, made available, uploaded on, downloaded to or posted to Digital Media.

“Non-Bank Product Transaction” refers to a transactions (such as the filing of a tax return) that does not involve a bank product.

“Noncompliance Fee” refers to and means a fee payable by Franchisee in an amount equal to the amount of fees, costs and expenses that Franchisor incurs respecting the enforcement of Franchisor’s rights under this Agreement in response to a default by Franchisee and/or Franchisee’s breach of the terms or conditions of this Agreement. Said costs and expenses shall include any and all reasonable administrative fees, legal fees, mediation and mediator fees, arbitration and arbitrator fees, legal disbursements, mediation disbursements, arbitration disbursements, consultant fees, expert fees, accounting fees and filing fees. Recoverable legal fees also include legal fees and charges incurred by Franchisor with Franchisor’s outside legal counsel and the reasonable costs incurred by Franchisor as to Franchisor’s in-house legal staff.

“Notice Period” shall have the meaning defined and set forth in Article 16.A of this Agreement.

“Operating Manager” refers to and means the Manager designated by Franchisee or Franchisee’s Managing Owner, that is charged with the obligation and responsibility to supervise and manage (on-site at the Franchise Location) the day to day operations of the Franchised Business. At all times the Operating Manager must: (a) meet all of Franchisor’s minimum training and brand quality control standards and criteria for managers as may be set forth in the Operations Manual; (b) successfully complete Franchisor’s initial training program; (c) timely and successfully complete Franchisor’s Tax Preparer Training Programs; (d) timely and successfully complete all Supplemental Training Programs designated by Franchisor; (e) sign the Confidentiality Agreement; and (f) agree, in writing, to assume responsibility for the on-site management and supervision of the Franchised Business.

“Operations Manual” refers to and means, individually and collectively, the manual(s) designated by Franchisor and relating to the development and/or operations of Toro Taxes Businesses including, but not limited to, the policies, procedures and requirements for the development and operation of Toro Taxes Businesses. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to Franchisor’s modification from time to time and based on Franchisor’s Reasonable Business Judgment, the Operations Manual shall, among other things, designate the System Products and Services that must be offered and provided by the Franchised Business and the System Equipment, Supplies and Services that must be exclusively utilized by the Toro Taxes Business. Only System Products and Services may be offered and sold by the Franchised Business. Only System Equipment, Supplies and Services may be utilized by Franchisee in the operations of the Franchised Business.

“Owner” refers to and means collectively, individually and jointly: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company, (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s). Franchisee’s Owners are identified in Schedule 3 to this Agreement.

“Post-Term Restricted Period” refers to and means the 3 year period after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee Transfers this Agreement to another person or Corporate Entity. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Post-Term Restricted Period” means the two (2) year period after the earliest to occur of the following: (a) the expiration or termination of this Agreement for any reason; or (b) the date on which Franchisee Transfers this Agreement to another person or Corporate Entity.

“Prohibited Activities” shall have the meaning defined and set forth in Article 6.D. of this Agreement.

“Relocation Fee” shall have the meaning defined and set forth in Article 3.G. of this Agreement. The Relocation Fee is a fixed sum of \$2,500.

“Renewal Fee” shall have the meaning defined and set forth in Article 15.A. of this Agreement. The Renewal Fee is a fixed sum of \$2,500.

“Renewal Term” If the Franchised Business is a Toro Taxes Store, the term **“Renewal Term”** refers to and means the 5 year period that commences on the expiration of the Term (as defined in this Agreement for a

Toro Taxes Store) and continues, unless earlier terminated pursuant to the terms of the then applicable renewal franchise agreement (for a Toro Taxes Store), for the 5 year period thereafter. If the Franchised Business is a Toro Taxes Kiosk, the term “**Renewal Term**” refers to and means the 3 year period that commences on the expiration of the Term (as defined in this Agreement for a Toro Taxes Kiosk) and continues, unless earlier terminated pursuant to the terms of the then applicable renewal franchise agreement (for a Toro Taxes Kiosk), for the 3 year period thereafter. The Renewal Term applies only if Franchisee is entitled to invoke and does invoke Franchisee’s renewal rights in accordance with the terms of this Agreement including, but not limited to, Article 15 of this Agreement and the applicable Toro Taxes Business renewal franchise agreement.

“**Reserved Rights**” shall have the meaning defined and set forth in Article 2.D. of this Agreement.

“**Restricted Territory**” refers to and means the geographic area within: (a) Franchisee’s Designated Territory; (b) a 25 mile radius surrounding Franchisee’s Designated Territory (or, if Franchisee is not granted a designated territory, then a 25 mile radius surrounding the Franchise Location); (c) a 25 mile radius surrounding the Toro Taxes Locations for all other Toro Taxes Businesses operating and/or under development as of the Effective Date of this Agreement; and (d) a 25 mile radius surrounding the Toro Taxes Locations for all other Toro Taxes Businesses that are in operation or under development during all or any part of the Post-Term Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within Franchisee’s Designated Territory plus a 25 mile radius surrounding Franchisee’s Designated Territory (or, if Franchisee is not granted a designated territory, then a 25 mile radius surrounding the Franchise Location). If Franchisee is not granted a Designated Territory, then, for the purpose of defining the Restricted Territory, Franchisee’s Designated Territory shall be the Franchise Location.

“**Royalty Fee**” shall have the meaning defined and set forth in Article 5.B. of this Agreement. If any federal, state or local tax other than an income tax is imposed upon the Royalty Fee paid by Franchisee to Franchisor which, Franchisor cannot directly and, dollar for dollar, offset against taxes required to be paid by Franchisor under any applicable federal or state laws, Franchisee must compensate Franchisor in the manner prescribed by Franchisor so that the net amount or net rate received by Franchisor is not less than that which has been established by this Agreement and which was due to Franchisor on the effective date of this Agreement.

“**Royalty Report**” shall have the meaning defined and set forth in Article 5.B. of this Agreement.

“**Scheduled Business Commencement Date**” refers to and means: (a) if Franchisee’s Toro Taxes Business is a Toro Taxes Store, the date that occurs on the 120 day anniversary of the Effective Date of this Agreement; or (b) if Franchisee’s Toro Taxes Business is a Toro Taxes Kiosk, the first day of the first Tax Season occurring subsequent to the date of signing the Franchise Agreement. If Franchisee received funding through a promissory note from Franchisor or its designee, the Scheduled Business Commencement Date shall refer to the 3 month anniversary of the funding of the Note.

“**Site Selection Acknowledgment**” refers to and means the form “Site Selection Acknowledgment” attached to this Agreement as Exhibit 6.

“**Site Selection Area**” shall have the meaning defined and set forth in Article 2.A.(4) of this Agreement.

“**Site Selection Period**” refers to and means the period of time commencing on the Site Selection Acknowledgment Date (as such date may be set forth by Franchisor, and only Franchisor, in the Site Selection Acknowledgment) and automatically expiring 60 calendar days after the Site Selection Acknowledgment Date. If the Site Selection Acknowledgment Date is not specified and acknowledged by

Franchisor in the Site Selection Acknowledgment then, the Site Selection Period shall be zero (0) days. If the Site Selection Acknowledgment is not signed by Franchisor, then there shall be no Site Selection Period.

“**Spouse**” refers to and means the legal spouse of an Owner as of the Effective Date.

“**Supplemental Royalty Fee**” shall have the meaning defined and set forth in Article 5.B. of this Agreement. If any federal, state or local tax other than an income tax is imposed upon the Royalty Fee paid by Franchisee to Franchisor which, Franchisor cannot directly and, dollar of dollar, offset against taxes required to be paid by Franchisor under any applicable federal or state laws, Franchisee must compensate Franchisor in the manner prescribed by Franchisor so that the net amount or net rate received by Franchisor is not less than that which has been established by this Agreement and which was due to Franchisor on the effective date of this Agreement.

“**Supplemental Training**” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“**Supplemental Training Fee**” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“**Supplier Evaluation Fee**” refers to and means the fee determined by Franchisor, in Franchisor’s Reasonable Business Judgment, and based upon the fees and/or expenses incurred by Franchisor in connection with the evaluation of a request by Franchisee for Franchisor’s consideration and/or review of a potential supplier. Under no circumstance is Franchisor required to approve of suppliers requested by Franchisee.

“**System**” shall have the meaning defined in the “Recitals” section of this Agreement and is further supplemented, as follows: without limitation to the Recitals section of this Agreement and supplementing the definition and meaning of the term “System”, System shall be defined to further include and mean: (a) the System Products and Services, System Equipment, Supplies and Services and the services, procedures and systems that are designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Toro Taxes Business; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights; (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Toro Taxes Business; (f) Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by Franchisor in Franchisor’s Reasonable Business Judgment.

“**System Equipment, Supplies and Services**” Refers to and means the equipment, supplies, inventory, materials and services including, but not limited to, income tax preparation, filing and refund processing services and products, Bank Products, Income Tax Preparation Software, Business Division Services Software, branded and unbranded uniforms, displays, merchandise, software systems, software subscriptions, the Business Management System designated by Franchisor in the Operations Manual and as may be modified and supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment. Without limitation to the foregoing, Franchisee agrees that the term System Equipment, Supplies and Services further includes all third-party services and products that Franchisor designates and requires to be offered by the Franchised Business including, but not limited to, those related to audit protect, road-side assurance, insurance and accounting.

“**System Products and Services**” shall refer to and mean those products and services that Franchisor authorizes for sale by Toro Taxes Businesses, including, without limitation, tax preparation and filing and

related products and services for individuals and the Business Division Services. Franchisor shall exclusively designate and determine the System Products and Services and Franchisor, in Franchisor's Reasonable Business Judgment, may change, modify, reduce or supplement the System Products and Services that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Operations Manual, subject to changes that Franchisor may make from time to time and Franchisor's right to change and modify the System Products and Services, shall designate the System Products and Services that must be offered and sold by the Franchised Business. the Franchised Business may only offer and sell the System Products and Services.

"System Website" refers to and means the web page and/or pages located on the world wide web at the www.torotaxes.com URL (uniform resource locator) and shall further include all webpages and subdomains (including those that are franchisee and/or geography specific) that are a part of www.torotaxes.com, or as designated by Franchisor being associated with the URL of www.torotaxes.com and/or Toro Taxes Businesses.

"Tax Preparer Training Programs" refers to and means all tax preparer training programs and requirements designated by Franchisor in the Operations Manual and, as may be designated, modified and/or supplemented by Franchisor, in Franchisor's Reasonable Business Judgment, at any time in the future as being required of Franchisee, the Managing Owner and Operating Manager. System Products and Services may only be performed by tax preparers that have completed and satisfied Franchisor's Tax Preparer Training Programs, as designated and determined by Franchisor, in Franchisor's Reasonable Business Judgment.

"Tax Preparation Software" refers to and means the software, internet, web based and/or cloud based system or systems, as same may be individually or collectively designated by Franchisor, in Franchisor's Reasonable Business Judgment, as being required for use by the Franchised Business in connection with the System Products and Services including, income tax preparation and filing services. At all times Franchisor shall possess direct live access and storage-based access to all data and information maintained by Franchisee in the Business Management System and related to the Business Management System Data. Tax Preparation Software is a part of the Business Management System.

"Tax Season" refers to and means those days, weeks and months occurring from January 1st through April 30th of each and every year.

"Technology Fee" shall have the meaning defined and set forth in [Article 5.C.](#) of this Agreement.

"Term" refers to and means the period of time set forth and defined in [Article 2.B.](#) of this Agreement or the Renewal Term if Franchisee invokes Franchisee's renewal rights in accordance with this Agreement. The definition of the term "Term" varies depending on whether Franchisee's Toro Taxes Business is a Toro Taxes Store or a Toro Taxes Kiosk.

"Toro Taxes Businesses" shall have the meaning defined in the Recitals section of this Agreement and, without limitation to the Recitals section, the definition of "Toro Taxes Businesses", shall further refer to and mean: every business and all businesses owned and/or operated by Franchisor, Franchisor's affiliates and/or authorized franchisee(s) that utilize and/or is/are required to utilize the System and/or Licensed Marks including, but not limited to, the Franchised Business. Toro Taxes Businesses include Toro Taxes Stores and Toro Taxes Kiosks.

"Toro Taxes Kiosk" shall refer to and mean a Toro Taxes Business that is established and operated within a retail store facility of a third-party business that is approved by Franchisor. If the Toro Taxes Kiosk does not directly offer Business Division Services then the Toro Taxes Kiosk may be operated on a seasonal

basis where the Toro Taxes Kiosk is required to maintain normal daily business hours for each and every weekday throughout each respective Tax Season. If the Toro Taxes Kiosk is authorized to provide Business Division Services then the Toro Taxes Kiosk must be operated and maintain regular business hours each and every weekday throughout each respective calendar year. Notwithstanding and without limitation to the foregoing, a Toro Taxes Kiosk (as with all Toro Taxes Businesses) must be operated by Franchisee in accordance with the System and Manuals including those specifications and requirements as designated and determined by Franchisor (in Franchisor's Reasonable Business Judgment) as to the requirements that differentiate the operations of a Toro Taxes Kiosk from a Toro Taxes Store Unless otherwise specified in this Agreement, each and every term and provision of this Agreement shall apply to the Franchised Business, whether or not the Franchised Business is either a Toro Taxes Store or a Toro Taxes Kiosk.

"Toro Taxes Location(s)" refers to and means the fixed locations from which Toro Taxes Businesses are established and operated. Franchisee's Toro Taxes Location shall be the Franchise Location, as such term is set forth and defined in this Agreement.

"Toro Taxes Store" shall refer to and mean a Toro Taxes Business that is established and operated from a retail store facility that is exclusively dedicated to the operations of the Franchised Business. The Toro Taxes Store must be operated and maintain regular business hours each and every weekday throughout each respective calendar year. Notwithstanding and without limitation to the foregoing, a Toro Taxes Store (as with all Toro Taxes Businesses) must be operated by Franchisee in accordance with the System and Manuals including those specifications and requirements as designated and determined by Franchisor (in Franchisor's Reasonable Business Judgment) as to the requirements that differentiate the operations of a Toro Taxes Store from a Toro Taxes Kiosk. Unless otherwise specified in this Agreement, each and every term and provision of this Agreement shall apply to the Franchised Business, whether or not the Franchised Business is either a Toro Taxes Store or a Toro Taxes Kiosk.

"Trade Dress" refers to and means the Toro Taxes Business designs, images, marketing materials, packaging, branding and/or branding images which Franchisor authorizes and requires Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by Franchisor from time to time.

"Training Program(s)" Refers to and means those training programs and training requirements designated by Franchisor and that must be completed by Franchisee, Franchisee's Managing Owner, Franchisee's Managers, Franchisee's tax preparers and other employees of the Franchised Business. The Training Programs shall be designated and determined by Franchisor, in Franchisor's Reasonable Business Judgment, and may include training programs that occur prior to the opening of the Franchised Business, during the Term of this Agreement and upon the occurrence of certain events as may be designated by Franchisor. Without limitation to the foregoing, the Training Programs include the Tax Preparer Training Programs.

"Transmitter and Variable Software Fee" shall have the meaning defined and set forth in Article 5.D. of this Agreement.

"Transfer" refers to and means and shall include, without limitation, the following, whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge or sub-franchise; (b) the grant of a mortgage, charge, lien or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control

the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Franchisee.

“**Transfer Fee**” shall have the meaning defined in Article 14.C.(11) of this Agreement. The Transfer Fee is a fixed sum of \$2,500.

“**Unauthorized Product or Service Fee**” shall have the meaning defined in Article 7.G(7) of this Agreement.

“**Non-Bank Product Transaction**” refers to and means a transaction where Franchisee provides services to any customer or client where: (i) the related filing does not contain a Bank Product; and (ii) the transaction does not involve Franchisee’s provision of any Business Division Services.

ARTICLE 2 **GRANT OF FRANCHISE**

2.A. GRANT OF FRANCHISE.

Franchisee has requested that Franchisor grant to Franchisee the non-exclusive license and right to develop, own and operate a Toro Taxes Business within a specified territory. In reliance on, among other things, the representations made by Franchisee in the Franchise Disclosure Questionnaire and Representations Statement attached to this Agreement as Exhibit 3 and, subject to the terms and conditions of this Agreement, Franchisee’s request has been approved by Franchisor, subject to the following terms and conditions:

(1) During the Term of this Agreement and subject to the rights of Franchisor including, but not limited to, the Reserved Rights, Franchisor grants to Franchisee and Franchisee accepts, the non-exclusive license, right and obligation to develop and operate, 1 Toro Taxes Business in conformity with the System and this Agreement (including, but not limited to, the designation of Franchisee’s Toro Taxes Business as either a Toro Taxes Store or a Toro Taxes Kiosk as set forth in the “Franchise Type and Location Acknowledgment” attached to this Agreement as Schedule 1) from a single fixed retail location, selected by Franchisee but requiring the approval of Franchisor (the “Franchise Location”) and, as designated by Franchisor in Franchisor’s sole discretion and Reasonable Business Judgment;

(2) If, as of the Effective Date, Franchisee has selected a proposed location that Franchisor approves as the Franchise Location, then the Franchise Location shall be identified in Schedule 1 of this Agreement and, Franchisee’s Designated Territory shall be identified in Schedule 2 of this Agreement. Franchisor’s execution of Schedule 1 with a specific location for the Franchise Location shall constitute Franchisor’s approval of the Franchise Location. Franchisee’s execution of Schedule 1 with a specific location for the Franchise Location shall constitute Franchisee’s obligation to develop and operate a Toro Taxes Business at the designated Franchisee Franchise Location;

(3) If, as of the Effective Date, Franchisee has not selected a proposed franchise location, and/or has not obtained Franchisor’s approval of the proposed franchise location, and/or Schedule 1 to this Agreement is left incomplete or is not signed by Franchisor, Franchisee must locate, identify and secure a Franchise Location for the Franchised Business in accordance with the terms of this Agreement, including the requirement that Franchisee must obtain Franchisor’s approval of the Franchise Location. If, after the Effective Date, Franchisee proposes and Franchisor approves of Franchisee’s proposed franchise location, such approval must be in writing and must be evidenced by Franchisor’s execution of Exhibit 5 with a specific Franchise Location designated and identified

in Exhibit 5. At the time of executing Exhibit 5 and, thereby, approving Franchisee's proposed franchise location, Franchisor, in Franchisor's sole discretion and Reasonable Business Judgment, shall designate and determine Franchisee's Designated Territory;

(4) If, as of the Effective Date or other appropriate periods after the Effective Date, Franchisee has not selected a proposed franchise location that is approved by Franchisor but, Franchisee has identified an area in which Franchisee may look to secure a retail location for the Franchised Business, Franchisor, in Franchisor's sole discretion and Reasonable Business Judgment, may enter into the Site Selection Acknowledgment attached to this Agreement as Exhibit 6. If executed by Franchisor, within the Exhibit 6 Site Selection Acknowledgment, Franchisor shall designate a geographic area (the "Site Selection Area") within which Franchisor, during the Site Selection Period, shall not, on behalf of any third-party, approve any new franchise location. Franchisee agrees that the Site Selection Acknowledgment does not, in any way, constitute the approval of Franchisor as to any proposed franchise location, does not constitute or determine Franchisee's final approved Franchise Location, does not constitute Franchisor's designation of Franchisee's Designated Territory, does not afford Franchisee any territorial rights in or to the Site Selection Area, and does not extend and/or modify any obligation on the part of Franchisee to timely secure an approved Franchise Location in accordance with the terms of this Agreement;

(5) At all times, Franchisee's rights in and to the real property and the business premises of the Franchise Location shall be subordinate and subject to Franchisee's and Franchisee's landlord's agreement to and execution of the Franchise Location Lease Agreement Rider attached to this Agreement as Exhibit 7 and, Franchisee's agreement and execution of the Collateral Assignment of Lease attached to this Agreement as Exhibit 8;

(6) Franchisee may only offer and sell the System Products and Services from the Franchise Location in accordance with the requirements set forth in the Operations Manual and the terms of this Agreement;

(7) Franchisee shall not directly solicit customers located outside Franchisee's Designated Territory, however, Franchisee acknowledges and agrees that there is nothing prohibiting other Toro Taxes Businesses from offering and/or providing services to customers residing and/or located within Franchisee's Designated Territory, provided that such services are provided from a Toro Taxes Location that is located outside the Designated Territory;

(8) Reserved.

(9) Except as otherwise provided in this Agreement including, but not limited to, the Reserved Rights, provided that, at all times Franchisee is and remains in compliance with all of the terms, of this Agreement, Franchisor shall not establish or authorize any person or Corporate Entity other than Franchisee to develop and operate a Toro Taxes Business from a Facility/Toro Taxes Location located within the Designated Territory (provided that a Designated Territory has been granted and approved by Franchisor in accordance with the terms of this Agreement) during the Term of this Agreement; and

(10) The foregoing rights granted in this Article 2.A, are subject to and contingent upon the terms of this Agreement, the rights of any prior user, are non-exclusive and, are subordinate to the Reserved Rights.

2.B. TERM

The term of this Agreement (the “Term”) shall: (a) if Franchisee’s Toro Tax Business is a Toro Taxes Store, be a period of 5 years, unless previously terminated pursuant to the terms of this Agreement, commencing as of the Effective Date; or (b) if Franchisee’s Toro Tax Business is a Toro Taxes Kiosk, be a period of 3 years, unless previously terminated pursuant to the terms of this Agreement, commencing as of the Effective Date.

2.C. OWNERS AND SPOUSE AGREEMENT, INDIVIDUAL GUARANTEES, CONFIDENTIALITY AND RESTRICTIVE COVENANTS

If Franchisee is, at any time, a Corporate Entity, Franchisee agrees that each Owner and their respective Spouse shall execute, sign and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1 and, in doing so, among other things, will jointly and severally guarantee Franchisee’s obligations and personally bind themselves to confidentiality and non-competition covenants and restrictions. Without limitation to and as a supplement to the foregoing, each Owner shall be bound by the provisions, obligations and responsibilities set forth in this Agreement by executing the Joinder Agreement attached to this Agreement as Exhibit 2. Franchisee further acknowledges and agrees that each of Franchisee’s Owners and their respective Spouse shall personally guarantee as co-maker any promissory note entered into between Franchisor and Franchisee.

2.D. RESERVATION OF RIGHTS

Franchisor on behalf of itself, its affiliates and its assigns retains all rights, on any and all terms and conditions that Franchisor deems advisable and without any compensation or consideration to Franchisee to engage in the following activities (the “Reserved Rights”): (a) operate and grant to others the right to operate a Franchised Business, Toro Taxes Business and/or other income tax preparation businesses using the System and Licensed Marks at locations outside Franchisee’s Designated Territory; (b) acquire or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are Competitive Businesses, and after such acquisition, merger or affiliation to own and operate and to franchise or license others to own and operate and to continue to own and operate such businesses, including Competitive Businesses (but not utilizing the Licensed Marks) within Franchisee’s Designated Territory; (c) be acquired by or merge with or otherwise affiliate with one or more businesses of any kind, including businesses that are Competitive Businesses, even if such business or businesses presently or, in the future, own and operate and franchise or license others to own and operate such businesses, including Competitive Businesses (but not utilizing the Licensed Marks) within Franchisee’s Designated Territory; (d) use the Licensed Marks and System to distribute the System Products and Services or products and services similar to the System Products and Services in Alternative Channels of Distribution within or outside Franchisee’s Designated Territory; and (e) use the Licensed Marks and System and to license others to use the Licensed Marks and System to engage in all other activities not expressly prohibited by this Agreement.

2.E. MODIFICATION OF SYSTEM

Franchisor, in Franchisor’s Reasonable Business Judgment, reserves the right, at all times, to supplement, modify, alter and/or amend the System including any and/or all components of the System. Franchisee shall promptly comply with all such modifications to the System whether such modification results in the addition, subtraction, modification and/or enhancement to any and/or all components of the System. Franchisor shall provide Franchisee with a reasonable time period to comply with any change or modification to the System which shall be communicated to Franchisee by Franchisor including, but not limited to, communication through the Operations Manual. Franchisor’s modifications to the System shall not materially alter Franchisee’s fundamental rights under this Agreement.

2.F. OWNERSHIP OF CORPORATE ENTITY

If Franchisee is at any time a Corporate Entity, Franchisee represents that the information contained in Schedule 3 to this Agreement is true and accurate.

ARTICLE 3 LOCATION, DEVELOPMENT, OPENING AND OPERATION OF FRANCHISEE'S TORO TAXES BUSINESS

3.A. FRANCHISE LOCATION

Franchisee shall develop, operate and manage the Franchised Business from a Facility that is constructed and established at a Franchise Location, that: (a) was identified and evaluated by Franchisee; (b) complies with the terms and conditions of this Agreement; (c) satisfies and meets Franchisor's standards and specifications; (d) is timely presented by Franchisee to Franchisor for approval as Franchisee's proposed Franchise Location; (e) is approved by Franchisor as the Franchise Location; (f) is timely secured by Franchisee within 90 days of the Effective Date of this Agreement, as evidenced by a binding lease with a duration equal to the full Term of this Agreement; (g) is and, at all times, shall be exclusively dedicated to the operation of the Franchised Business if the Franchised Business is a Toro Taxes Store; (h) is located within the Designated Territory, if Franchisor previously designated and approved, in writing, a Designated Territory; and (i) otherwise meets the terms and conditions of this Agreement and Franchisor's standards and specifications.

Franchisee will not lease, purchase or otherwise acquire a proposed Franchise Location until such information as Franchisor may require as to the proposed Franchise Location has been provided to Franchisor by Franchisee and, Franchisor has approved the location in accordance with the terms and conditions of this Agreement including, but not limited to, Article 2.A. of this Agreement. Franchisor shall respond to Franchisee's request for approval of a proposed Franchise Location within a reasonable time period but not exceeding 30 days following Franchisor's receipt, from Franchisee, of complete written information about Franchisee's proposed Franchise Location. If Franchisor rejects or disapproves Franchisee's proposed Franchise Location, Franchisee must nevertheless identify and obtain Franchisor's approval of a proposed Franchise Location within the time requirements set forth in this Agreement. Franchisor's disapproval of a proposed Franchise Location shall not serve as a basis to extend any deadline or requirement set forth in this Agreement.

Franchisor's approval of Franchisee's proposed Franchise Location is not and does not constitute a representation or warranty by Franchisor of any kind other than that Franchisor does not object to or disapprove of Franchisee's proposed Franchise Location. No provision of this Agreement shall be construed or interpreted to impose an obligation on Franchisor to locate a Franchise Location for the Franchised Business, to assist Franchisee in the selection of a suitable Franchise Location for the Franchised Business or to provide assistance to the Franchisee in the purchase or lease of a Franchise Location. If Franchisee leases the Franchise Location, Franchisee must use Franchisee's best efforts to ensure that the landlord signs the Lease Agreement Rider that is attached to this Agreement as Exhibit 7. If Franchisee's landlord refuses to sign the Lease Agreement Rider in substantially the same form as the attached Exhibit 7, such refusal may constitute grounds upon which Franchisor refuses to approve Franchisee's proposed Franchise Location.

3.B. FRANCHISE LOCATION AND FACILITY DEVELOPMENT

Franchisee shall develop and construct Franchisee's Facility and Franchise Location in accordance with Franchisor's standards and specifications and using only those types of construction materials, decorating materials, furniture, fixtures, equipment, trade dress signs, suppliers, advisors and contractors that Franchisor has approved in the Operations Manual, in supplements to the Operations Manual or as

Franchisor otherwise designates and approves of in a writing specifically directed to Franchisee and signed by Franchisor

Franchisee's Facility and the Franchise Location must be constructed and established in accordance with Franchisor's plans and specifications. Promptly after signing a lease or closing on a purchase of the premises of the Franchise Location, Franchisor shall provide Franchisee with Franchisor's generalized prototype plans and specifications. Prior to constructing, equipping and building out Franchisee's Facility and the Franchise Location, Franchisee shall:

- (1) Prepare and submit to Franchisor for approval, which approval, specific plans and specifications prepared by the design consultants designated or approved by Franchisor and hired by Franchisee, at Franchisee's sole expense, whereby such plans and specifications are prepared specifically for Franchisee's Facility and the Franchise Location and shall reflect and comply with Franchisor's generalized plans and specifications and otherwise satisfy the specifications and requirements set forth in the Operations Manual. If Franchisor determines, in Franchisor's Reasonable Business Judgment, that any plans are not consistent with Franchisor's prototype plans and specifications, Franchisor may prohibit implementation of the plans and disapprove the plans;
- (2) Obtain all required building, utility, sign, health, sanitation, and business permits and licenses, and any other required permits and licenses;
- (3) Construct all required improvements to the Franchise Location, purchase and install all required furniture, fixtures and equipment and decorate the premises in compliance with the plans and specifications approved in writing by Franchisor and all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions;
- (4) Provide Franchisor timely written reports regarding the process of construction and remodeling in compliance with Franchisor's then-current specifications; and
- (5) Establish filing, accounting, and inventory control systems, conforming to the requirements prescribed by Franchisor, if any.

At all times, in the construction and operation of the Franchised Business, Franchisee shall exclusively install, use, attach, maintain, replenish and replace only those types of construction and decorating materials, furniture, fixtures, equipment, and signs that Franchisor has approved or designated in the Operations Manual for Toro Taxes Businesses as meeting Franchisor's specifications and standards for appearance, function and performance. Franchisee only may purchase approved or designated types of construction and decorating materials, fixtures, equipment, furniture and signs from any supplier approved or designated by Franchisor, which may include Franchisor and Franchisor's affiliates.

3.C. OPENING

Franchisee must develop, open and commence the day to day operations of the Franchised Business on or before the Scheduled Business Commencement Date. Notwithstanding the foregoing, Franchisee agrees that prior to opening the Franchised Business to the Public, Franchisee must, as determined by Franchisor: (a) be in compliance with the terms and conditions of this Agreement; (b) have satisfied the pre-opening obligations set forth by Franchisor in the Operations Manual; (c) have completed and satisfied the training obligations designated by Franchisor; and (d) obtained Franchisor's written consent to open.

3.D. OPERATIONS

At all times, the Franchised Business shall: (a) be exclusively operated from the Franchise Location approved by Franchisor; (b) be exclusively operated from a Facility; (c) exclusively offer and sell the

System Products and Services as designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time; (d) ensure that the System Products and Services are only offered and provided by Franchisee through employees and/or Owners that have, to Franchisor's satisfaction, completed the training requirements and Training Programs required by Franchisor, in Franchisor's Reasonable Business Judgment and may be modified and supplemented by Franchisor from time to time; (e) exclusively utilize, maintain and stock in inventory the System Equipment, Supplies and Services in such quantities and as designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time; (f) exclusively purchase the System Equipment, Supplies and Services from the suppliers and vendor(s) approved by Franchisor and designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time; (g) maintain and employ, full time, tax preparers that have satisfied, completed and earned all training and certification requirements as required by local, state and federal government rules and regulations; (h) maintain and employ, full time, tax preparers that have satisfied and completed Franchisor's Tax Preparer Training Programs; (i) maintain a valid EFIN issued directly to and/or for the Franchise Business; (j) be in good standing in accordance with federal, state and local rules and regulations applicable to the Franchised Business including, but not limited to, the maintenance of a valid and current Preparer Tax Identification Number issued by the United States Internal Revenue Service and compliance with all rules and regulations applicable to tax preparers and tax filers under the United States Internal Revenue Code and the rules and regulations issued under the Internal Revenue Code and by the Internal Revenue Service; and (k) be operated in conformity with the Operations Manual as such Operations Manual exists as of the Effective Date of this Agreement and as the Operations Manual may be modified and supplemented from time to time in the future by Franchisor, in Franchisor's Reasonable Business Judgment.

Franchisee agrees that control over the nature, quality, branding and source of the System Equipment, Supplies and Services is critical to the System and that irrespective of the availability of substitute products, supplies, inventory, apparel and/or accessories, Franchisee shall only utilize the System Equipment, Supplies and Services as designated by Franchisor and only from those suppliers approved by Franchisor. Franchisee acknowledges and agrees that in many instances Franchisor and/or Franchisor's affiliates may be or may become the sole and exclusive supplier of System Equipment, Supplies and Services.

Without limitation to the foregoing, Franchisee expressly acknowledges and agrees that the full extent and nature of the System Products and Services that the Franchised Business may or may not offer shall be limited and subject to whether or not Franchisee's Managing Owner and has satisfied Franchisor's Tax Preparer Training Programs.

3.E. TAX PREPARATION SOFTWARE, BUSINESS DIVISION SERVICES SOFTWARE AND BUSINESS MANAGEMENT SYSTEM

At all times, Franchisee shall exclusively utilize the Tax Preparation Software, Business Division Services Software and Business Management System(s) designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified, supplemented or replaced by Franchisor from time to time. Franchisee cannot substitute or replace the Tax Preparation Software, Business Division Services Software, or Business Management System in favor of any substitutes or other systems. To the extent that the Tax Preparation Software, Business Division Services, and/or Business Management System is hosted, maintained, licensed or operated by third-party suppliers Franchisee shall purchase, license and maintain such Tax Preparation Software, Business Division Services Software, Business Management System and/or systems from such third-party suppliers designated by Franchisor and subject to Franchisor's standards and specifications. To the extent that the Tax Preparation Software, Business Division Services Software, and/or Business Management System(s) designated is/are internet or cloud-based systems with accounts and data (including accounts and data associated with the Franchised Business) stored off-site Franchisor, in Franchisor's Reasonable Business Judgment, may require that Franchisee's license, utilization and use of the Tax Preparation Software, Business Division Services Software, and/or Business Management

System occur through accounts registered to Franchisor, controlled by Franchisor or licensed through Franchisor. To the extent that the Tax Preparation Software, Business Division Services Software, and/or Business Management System(s) is/are stored locally on computer systems maintained by Franchisee, then Franchisee shall provide Franchisor with internet and complete remote access to such systems. Franchisor may be and/or become the exclusive supplier and/or reseller of the Tax Preparation Software, Business Division Services Software and/or Business Management System.

Supplementing and without limitation to the foregoing, Franchisee acknowledges that the Tax Preparation Software, Business Division Services Software, and Business Management System will contain proprietary and confidential information owned by Franchisor and related to the System, and that:

(1) Franchisee shall utilize the Tax Preparation Software, Business Division Services Software, and Business Management System exclusively for the operations of the Franchised Business and in accordance with the terms of this Agreement and Franchisor's standards and specifications as set forth in the Operations Manual;

(2) All rights in and to the Tax Preparation Software, Business Division Services, and Business Management System are non-transferable and non-assignable to Franchisee and shall be utilized by Franchisee subject to the terms and conditions of this Agreement, Tax Preparation Software, Business Division Services Software, and/or Business Management System licenses that Franchisor may approve of and otherwise as determined by Franchisor in Franchisor's Reasonable Business Judgment;

(3) As between Franchisee and Franchisor, Franchisor is and shall be the sole and exclusive owner of the Business Management System Data, expect that Franchisee shall store and maintain such data in accordance with all applicable local, state and federal privacy, data collection and solicitation laws. Among other things, upon expiration or termination of this Agreement for any reason, Franchisee shall preserve and maintain the Business Management System data for the purpose of transferring such data to Franchisor;

(4) At all times, Franchisee shall provide and permit Franchisor to maintain direct and independent access to the Tax Preparation Software, Business Division Services, and Business Management System and the Business Management System Data and to duplicate and evaluate data the Business Management System Data If applicable, upon Franchisor's request, Franchisee shall electronically transfer and transmit to Franchisor all Business Management System Data;

(5) When instructed by Franchisor, Franchisee shall upgrade, replace and modify the Tax Preparation Software, Business Division Services, and/or Business Management System;

(6) Franchisee shall promptly disclose to Franchisor all ideas and suggestions for modifications or enhancements to the Tax Preparation Software and Business Management System, to the configuration and templates associated with the Tax Preparation Software, Business Division Services, and/or Business Management System and that Franchisor shall have the right to use such ideas and suggestions and that Franchisee shall not receive or obtain any ownership rights or interests in any modifications or enhancements to the Tax Preparation Software and Business Management System;

(7) Other than permitting access to employees of the Franchised Business for the purpose of conducting the authorized operations of the Franchised Business, Franchisee shall not permit nor allow any third party to access, utilize or duplicate the Tax Preparation Software, Business Division

Services, Business Management System or the Business Management System Data without Franchisor's prior written consent;

(8) Franchisee shall keep and maintain the Tax Preparation Software, Business Division Services, and Business Management System and the Business Management System Data as secret and confidential and Franchisee shall maintain security precautions to maintain the confidentiality and secrecy of the Business Management System and to prevent the unauthorized access or use; and

(9) In no event shall Franchisor be liable to Franchisee for any damages, including any lost profits, lost savings, or other incidental or consequential damages, relating to Franchisee's use or, Franchisee's inability to use, the Tax Preparation Software, Business Division Services, and/or Business Management System even if Franchisor has been advised of the possibility of such damages, or for any claim by any other party including the software manufacturer. The foregoing limitations of liability are intended to apply without regard to whether other provisions of the Agreement have been breached or proven ineffective.

3.F. DIGITAL MEDIA, SYSTEM WEBSITE AND TELEPHONE NUMBERS

Franchisee acknowledges the significance of Digital Media to the System and necessity for Franchisor's control over Digital Media. Between Franchisor and Franchisee, Franchisor is the absolute owner of the Digital Media and nothing contained in this Agreement grants to Franchisee any ownership interest in or to the Digital Media. Franchisee shall not utilize, access or open accounts regarding or related to Digital Media unless expressly approved by Franchisor in writing which approval Franchisor may withhold, condition or limit as determined by Franchisor in Franchisor's Reasonable Business Judgment and which approval, if given, shall be limited to the marketing and promotion of the Franchised Business in accordance with Franchisor's standards and specifications. Upon expiration or termination of this Agreement for any reason, any prior authorization by Franchisor as to Franchisee's right to utilize the Digital Media and/or otherwise as to any rights of Franchisee in or to the Digital Media shall be automatically terminate and, at Franchisor's election, the right to any and all accounts and/or sites (if any) associated with Digital Media utilized by Franchisee shall be transferred to Franchisor. Under no circumstance shall Franchisee utilize the Digital Media for purposes of or with the effect of libeling or disparaging another nor shall Franchisee violate any copyrights – as to such actions as between Franchisee and any third party, Franchisee is exclusively responsible for disparagement, libel and/or copyright infringement if Franchisee published and/or caused such content to be published.

Franchisee agrees that Digital Media and/or Media Content, if permitted by Franchisor, must be approved by Franchisor prior to publication or use in any form. Digital Media and Published content that is approved by Franchisor or that otherwise is acceptable to Franchisor as meeting Franchisor's standards shall be owned by Franchisor. As between Franchisor and Franchisee, any and all interest and right in or to the Digital Media and/or Media Content shall, at all times, be and is the exclusive property of Franchisor both during the Term of this Agreement and upon the expiration or termination of this Agreement. Franchisee acknowledges and agrees that the System Website and all improvements and modifications made to the System Website, Digital Media, and Media Content is and shall be the exclusive property of Franchisor. During the Term of this Agreement and subject to Franchisee's compliance with the terms and conditions of this Agreement, the System Website, shall include information related to the Franchised Business as shall be determined and designated by Franchisor in Franchisor's Reasonable Judgment.

Franchisee agrees that in the event of the termination of this Agreement, for any reason, that the accounts related to all telephone numbers associated with the Franchised Business and all rights in and to the telephone numbers associated with the Franchised Business, shall, at Franchisor's election, be transferred to Franchisor.

Without limitation to the foregoing, Franchisee shall, upon the request of Franchisor, execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts attached to this Agreement as Exhibit 9. Upon the request of Franchisor, Franchisee shall execute, update, and/or re-execute the Assignment of Telephone Numbers and Digital Media agreement upon the request of Franchisor. As between Franchisor and all third parties, Franchisee does hereby represent and acknowledge that such third-party is authorized to rely on the Assignment of Telephone Numbers and Digital Media agreement, irrespective of any dispute and/or controversy between Franchisor and Franchisee and irrespective of any contrary instructions of Franchisee.

3.G. RELOCATION OF FRANCHISEE'S FRANCHISE LOCATION

To the extent that Franchisee wishes to relocate the Franchised Business and, thereby, the Franchise Location and Franchisee's Facility, Franchisee must obtain Franchisor's prior written consent, which Franchisor may refuse in Franchisor's Reasonable Business Judgment and pay a Relocation Fee of \$2,500. Franchisee agrees that if Franchisor does consent to the relocation of the Franchised Business, that Franchisor may condition Franchisor's consent to Franchisee's relocation request on requirements imposed by Franchisor which may include, among other things: (a) that the proposed Franchise Location meet and satisfy Franchisor's then current standards for Franchise Locations; (b) that the proposed Facility meet and satisfy Franchisor's then current standards for Facilities; (c) that the proposed Facility be constructed and established in accordance with Franchisor's current standards and specifications; (d) that the proposed Franchise Location be located within Franchisee's Designated Territory; (e) that the proposed Franchise Location (even if it is located within the Designated Territory) not be within a close proximity to the Designated Territory and/or Franchise Location of another Toro Taxes Business; and (f) that, as to the proposed Facility and proposed Franchise Location, Franchisee satisfy the terms and conditions set forth in this Agreement for Facilities and Franchise Locations including, but not limited to, the requirements set forth in Articles 2.A. and 3.B of this Agreement. Franchisee agrees that Franchisor possesses sole discretion as to whether or not Franchisor approves of Franchisee's relocation request.

ARTICLE 4 **TRAINING AND OPERATING ASSISTANCE**

4.A. INITIAL TRAINING, SUPPLEMENTAL TRAINING AND SYSTEM-WIDE TRAINING

(1) Not less than 30 30days prior to the earlier of the Scheduled Business Commencement Date or, the Actual Business Commencement Date, at the sole cost and expense of Franchisee: (a) Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner must satisfy and complete, to Franchisor's satisfaction and in Franchisor's Reasonable Business Judgment, Franchisor's initial Training Program for Franchisee's, Managing Owners and Managers and, subsequent to initial training, Franchisee, Franchisee's Managing Owner and Managers must participate in and satisfactorily complete Franchisor's designated supplemental Training Programs; and (b) Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner must satisfy and complete, to Franchisor's satisfaction and in Franchisor's Reasonable Business Judgment, Franchisor's initial Training Program and, subsequent to initial training, Franchisor's Tax Preparer Training Programs.

Franchisor will provide Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner with Franchisor's initial Training Program and Franchisor's Tax Preparer Training Programs. If Franchisor offers and provides Franchisor's Initial Training Program on-line, then Franchisor shall not charge Franchisee a training fee associated with Franchisee's enrollment and participation in Franchisor's on-line Initial Training Program. If Franchisor offers and provides Franchisor's Initial Training Program through live, in person training sessions, then Franchisee shall pay to Franchisor an enrollment fee for any additional trainees (after the first 2 attendees) calculated as follows for an Initial Training Program for a business without a Business Service

division, either: (a) \$175 per day per person attending if paid in advance of the Initial Training Program; or (b) \$250 per person if Franchisee requests to have payment of the enrollment fee deferred until Tax Season with such payment being deducted by Franchisor no later than March 10 of the respective year. For additional attendees (after the first 2 trainees) of the Initial Training Program for businesses with a Business Division, an enrollment of \$600 per person will apply. If Franchisor offers and provides Franchisor's Tax Preparer Training Programs on-line, then Franchisor shall not charge Franchisee a training fee associated with Franchisee's enrollment and participation in Franchisor's on-line Tax Preparer Training Programs. If Franchisor offers and provides Franchisor's Tax Preparer Training Programs through live, in person training sessions, Franchisor shall charge no enrollment fee for up to 2 individuals to attend, then Franchisee shall pay to Franchisor an enrollment fee of: (i) \$175 per day, per additional person attending Franchisor's live training session if paid in advance; or (ii) \$250 per additional person per day if such payment is deferred until Tax Season in the same manner as the Initial Training enrollment fee described herein.

Prior to commencing the operations of the Franchised Business, Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner must attend, participated in, and successfully complete the initial Training Programs designated by Franchisor. The training may include on-line, classroom and/or on-the-job instruction at a location, facility and/or on-line system designated by Franchisor. The Training Program shall be structured, configured and established by Franchisor from time to time. The Training Program may be structured so that it is offered and completed by Franchisee in various phases, which may require participation in interactive online sessions and on-site training at the Certified Training Site designated by the Franchisor.

(2) At all times throughout the Term of this Agreement, Franchisee, including Franchisee's Managing Owner and tax preparers must satisfy and complete the Tax Preparer Training Programs designated by Franchisor;

(4) Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner, is responsible for training and supervising all tax preparers of the Franchised Business. The Franchised Business may only provide those System Products and Services commensurate with Franchisor's training requirements. All tax preparers must sign a Confidentiality Agreement;

(5) Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner and Manager and Franchisee's employees, at Franchisee's sole cost and expense, must attend and successfully complete all refresher training courses or system-wide training courses, additional training programs and seminars as Franchisor periodically may designate or offer in Franchisor's Reasonable Business Judgment. Franchisor provides instructors and training materials for those programs and seminars, but Franchisor reserves the right to assess Franchisee reasonable charges for such training. Franchisee is responsible for all expenses Franchisee and Franchisee's employee incurs in connection with attendance and participation in these programs and seminars, including, without limitation, the cost of transportation, lodging, meals and any salaries and other wages.

(6) Subject to Franchisor's approval and agreement, Franchisor may offer supplemental training to Franchisee at the Franchise Location (hereinafter referred to as "Supplemental Training"). Franchisor, in Franchisor's Reasonable Business Judgment, reserves the right to reject or approve of any request by Franchisee for Supplemental Training. If Franchisor does agree to offer and provide Supplemental Training, Franchisee shall pay to Franchisor a supplemental training fee at the rate of \$750 per on-site trainer per day plus reimbursement of the travel and hotel accommodation expenses that Franchisor's trainers reasonably incur (the "Supplemental Training Fee"). Franchisee agrees that if Franchisee is in breach of this Agreement due to the operations of

the Franchised Business, Franchisor may require that Franchisee participate in and purchase Supplemental Training.

(7) Franchisee shall pay the salaries, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, lodging, food, automobile rental, travel costs and all other expenses for those persons who, on behalf of Franchisee, attend and participate in the Training Programs and all Supplemental Training Programs. If the Training Program and/or Supplemental Training Program is provided at Franchisee's Facility by a representative of Franchisor (provided that Franchisor, in Franchisor's sole discretion, elects to do so), Franchisee will pay for the reasonable travel costs, lodging, food, automobile rental and other expenses incurred by Franchisor's representative in connection with such training.

(8) If the Franchised Business experiences turnover, each newly hired Manager must, prior to being able to work in the Franchised Business, complete, at Franchisee's expense, Franchisor's initial Training Program at a location and facility designated by Franchisor. In connection with such training, if training occurs (subject to Franchisor's discretion) at a Facility designated by Franchisor, Franchisee shall pay to Franchisor a training fee of \$175 per Manager, per day for each Manager attending Franchisor's Training Program. Notwithstanding the foregoing, Franchisor, in Franchisor's sole discretion, may treat such training as Supplemental Training and provide the Training Program and/or Supplemental Training program on-site at Franchisee's Facility wherein Franchisee shall pay to Franchisor the Supplemental Training Fees and reimburse Franchisor of the expenses set forth in Article 4.A.(6), above.

(9) Franchisor, in Franchisor's Reasonable Business Judgment must approve of all individuals attending and participating in the Training Program and all Supplemental Training programs. All participants in the Training Program must qualify as either an Owner or Operating Manager and, prior to training, among other things, must have executed the Franchise Owner and Spouse Agreement and Guaranty or the Confidentiality Agreement, respectively.

4.B. OPERATING ASSISTANCE

From time to time and as determined by Franchisor in Franchisor's Reasonable Business Judgment, Franchisor may advise Franchisee of those applicable standards, procedures and System requirements in connection with Franchisee's operation of the Franchised Business. Operating assistance may, as determined by Franchisor, in Franchisor's sole discretion, consist of:

(1) Establishing and communicating to franchisee operating procedures, improvements to the System and modifications to the System in connection with the Franchisee's operation of the Franchised Business, the System Products and Services, equipment to be purchased and utilized by Franchisee and those systems and procedures to be utilized by Franchisee in connection with Franchisee's training of service employees and Franchisee's marketing and promotion of the Franchised Business;

(2) Establishing and communicating additional and/or modified System Products and Services that may be authorized for Toro Taxes Businesses;

(3) Modifying the System Products and Services authorized for Toro Taxes Businesses;

(4) Establishing and communicating marketing and promotion standards and base campaigns that are authorized for use by franchisees in connection with the operation and promotion of Toro Taxes Businesses;

- (5) Establishing and communicating advertising and promotional programs and standards for use by franchisees in connection with the operation and promotion of Toro Taxes Businesses;
- (7) Approving or disapproving of Franchisee request to utilize marketing and promotion materials and media not previously authorized by Franchisor;
- (8) Establishing and communicating administrative and general operating procedures for use by franchisees in connection with the operation of Toro Taxes Businesses;
- (9) Establishing, updating, revising and communicating a list(s) of approved suppliers of products, supplies, equipment, software systems and marketing related services including, but not limited to the System Equipment, Supplies and Services, as Franchisor deems appropriate and as may be otherwise designated by Franchisor in Franchisor's Reasonable Business Judgment;
- (10) Coordinating an Annual System Conference for System franchisees that are in good standing with Franchisor. Franchisee shall be responsible for all expenses of its personnel attending the annual meeting including travel, meals and lodging. Franchisee may be required to pay to Franchisor an Annual Conference Attendance Fee for each attendee. Franchisee agrees that if Franchisee fails to attend the Annual System Conference that Franchisor shall, charge and Franchisee shall pay the Annual Conference Noncompliance Fee – even if Franchisor waives such fee for franchisees who attend the Annual System Conference. No more than two individuals may attend the Annual System Conference on behalf of Franchisee; and
- (11) Establish and communicate guidance to Franchisee in the form of the Operations Manual and as Franchisor, in Franchisor's sole discretion, deems appropriate in the form bulletins or other written materials, telephonic consultations and/or consultations at the offices of Franchisor.

4.C. CERTIFIED TRAINING SITE

A franchisee's Toro Taxes Business may become a Certified Training Site by meeting criteria established by Franchisor. Franchisee possesses sole discretion and authority respecting the certification of a Toro Taxes Business as a Certified Training Site.

4.D. OPERATIONS MANUAL

Franchisor shall loan to Franchisee during the term of the franchise one copy (in digital format or in print, as determined by Franchisor) of the Operations Manual. The Operations Manual contains mandatory and suggested specifications, standards and operating procedures that Franchisor prescribes for Toro Taxes Businesses and information relative to other obligations of Franchisee. Franchisee must operate the Franchised Business in accordance with the specifications and requirements set forth in the Operations Manual and as same may be modified, supplemented and/or changed by Franchisor from time to time. Franchisor has the right to add to, and otherwise modify, the Operations Manual to reflect changes in the System Products and Services, System Equipment, Supplies and Services, specifications, standards and operating procedures of a Toro Taxes Business. Franchisee must keep its copy of the Operations Manual current and in a secure location at the Franchise Location. If the Operations Manual is provided to Franchisee in electronic format, Franchisee shall not permit third party access to the Operations Manual. The master copy of the Operations Manual that Franchisor maintains at Franchisor's principal office controls if there is a dispute relative to the contents of the Operations Manual. Franchisee shall have a reasonable period of time to implement the changes in the System required by changes to the Operations Manual. Franchisor shall give Franchisee written notice of the changes required and the period of time within which the changes must be implemented by Franchisee.

Without limitation to the foregoing, Franchisee may only offer and sell the System Products and Services and utilize the System Equipment, Supplies and Services as designated by Franchisor, in Franchisor’s Reasonable Business Judgment, in the Operations Manual and in accordance with the terms, specifications and requirements set forth in the Operations Manual and as Franchisor may supplement and modify the Operations Manual from time to time.

ARTICLE 5
FEES

5.A. INITIAL FRANCHISE FEE

Upon execution of this Agreement Franchisee shall pay to Franchisor a non-recurring initial franchisee fee (the “Initial Franchise Fee”) of \$25,000 for a Toro Taxes Business, whether or not such Toro Taxes Business is a Toro Taxes Store or Toro Taxes Kiosk. The Initial Franchise Fee is fully earned by Franchisor upon execution of this Agreement and is not refundable.

If, during the Term, Franchisor approves Franchisee to enter into additional franchise agreements and Franchisee enters into additional franchise agreements with Franchisor for additional Toro Taxes Stores or a Toro Taxes Kiosks, a non-refundable initial franchise fee for each additional location shall be \$12,500. All subsequent franchise agreements between Franchisor and Franchisee shall be subject to the terms and conditions of Franchisor’s then current franchise agreement and shall be subject to Franchisor’s acceptance and approval of Franchisee’s request to enter into any subsequent franchise agreements. If you enter into a promissory note for the Initial Franchise Fee, you must execute the form of promissory note attached as Exhibit 13 or if you request Initial Franchise Fee and Capital Funding, you will execute the promissory note attached as Exhibit 14 . You must return an original signed copy of the promissory note to our notice address.

5.B. ROYALTY FEES

Throughout the Term of this Agreement, for each and every Accounting Period, Franchisee shall pay to Franchisor a continuing non-refundable royalty fee (the “Royalty Fee”) in an amount equal to: (a) 10% of Franchisee’s Gross Sales but not including Gross Sales from Business Division Services or Non-Bank Product Transaction; (b) \$30 per Non-Bank Product Transaction; and (c) the Royalty Fee applicable for Franchisee’s Gross Sales for each Business Division Service, as set forth in the table below:

Business Division Services Royalties

BUSINESS DIVISION SERVICE TYPE	APPLICABLE ROYALTY FEE
Business Service Intermediate Package	18% of Gross Sales
Business Service VIP Package	18% of Gross Sales
Business Entity Tax Return Preparation	18% of Gross Sales
Business Minority Certification	18% of Gross Sales
Financial Statements Package	18% of Gross Sales
Not-For-Profit Certification Package	18% of Gross Sales
CPA Financial Statements Package	18% of Gross Sales
Audit Representation	18% of Gross Sales

Notwithstanding the foregoing, Franchisee shall not be required to pay the Royalty Fee applicable to Bank Product Transactions during the following limited period commencing on the Effective Date of the Franchise Agreement and ending on December 31, 2023 (the “Bank Product Fee Waiver”). Franchisee acknowledges and agrees that the Bank Product Fee Waiver shall not apply to any other Royalty Fee due under the Franchise Agreement, including without limitations, the applicable Royalty Fee due for Non-

Bank Product Transactions or Business Division Services. If Franchisee refers customers seeking Business Division Services to Franchisor or its affiliates, Franchisor shall pay or otherwise credit Franchisee a payment equal to 25% of the fees collect from the customers the referred commission (the “Referral Commission”). The Referral Commission will be excluded from the calculation of Gross Sales and Franchisee shall not need to pay any royalty or other fees due under the Franchise Agreement on the Referral Commission.

Without limitation to the foregoing, during the Tax Season payment of the Royalty Fee and, thereby the Accounting Period, shall occur weekly, as designated by Franchisor. Outside of the Tax Season payment of the Royalty Fee and, thereby the Accounting Period, shall occur monthly, as designated by Franchisor.

In addition to the Royalty Fee, Franchisee shall pay to Franchisor a supplemental royalty fee (the “Supplemental Royalty Fee”) calculated, as follows:

(1) Supplemental Royalty Fee: First Tax Season – If the Royalty Fees related to the Franchised Business and paid by Franchisee to Franchisor during the first Tax Season of the Franchised Business does not equal or exceed \$3,000 then within 30 days of the end of the first Tax Season, Franchisee shall pay to Franchisor a Supplemental Royalty Fee in an amount equal to the difference between (a) \$3,000 and, (b) the amount of the Royalty Fees paid by Franchisee to Franchisor during the first Tax Season respecting the Franchised Business;

(2) Supplemental Royalty Fee: Second Tax Season – If the Royalty Fees related to the Franchised Business and paid by Franchisee to Franchisor during the second Tax Season of the Franchised Business does not equal or exceed \$6,000 then within 30 days of the end of the second Tax Season, Franchisee shall pay to Franchisor a Supplemental Royalty Fee in an amount equal to the difference between (a) \$6,000 and, (b) the amount of the Royalty Fees paid by Franchisee to Franchisor during the second Tax Season respecting the Franchised Business;

(3) Supplemental Royalty Fee: Third Tax Season and Each Tax Season Thereafter – If the Royalty Fees related to the Franchised Business and paid by Franchisee to Franchisor during the third Tax Season and, as applicable, each and every Tax Season thereafter, does not equal or exceed \$9,000 per Tax Season then within 30 days of the end of each respective Tax Season, Franchisee shall pay to Franchisor a Supplemental Royalty Fee in an amount equal to the difference between (a) \$9,000 and, (b) the amount of the Royalty Fees paid by Franchisee to Franchisor during the respective Tax Season respecting the Franchised Business;

The Royalty Fees and Supplemental Royalty Fees are on-going, are payable in cash, EFT and/or automatic debit or deduction as designated by Franchisor and the calculation of the on-going Royalty Fees and Supplemental Royalty Fees shall be paid by Franchisee to Franchisor based on the applicable Accounting Period designated by Franchisor and shall be on-going based on the Gross Sales for each respective Accounting Period.

As to all Royalty Fees computed, calculated and/or based on Gross Sales related to and/or involving Bank Products, the Royalty Fee payments will be paid immediately (the “Due Date”) throughout the entire Term of this Agreement. As to all other Royalty Fees and Advertising Contributions: (a) During the Tax Season, the Royalty Fee shall be payable and due on the first Tuesday of each week/Accounting Period (for the preceding week); and (b) Outside of the Tax Season, the Royalty Fee shall be payable and due on the 10th day of each month/Accounting Period (for the preceding month and each month thereafter throughout the entire Term of this Agreement) or such other specific day of the month and/or week that Franchisor designates from time to time or for such other period that Franchisor may designate (the “Due Date”). Except as to those Royalty Fees computed, calculated and/or based on Gross Sales related to and/or

involving Bank Products that are automatically deducted all other Royalty Fees will be paid by ACH and/or electronic funds transfer. Upon the request of Franchisor and in no event not later than 30 days prior to the earlier of the Actual Business Commencement Date or the Scheduled Business Commencement Date, Franchisee shall execute Franchisor's designated ACH Authorization form and such other authorization agreements, in the form proscribed by Franchisor, for preauthorized payment of Royalty Fee payments, and other amounts due from Franchisee under this Agreement, by electronic transfer of funds from Franchisee's bank account to the bank account that Franchisor designates. As of the Effective Date, Franchisor's current ACH Authorization that must be executed simultaneously with the execution of this Agreement and complied with by Franchisee is attached hereto as Exhibit 11. Failure to complete and return an ACH Authorization shall constitute a material default of the Franchise Agreement. Franchisor may require Franchisee to pay the Royalty Fees and other amounts due under this Agreement by means other than ACH and/or automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

On the Due Date each week / month, respectively, Franchisee shall report by telephone, electronic means, or in written form, as Franchisor directs, a Royalty Report itemizing actual sales achieved by the Franchised Business and any deductions therefrom to arrive at the Gross Sales for the preceding weekly / monthly Accounting Period (the "Royalty Report") and any other reports required under this Agreement. Franchisor shall have the right to verify such royalty payments from time to time, as it deems necessary in any reasonable manner. If Franchisee fails to have sufficient funds in its account or otherwise fails to pay any Royalty Fees due as of the Due Date, Franchisee shall owe, in addition to such Royalty Fees, a late charge equivalent to the lesser of 5% per month of any late royalty payment or \$50 provided, however, in no event shall Franchisee be required to pay a late fee at a rate greater than the maximum commercial contract interest rate permitted by applicable law. Further, if Franchisee fails to submit an accurate Royalty Report by the Due Date of each week / month for the preceding week / month, Franchisee must pay, in addition to Royalty Fees, a late charge in the amount of \$100 per occurrence. Franchisor may require Franchisee to pay the Royalty Fees and other amounts due under this Agreement by means other than automatic debit whenever Franchisor deems appropriate, and Franchisee agrees to comply with Franchisor's payment instructions.

5.C. TECHNOLOGY FEE

Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing monthly non-refundable Technology Fee (the "Technology Fee"). The amount of the Technology Fee shall be designated and determined by Franchisor from time-to-time in Franchisor's Reasonable Business Judgment, provided that the amount of the monthly Technology Fee shall not exceed \$250 per month. The Technology Fee shall be paid to Franchisor each and every month on the Due Date.

In addition to such Technology Fees, a late charge equivalent to the lesser of 5% per month of any late Technology Fee or \$50 provided, however, in no event shall Franchisee be required to pay a late fee at a rate greater than the maximum commercial contract interest rate permitted by applicable law.

5.D. BANK PRODUCT FEE AND TRANSMITTER AND VARIABLE SOFTWARE FEE

Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing non-refundable Bank Product Fee (the "Bank Product Fee"). The amount of the Bank Product Fee shall be designated and determined by Franchisor from time-to-time in Franchisor's Reasonable Business Judgment. The Bank Product Fee is an on-going fee to be paid by Franchisee to Franchisor for each and every transaction and each and every System Product and Service involving and/or utilizing a Bank Product. The Bank Product Fee shall be automatically deducted by Franchisor from Franchisee's Gross Sales related to Bank Products and is payable immediately upon receipt of Gross Sales involving a Bank Product. The Due Date for Bank Product Fees is the same as the Due Date for Royalty Fees related to and/or involving Bank Products.

Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing Transmitter and Variable Software Fee (the “Transmitter and Variable Software Fee”). The amount of the Transmitter and Variable Software Fee shall be designated and determined by Franchisor from time-to-time in Franchisor’s Reasonable Business Judgment. The Transmitter and Variable Software Fee shall be automatically deducted by Franchisor from Franchisee’s Gross Sales related to Bank Products and is payable immediately upon receipt of Gross Sales involving a Bank Product. The Due Date for Transmitter and Variable Software Fees is the same as the Due Date for Royalty Fees related to and/or involving Bank Products.

5.E. CUSTOMER SERVICE AND REFUND FEE

Throughout the Term of this Agreement, Franchisee shall honor and implement the customer refund policies and guarantees designated by Franchisor, in Franchisor’s Reasonable Business Judgment. If Franchisee fails to honor and/or implement a guarantee and/or refund policy, if Franchisor, in Franchisor’s Reasonable Business Judgment, deems it advisable to issue a refund and/or other compensation to a customer of the Franchised Business, Franchisee shall immediately pay to Franchisor the amount of all expenses and/or sums incurred and/or expended by Franchisor in resolving the customer complaint, refund request and/or guarantee (the “Customer Service and Refund Fee”).

5.F. INTEREST, COLLECTION COSTS AND ATTORNEY FEES

All unpaid obligations under this Agreement (of any nature) shall automatically bear interest from the date due until paid at the lesser of: (a) 12% per annum, or (b) the maximum rate allowed by applicable law. However, if such past due obligation remains unpaid for more than 30 days, then the amount of the unpaid and past due obligation will bear simple interest at the lesser of 18% simple interest per annum or the maximum legal rate allowable by applicable law. Furthermore, the Franchisee will pay Franchisor for any and all costs incurred by Franchisor in the collection of such unpaid and past due obligations including, but not limited to, reasonable attorney’s fees.

Franchisee acknowledges that this Article 5.D. does not constitute Franchisor’s agreement to accept payments after they are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee’s operation of the Franchised Business. Further, Franchisee acknowledges that Franchisee’s failure to pay all amounts when due shall constitute grounds for termination of this Agreement, as provided in Article 16.

5.G. APPLICATION OF PAYMENTS

Franchisor has sole discretion to apply any payments received from Franchisee or to offset any indebtedness of Franchisee to Franchisor to any past due indebtedness of Franchisee for Royalty Fees, Advertising Contributions, purchases from Franchisor or its affiliates, interest or any other indebtedness of Franchisee to Franchisor or its affiliates.

5.H. WITHHOLDING PAYMENTS UNLAWFUL

Franchisee expressly acknowledges and agrees that under no circumstance is Franchisee entitled to withhold payments due to Franchisor under this Agreement. Among other things and without limitation to the foregoing, Franchisee expressly agrees that any claim by Franchisee as to the alleged non-performance of Franchisor’s obligations shall not permit and/or entitle Franchisee to withhold payments due Franchisor under this Agreement.

5.I ANNUAL DUES

Throughout the Term of this Agreement, Franchisee shall pay to Franchisor continuing annual non-refundable annual fee (the “Annual Dues”). Notwithstanding the foregoing, during the first year of the Term, Franchisee will not be responsible for paying the Annual Dues. Franchisee shall pay Annual Dues equal to \$1,750 each year. The amount of the Annual Dues shall be designated and determined by

Franchisor from time-to-time in Franchisor's Reasonable Business Judgment and is subject to change, provided that the amount of the Annual Dues shall not be increased by more than \$100 in any calendar year. The Annual Dues shall be paid to Franchisor each and every year on or before March 10.

5.J OTHER ANNUAL FEES

1. **Business Services Division Software Fee.** Franchisee shall pay the Business Services Division Fee, which shall be due prior to the provision of the Business Division Services and subsequent to Franchisee entering into the Business Services Division Addendum. Franchisee shall pay the Business Division Services Fee annually in the same manner as the Annual Dues and such Business Division Services Fee shall be due on March 10.

2. **Additional Tax Preparation Software License Fee.** Franchisee shall pay the Additional Tax Preparation Software License Fee prior to the installation of the Income Tax Preparation Software on any additional network over and above the networked utilized at the Franchised Business's premises. The Additional Tax Preparation Software License Fee shall apply for each additional network utilized by Franchisee or its agents.

ARTICLE 6 FRANCHISEE'S AND FRANCHISEE'S OWNERS RESTRICTIVE COVENANTS AND OBLIGATIONS

6.A. NECESSITY FOR RESTRICTIVE COVENANTS

Franchisee expressly acknowledges and agrees that only through the course of entering into this Agreement is Franchisee being provided with access to the System, Franchisor's training, use of the Licensed Marks and access to the Operations Manual and Confidential Information. Franchisee acknowledges and agrees that competition by Franchisee, Owners, Spouses and Immediate Family Members could jeopardize the entire System and cause irreparable harm to Franchisor and franchisees of Toro Taxes Businesses. Accordingly, Franchisee and Franchisee's Owners (and Spouses) agree to comply with the restrictive covenants set forth in this Article 6 and throughout this Agreement. Without limitation to Article 6.F, below, Franchisee agrees that Franchisee's Owners and Spouses must also comply with the restrictive covenants set forth in this Article 6 and throughout this Agreement.

6.B. RESTRICTIVE COVENANTS: KNOW-HOW

Franchisee acknowledges and agrees that Franchisee: (a) shall not use the Know-How in any business or capacity other than the operation of the Franchised Business pursuant to this Agreement; (b) shall maintain the confidentiality of the Know-how at all times; (c) shall not make unauthorized copies of documents containing any Know-How; (d) shall take all reasonable steps that Franchisor requires from time to time to prevent unauthorized use or disclosure of the Know-How; and (e) shall stop using the Know-How immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants and obligations shall also apply to: (a) Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1 and (b) Franchisee's directors, officers, employees and agents where disclosure of the Know-How was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and delivered to Franchisor the Confidentiality Agreement in the form attached to this Agreement as Exhibit 4.

6.C. RESTRICTIVE COVENANTS: CONFIDENTIAL INFORMATION

Franchisee acknowledges and agrees that Franchisee: (a) shall not use the Confidential Information in any business or capacity other than the Toro Taxes Business operated by Franchisee; (b) shall maintain the confidentiality of the Confidential Information at all times; (c) shall not make unauthorized copies of documents containing any Confidential Information; (d) shall take such reasonable steps as Franchisor may ask of Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (e) shall stop using the Confidential Information immediately upon the expiration, termination or Transfer of this Agreement. Franchisee agrees that the foregoing covenants and obligations shall also apply to: (a) Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1; and (b) Franchisee's directors, officers, employees and agents where disclosure of the Confidential Information was necessary for the operations of the Franchised Business and where such director, officer, employee and/or agent previously executed and delivered to Franchisor the Confidentiality Agreement in the form attached to this Agreement as Exhibit 4.

6.D. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND IN-TERM NON-COMPETITION OBLIGATIONS

Franchisee acknowledges and agrees that during the Term of this Agreement, Franchisee shall not engage in the following activities (the "Prohibited Activities"): (a) owning and/or having any legal or equitable interest (whether as an individual proprietor, owner, partner, member or shareholder of a Corporate Entity, or in any similar capacity) in a Competitive Business (other than owning an interest of 3% or less in a publicly traded company that is a Competitive Business); (b) operating, managing, funding and/or performing services (whether as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or in any similar capacity) for a Competitive Business; (c) diverting or attempting to divert any business or customers from Franchisor (or one of Franchisor's affiliates or franchisees); and/or (d) inducing any customer or client of Franchisor (or of one of Franchisor's affiliates or franchisees) or of Franchisee to any other person business that is not a Toro Taxes Business. Franchisee acknowledges that if Franchisee were to engage in the Prohibited Activities that such actions would be unfair, would constitute unfair competition and would cause harm to Franchisor, the System and other Toro Taxes Business Franchisees. Franchisee agrees that the foregoing covenants and obligations shall also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1.

6.E. RESTRICTIVE COVENANTS: UNFAIR COMPETITION AND POST-TERMINATION NON-COMPETITION OBLIGATIONS

Franchisee acknowledges and agrees that during the Post-Term Restricted Period Franchisee will not engage in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers/clients who are located within the Restricted Territory. If Franchisee is engaged in any Prohibited Activities during the Restricted Period, Franchisee agrees that Franchisee's Restricted Period will be extended by the period of time during which Franchisee was engaging in the Prohibited Activity (any such extension of time will not be construed as a waiver of Franchisee's breach or otherwise impair any of Franchisor's rights or remedies relating to Franchisee's breach). Franchisee acknowledges and agrees that the foregoing covenants and obligations shall also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1. Franchisee acknowledges and agrees that this restriction is fair and reasonable and that if Franchisee did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm Franchisor and the System.

6.F. IMMEDIATE FAMILY MEMBERS.

Franchisee acknowledges, agrees and represents that should Franchisee circumvent the restrictive covenants and obligations due to Franchisor under this Article 6 by disclosing Confidential Information and Know-how to an immediate family member (*i.e.*, parent, sibling, child, or grandchild) that Franchisor and the System will be irreparably harmed. Franchisee acknowledges that if Franchisee or one of Franchisee's Owners did disclose the Know-how to an immediate family member and the immediate family member of Franchisee or an Owner used the Confidential Information or Know-How to engage in activities that, for Franchisee, qualify as Prohibited Activities as defined above, that Franchisor and the System will be irreparably harmed. Franchisee agrees that as between Franchisee and Franchisor that Franchisee and Franchisee's Owners are in a better position to know if Franchisee permitted and/or provided an immediate family member with access to the Confidential Information and/or Know-How. Therefore, Franchisee agrees that Franchisee will be presumed to have violated the terms of this Agreement and, in particular, the restrictive covenants and obligations set forth in this Article 6 if any member of Franchisee's immediate family or the immediate family of an Owner (a) engages in any Prohibited Activities during any period of time during which Franchisee is prohibited from engaging in the Prohibited Activities or (b) uses or discloses the Confidential Information and/or Know-how. However, Franchisee may rebut this presumption by providing evidence conclusively demonstrating that neither Franchisee nor Franchisee's Owner(s) did not disclose the Confidential Information and Know-How and did not permit disclosure of the Confidential Information or Know-How to the family member of Franchisee or Franchisee's Owners. Franchisee acknowledges and agrees that the foregoing covenants, obligations, representations and burden of proof shall also apply to Franchisee's Owners and Spouses and that Franchisee's Owners and Spouses shall each execute and deliver to Franchisor the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1.

6.G. REASONABLENESS OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee acknowledges and agrees that: (a) the terms of this Article 6 are reasonable both in time and in scope of geographic area; and (b) Franchisee has sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Article 6. **Franchisee hereby waives any right to challenge the terms of this Article 6 as being overly broad, unreasonable or otherwise unenforceable.** Although Franchisee and Franchisor both believe that the restrictive covenants and obligations of this Article 6 to be reasonable in terms of scope, duration and geographic area, Franchisor may at any time unilaterally modify the terms of this Article 6 (provided that such modification is in writing and signed by Franchisor) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon Franchisee under this Article 6 to ensure that the terms and covenants are enforceable under applicable law.

6.H. BREACH OF RESTRICTIVE COVENANTS AND OBLIGATIONS

Franchisee acknowledges and agrees that Franchisee's failure and/or Franchisee's Owner(s) failure to comply with the restrictive covenants and obligations set forth in this Article 6 will cause irreparable harm to Franchisor and/or other Toro Taxes Business franchisees for which there is no adequate remedy at law. Therefore, Franchisee agrees that any violation of these Article 6 covenants and obligations by either Franchisee and/or any Owner(s) will entitle Franchisor to injunctive relief. Franchisee agrees that Franchisor may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of Franchisee, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the Franchisee and Franchisor agree that the amount of the bond shall not exceed \$1,000. Franchisor's remedies under this Article 6.H. are not exclusive of any other, but may be combined with others under this

Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

6.I. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS AND CUSTOMER INFORMATION

Franchisee expressly acknowledges and agrees that with regard to the Franchised Business all customer lists and their contents and information represent Confidential Information and constitute an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term of this Agreement and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods and products conceived or developed by Franchisee and Franchisee's affiliates, Owners, agents, and employees relating to the development and operation of Toro Taxes Businesses. Franchisee hereby assigns to Franchisor and Franchisee agrees to procure from Franchisee's Owners, affiliates and employees assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this Article 6.I. Franchisor shall have no obligation to make any lump sum or on-going payments to Franchisee or Franchisee's Owners, affiliates or employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee will not use nor will Franchisee allow any other person or entity to use any such concept, method or product without obtaining Franchisor's prior written approval.

ARTICLE 7
OPERATING STANDARDS

7.A. OPERATIONS AND MAINTENANCE OF CONDITION AND APPEARANCE

At all times, Franchisee and the Franchised Business shall: (a) exclusively offer and sell the System Products and Services as designated by Franchisor in the and as may be modified by Franchisor from time to time; (b) exclusively purchase and utilize the System Equipment, Supplies and Services as designated by Franchisor in the Operations Manual and as may be modified by Franchisor from time to time; (c) maintain a complete and updated inventory and supply of System Equipment, Supplies and Services as designated by Franchisor in the Operations Manual and as may be modified by Franchisor from time to time; (d) maintain Franchisee's Facility in a clean, sanitary, functional and well maintained condition; and (e) maintain, update and recondition Franchisee's Facility as designated by Franchisor in the Operations Manual and as may be modified by Franchisor from time to time.

7.B. UPDATING AND UPGRADING

Upon the request of Franchisor, Franchisee must improve, modify and remodel Franchisee's Facility to the Franchisor's then-current standards and specifications. Franchisee agrees to make such improvements or modifications when changes to Franchisor's standards and specifications are made applicable to Franchisee's Facility.

7.C. REMEDIES FOR NONCOMPLIANCE WITH APPEARANCE OF FACILITY, EQUIPMENT AND SUPPLIES

If Franchisee fails or refuses to initiate within 30 days after Franchisor's request, and/or fails to continue in good faith and with due diligence, any required improvement, modification, refurbishment, renovation, and/or remodel of Franchisee's Facility, then Franchisor has the right, but is not obligated, to enter upon Franchisee's Facility and the Franchise Location and effect such improvement, modification, refurbishment, renovation, and/or remodel on Franchisee's behalf, and Franchisee must pay the entire cost to Franchisor on demand.

7.D. DAMAGE CAUSED BY CASUALTY

If Franchisee's Facility is damaged or destroyed by fire or any other casualty, Franchisee must, as soon as practicable but in no event later than 2 months after such casualty, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue until completion of the repairs or reconstruction, in order to restore the premises of Franchisee's Facility to its original condition before casualty.

7.E. ALTERATIONS TO THE TORO TAXES FRANCHISE LOCATION, FACILITY AND OFFICE EQUIPMENT AND SUPPLIES

Franchisee shall not make any material alterations to Franchisee's Facility without Franchisor's prior written consent. Franchisee not replace or make any unapproved replacements of or material alterations to the fixtures, equipment, furniture, designs or signs, comprising or being a part of, Franchisee's Facility. Franchisor has the right, in its sole discretion and at the sole expense of Franchisee, to rectify any material alterations to Franchisee's Facility not previously approved by Franchisor or contrary to the specifications and standards of Franchisor as contained in the Operations Manual or otherwise set forth by Franchisor. Franchisor will provide written notice to Franchisee before Franchisor makes the correction, if Franchisor elects to do so.

7.F. UNIFORM IMAGE, STANDARDS, SPECIFICATIONS, PRODUCT PREPARATION, SERVICE DELIVERY AND PRODUCT REQUIREMENTS

To ensure that the highest degree of uniformity, quality and service is maintained (as determined by Franchisor in Franchisor's Reasonable Business Judgment), Franchisee must use its best efforts to operate the Franchised Business in strict conformity with the methods, standards and specifications of Franchisor as set forth in the Operations Manual and as Franchisor may, in Franchisor's Reasonable Business Judgment, otherwise prescribe in writing. Supplementing and without limitation to the foregoing, Franchisee agrees that Franchisee shall:

- (1) Exclusively offer and sell the System Products and Services and as Franchisor may modify same from time to time in Franchisor's Reasonable Business Judgment;
- (2) Exclusively utilize the System Equipment, Supplies and Services and only those methods, procedures, production systems, and delivery systems as designated by Franchisor in the Operations Manual or as otherwise designated by Franchisor in writing and, as Franchisor may modify from time to time in Franchisor's Reasonable Business Judgment;
- (3) Exclusively utilize the System Equipment, Supplies and Services equipment, supplies, materials, uniforms, and forms as designated by Franchisor in the Operations Manual or otherwise in writing and, as Franchisor may modify from time to time in Franchisor's Reasonable Business Judgment.
- (4) Exclusively utilize packaging, signs, uniforms, and other materials displaying the Licensed Marks as designated by Franchisor in the Operations Manual or otherwise in writing, as Franchisor may modify from time to time in Franchisor's Reasonable Business Judgment, and obtain such items from suppliers designated by Franchisor by Franchisor in the Operations Manual or otherwise in writing, as Franchisor may modify from time to time in Franchisor's Reasonable Business Judgment;
- (5) Provide prompt, courteous, and efficient service to customers;
- (6) Maintain ordinary and regular business hours as required by Franchisor in the Operations Manual or otherwise in writing, as may be modified by Franchisor from time to time in Franchisor's Reasonable Business Judgment;

- (7) Adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct in dealing with customers and suppliers of the Franchised Business;
- (8) Conduct all advertising and promotion of the Franchised Business in strict compliance with Franchisor's standards and specifications and to the highest standards of ethical advertising;
- (9) Refrain from any business or advertising practice that may be injurious to the goodwill associated with Franchisor, Toro Taxes Businesses, the System, and the Licensed Marks;
- (10) Not deviate from the standards that Franchisor sets for the operation of the Franchised Business;
- (11) Promptly respond to all customer and potential customer inquiries and complaints to achieve high levels of customer satisfaction and reviews;
- (12) Honor and implement refund policies established by Franchisor from time to time in Franchisor's Reasonable Business Judgment;
- (13) Honor, implement and offer Customer Vouchers as authorized and designated by Franchisor;
- (14) Maintain and display at visible locations designated by Franchisor displays and signs informing customers and the public that *"This Toro Taxes Business is independently owned operated and managed by [insert name of Franchisee] pursuant to a license agreement"* or such other signage as designated by Franchisor;
- (15) Adopt, implement, and abide by the System and all changes made to the System (as designated by Franchisor in Franchisor's Reasonable Business Judgment) including, without limitation, the System Products and Services and the System Equipment, Supplies and Services;
- (16) Maintain a fully trained competent staff capable of rendering courteous quality service in accordance with the Operations Manual and Franchisor's standards and specifications;
- (17) Ensure that all of Franchisee's employees wear all uniforms set forth in the Operation Manual and/or as otherwise required by Franchisor while working at the Franchised Business, and said uniforms shall be of such design and color as set forth in the Operations Manual Franchisor and/or as otherwise prescribed by Franchisor, in Franchisor's Reasonable Business Judgment, from time to time;
- (18) Not promote any other businesses at the Franchised Business, and/or from Franchisee's Facility, and/or the Franchise Location;
- (19) Comply with all laws applicable to the operation of the Franchised Business, including, without limitation, all health laws, wage and hour laws, labor department, workers compensation and unemployment laws and rules;
- (20) With respect to all credit card transactions and the customer information obtained through credit card usage, Franchisee agrees to diligently comply with all statutes and rules regarding such usage and shall protect the privacy of Franchisee's credit card customers;
- (21) Stock, maintain and replenish System Equipment, Supplies and Services in such supply as to realize, service and promote the Franchised Business to its full potential;

(22) Exclusively use, at all times, only those supplies, products, equipment, software systems, business management systems, customer relationship management systems (whether hard drive based, networked, or cloud based) and supplies designated by Franchisor including, without limitation, the System Equipment, Supplies and Services, the System Products and Services, and the Business Management System, and purchase same exclusively from Franchisor and/or Franchisor's designated suppliers;

(23) Ensure that all products sold by the Franchised Business are limited to the System Products and Services;

(24) Permit Franchisor or Franchisor's agents, at any reasonable time, to inspect Franchisee's Facility and test, sample, and evaluate the services and products offered by the Franchised Business to evaluate whether or not same meet and comply with Franchisor's standards and specifications;

(25) Designate and maintain an Operating Manager who, in addition to the Managing Owner, (a) completed Franchisor's initial Training Program, (b) works on-site at Franchisee's Facility, (c) signed and duly executed the Confidentiality Agreement, and (d) consistently demonstrates his or her ability to satisfy the performance requirements of the System related to confidentiality, brand protection, the purchase, maintenance, and utilization of the System Equipment, Supplies and Services, and service standards respecting the System Products and Services;

(26) Install and maintain in connection with the operations of the Franchised Business, all equipment, supplies and systems, as designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified by Franchisor from time to time, including, without limitation, point of sale systems, the Business Management System, computer systems, security systems, System Equipment, Supplies and Services, and telecommunications equipment designated by Franchisor, and provide and permit Franchisor to maintain, direct and independent access to such systems and monitor the Franchised Business;

(27) Implement and maintain, at Franchisee's expense, a bookkeeping, accounting, and record keeping system conforming to the requirements and formats Franchisor prescribes from time to time in Franchisor's Reasonable Business Judgment;

(28) Grant and give full and complete on demand and continuous instantaneous access to Franchisee's business and financial records including, without limitation, Franchisee's point of sale systems, the Business Management System utilized by Franchisee, and Franchisee's Business Management System Data;

(29) Maintain on staff a tax preparer has satisfied Franchisor's Tax Preparer Training Programs. The Manager must oversee the training of all other tax preparers and monitor and evaluate the work of all tax preparers of the Franchised Business; and

(30) Utilize the Bank Products, Tax Preparation Software and Business Management Systems as mandated and required by Franchisor, in Franchisor's Reasonable Business Judgment and at such rates as Franchisor shall designate and determine. Without limitation to the foregoing, or any other provision contained in this Article 7.F., Franchisee expressly acknowledges and agrees that the Bank Products, Tax Preparation Software and Business Management Systems designated by Franchisor are critical to the System, that Franchisor, in Franchisor's sole discretion shall or may designate itself as the sole providers of Bank Products, Tax Preparation Software and Business Management Systems.

7.G. APPROVED SERVICES, PRODUCTS, EQUIPMENT AND SUPPLIERS

The reputation and goodwill of Franchisor and of all Toro Taxes Businesses are based on and can only be maintained by the consistent offer, sale, promotion and delivery of high quality products and services, high quality standards, consistency and consistent communication with customers. Franchisee agrees that, among other things, the products and services to be offered and sold by the Franchised Business, the supplies, suppliers and equipment utilized by the Franchised Business, the methods for monitoring customer satisfaction and, the methods for marketing and promoting the Franchised Business must conform to Franchisor's System standards and specifications as determined by Franchisor, in Franchisor's Reasonable Business Judgment, and, as designated by Franchisor in the Operations Manual and, as modified by Franchisor from time to time. Without limitation to the foregoing, Franchisee acknowledges and agrees that:

(1) The Franchised Business shall exclusively offer to the public the System Products and Services and only those System Products and Services designated and authorized by Franchisor, in Franchisor's Reasonable Business Judgment, and, as may be modified by Franchisor from time to time in Franchisor's Reasonable Business Judgment.

(2) The Franchised Business will exclusively: (a) exclusively offer and serve the System Products and Services; (b) prepare and serve the System Products and Services in accordance with the System's standards and specifications; (c) exclusively purchase and utilize System Equipment, Supplies and Services purchased from Franchisor or Franchisor's designated suppliers; (d) exclusively purchase and utilize equipment, supplies, promotional materials, point of sale systems and Business Management System(s) designated by Franchisor and subject to Franchisor's specifications; (e) Purchase interior displays, point of sale displays, uniforms, supplies, marketing materials and promotional materials (including but not limited to System Equipment, Supplies and Services) as designated by Franchisor and only from Franchisor or Franchisor's approved supplier(s); and (f) Purchase from distributors and other suppliers approved by Franchisor all other materials, goods, and supplies (including but not limited to System Equipment, Supplies and Services) used in preparing, offering, selling, promoting, and serving the System Products and Services.

(3) Franchisor has and will periodically approve suppliers and distributors of the equipment, materials, supplies and products (including but not limited to System Equipment, Supplies and Services) that meet Franchisor's standards, specifications, and requirements including, without limitation, standards, specifications, and requirements relating to the equipment and supplies to be utilized by the Franchised Business.

(4) Franchisor, in Franchisor's Reasonable Business Judgment, may, from time to time, modify the list of approved brands, suppliers and distributors of System Equipment, Supplies and Services and approved equipment, supplies and services to be utilized by the Franchised Business and Franchisee shall, after receipt in writing of such modification, not reorder any brand and/or purchase from any supplier or distributor that is no longer designated or approved by Franchisor.

(5) Franchisor reserves the right to designate, from time to time, a single supplier and/or distributor for any services, products, equipment, supplies, or materials including, but not limited to, the System Equipment, Supplies and Services and to require Franchisee to use such a designated supplier exclusively, which exclusive designated supplier and/or distributor may be Franchisor and/or Franchisor's affiliates. Franchisor and its affiliates may receive payments from suppliers and/or distributors on account of such supplier's or distributor's dealings with Franchisee and other

franchisees and may use all amounts so received without restriction and for any purpose Franchisor and its affiliates deem appropriate.

(6) If Franchisee proposes or requests that Franchisor consider the approval of products, services, equipment, supplies, suppliers and/or distributors for use in the Franchised Business where such products, services, equipment, supplies, suppliers and/or distributors are not presently, at the time of Franchisee's request, approved for use in the System: (a) Franchisee must provide Franchisor with a written request where Franchisee specifies the product, service, equipment, supply, supplier and/or distributor, the reason for Franchisee's request; (b) Shall timely submit to Franchisor such information, reports, specifications, and samples as Franchisor, in Franchisor's Reasonable Business Judgment requests; (c) Shall pay to Franchisor a Supplier Evaluation Fee per requested product, service, equipment, supply, supplier and/or distributor to be considered including, but not limited to, the Supplier Evaluation Fees that Franchisor, in Franchisor's Reasonable Business Judgment, establishes and assesses based on, among other things, the administrative costs and time associated with evaluating, assessing and testing the proposed product, service, equipment, supply, supplier and/or distributor including, but not limited to Franchisor's internal employees and independent third-parties engaged and/or retained by Franchisor for evaluation and testing. The foregoing fees and payments shall be paid by Franchisee to Franchisor within 14 days of the date of Franchisor's invoice. Upon Franchisee's compliance with the foregoing, within 60 days of the completion of all inspections and evaluations, Franchisor shall notify Franchisee of Franchisor's approval or disapproval which shall be determined by Franchisor in Franchisor's Reasonable Business Judgment. Under no circumstance shall the foregoing be construed as implying that Franchisor is required to approve alternative suppliers.

(7) If Franchisee sells any products or performs any services that Franchisor has not prescribed, approved or authorized, Franchisee shall (i) cease and desist offering or providing the unauthorized or unapproved product or from performing such services and (ii) pay to Franchisor, on demand, a Unauthorized Product or Service Fee equal to \$250 per day for each day such unauthorized or unapproved product, premium, novelty item, clothing, souvenir or service is offered or provided by Franchisee. The prohibited product or service fine shall be in addition to all other remedies available to Franchisor under this Agreement or at law.

7.H. MARKET RESEARCH AND TESTING

Franchisor may conduct market research and testing to evaluate, modify, test and/or sample the services, products, equipment and supplies authorized by Franchisor and to determine consumer trends and the viability of certain services and products. Franchisee agrees to participate in Franchisor's market research programs that may be conducted by Franchisor in its discretion, by test marketing services and/or products from the Franchised Business. Franchisee agrees to provide Franchisor with timely reports and other relevant information regarding such market research. Franchisee agrees to purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell the products and/or services.

7.I. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

(1) Franchisee shall secure and maintain in full force all required licenses, permits and certificates relating to the operation of the Franchised Business, and Franchisee must operate the Franchised Business in full compliance with all applicable laws, ordinances, codes and regulations.

(2) Franchisee must immediately notify Franchisor in writing of any of the following concerning Franchisee, the Franchised Business, the Franchise Location and/or Franchisee's Facility: (a) any cause of action, claim, lawsuit, proceeding, and investigation; (b) issuance of any order, writ,

injunction, award, and/or decree by any court, agency, or other governmental entity; and (c) any notice of violation of any law, ordinance, code, permit, or regulation.

(3) All advertising and promotion by Franchisee must be completely factual and conform to the highest standards of ethical advertising. Franchisee agrees to refrain from any business practice, advertising practice, or personal conduct that may be injurious to Franchisor, the System, Toro Taxes Businesses, and the Licensed Marks. Franchisor, in Franchisor's sole discretion, shall possess, among other things, the unilateral right to reject any and all advertising relating to the Franchised Business, Franchisor, the System, Toro Taxes Businesses and/or using the Licensed Marks.

(4) Franchisee and Owners agree to comply with, and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee and each Owner certify, represent, and warrant that Franchisee's or any Owner's property or interests is not subject to being "blocked" under any of the Anti-Terrorism Laws, and Franchisee and each Owner are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee further certifies that Franchisee and each Owner are not listed on the Annex to Executive Order 13244 (the Annex is available at <http://www.treasury.gov>) and will not become so listed, hire any person so listed, or have dealings with any person so listed. Franchisee agrees to immediately notify Franchisor if Franchisee or any Owner become so listed. "Anti-Terrorism Laws" refers to and means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing, or in any way relating to, terrorist acts and acts of war. If Franchisee, an Owner, or Franchisee's employees violate any of the Anti-Terrorism Laws and/or become listed on the Annex to Executive Order 13244, then Franchisor may terminate this Agreement immediately without prior notice to Franchisee.

7.J. MANAGEMENT OF FRANCHISEE'S TORO TAXES BUSINESS

(1) Franchisee acknowledges that critical to the success of the Franchised Business is the active, continuing and substantial personal involvement and hands-on supervision of Franchisee's Managing Owner. At all times, Franchisee's Toro Taxes Business must be under the active, continuing and substantial personal involvement and hands-on supervision of Franchisee's Managing Owner. The Managing Owner must at all times be actively involved in the operation of the Franchised Business unless Franchisee delegates management functions to an authorized Operating Manager who, among other things, satisfactorily completed Franchisor's Initial Training program and has otherwise meet the criteria and conditions for qualification as an Operating manager. If the Operating Manager is a family member of Franchisee and/or an Owner, then the Operating Manager must also sign and agree to be bound by the terms of the Franchise Owner and Spouse Agreement and Guaranty.

(2) Franchisee must, at all times, faithfully, honestly and diligently perform its obligations hereunder, and continuously exert its best efforts to promote and enhance the business of the Franchised Business and the goodwill of the Licensed Marks.

(3) If, at any time, the Franchised Business is not being managed by a Managing Owner or Operating Manager who satisfactorily completed the Training Program, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for and on behalf of Franchisee. Franchisor's appointment of a manager of the Franchised Business does not relieve Franchisee of its obligations or constitute a waiver of Franchisor's right to terminate the Franchise pursuant to Article 16. Franchisor is not liable for any debts, losses, costs

or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business while it is managed by Franchisor's appointed manager. Franchisor has the right to charge a reasonable fee for management services and to cease to provide management services at any time.

(4) Franchisee will at all times maintain sufficient working capital to fulfill its obligations under this Agreement.

ARTICLE 8 **INSURANCE**

Franchisee must procure and maintain in full force at all times during the Term of this Agreement, at Franchisee's sole expense, on a primary rather than a participatory basis with Franchisor, an insurance policy or policies protecting Franchisee as named insured and naming, as additional insured's, Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of Franchisor against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Franchised Business. The policy or policies must be written by a responsible carrier or carriers with an AM Best Rating of at least A-, VII and reasonably acceptable to Franchisor.

The currently required insurance policies, insurance coverage requirements, and insurance coverage amounts are designated and set forth in the Operations Manual. Franchisor may, in Franchisor's Reasonable Business Judgment, periodically change the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Notwithstanding the immediately foregoing sentence, Franchisor shall not increase such minimum coverage more than once every 2 years. All public liability and property damages policies must contain a provision that Franchisor is entitled to recover under these policies on any loss occasioned to Franchisor, Franchisor's affiliates, Franchisor's successors and assigns, and the officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees of Franchisor by reason of the negligence of Franchisee and/or Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, and employees.

By the earlier of 90 days after the Effective Date or prior to the commencement of the Training Program, Franchisee must deliver, or cause to be delivered, to Franchisor a copy of the certificates of insurance demonstrating Franchisee's compliance with this Article 8. All insurance policies required must expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of a material alteration to, or cancellation of, any insurance policy Franchisee is required to maintain in accordance with this Agreement.

In the event Franchisee fails, for any reason, to procure or maintain the insurance required by this Agreement, then Franchisor has the right and authority (but not the obligation) to immediately to procure insurance and charge all costs, fees, and expenses associated with same to Franchisee, which such charges, together with a reasonable administrative fee for Franchisor's expenses in so acting, shall be immediately payable by Franchisee to Franchisor upon demand. The foregoing remedies are in addition to any other remedies Franchisor may have under this Agreement, at law, or in equity.

ARTICLE 9
BRAND DEVELOPMENT AND MARKETING

9.A BRAND DEVELOPMENT FUND

At all times and from time to time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, Franchisor may institute, implement, maintain, delegate and administer a brand development fund (the "Brand Development Fund"). The following shall apply to the Brand Development Fund at all times throughout the Term:

(1) Franchisee shall pay, on the Due Date, a mandatory and continuing fee to the Brand Development Fund in an amount equal to either: (i) 2% of the Gross Sales earned from Business Services Division transactions and Bank Product transactions (except for Gross Sales earned from Non-Bank Product Transactions); or (ii) a flat fee of \$2 per Non-Bank Product Transaction (the "Brand Development Fund Fee"), provided, however, Franchisee will not be required to contribute more than 2% of the Gross Sales of the Franchised Business for each Accounting Period;

(2) Franchisor will provide Franchisee with written notice of the percentage of Gross Sales that Franchisee is required to contribute to the Brand Development Fund. Upon such written notice to Franchisee, the percentage of Gross Sales to be paid by Franchisee to the Brand Development Fund will be applicable for each and every Accounting Period thereafter during the Term until otherwise determined by Franchisor in writing. The Brand Development Fund Fee shall be paid to Franchisor on the Due Date and in accordance with the payment terms and method set forth in Article 5.B for the payment of Royalty Fees;

(3) Franchisor, in Franchisor's Reasonable Business Judgment, shall direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Development Fund, with sole discretion over the strategic direction, creative concepts, materials, and endorsements used by the Brand Development Fund, and the geographic, market, and media placement and allocation thereof. Without limiting the foregoing, the Brand Development Fund may also be utilized for evaluation and monitoring of the Business Management Systems, maintenance and upgrades to the System Website, and development of Digital Media;

(4) Franchisee expressly acknowledges and agrees that the purpose of the advertising, media, marketing and activities financed by the Brand Development Fund is and shall be for the general enhancement of the System brand as associated with the Licensed Marks and general public brand recognition and awareness of the Licensed Marks. The Brand Development Fund will not be utilized to directly or indirectly market or promote the Franchised Business or, unless otherwise directed by Franchisor, in Franchisor's Reasonable Business Judgment, pay for media placements that may benefit or include any media market that includes the Franchise Location or Designated Territory;

(5) Franchisee agrees that the Brand Development Fund may be used to pay various costs and expenses of Franchisor for such reasonable salaries, wages, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration, activities and/or the brand awareness goals of the Brand Development Fund including expenses incurred by Franchisor for advertising, marketing, product and service testing, product and service development, maintenance, evaluation and monitoring of the Business Management Systems, upgrades to the System Website, development of Digital Media and creative development that is internally administered or prepared by Franchisor and other marketing activities made by Franchisor, provided, however, that salary expenses for Franchisor's personnel paid by the Brand Development Fund shall be commensurate with the amount of that time spent by such personnel on Brand

Development Fund matters. Franchisor shall not use contributions to the Brand Development Fund to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration and activities of the Brand Development Fund and creation or conduct of its marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Brand Development Fund. Franchisor may spend in a fiscal year an amount greater or less than the aggregate contributions of all Toro Taxes Businesses to the Brand Development Fund in that year;

(6) Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs instituted by the Brand Development Fund;

(7) Toro Taxes Businesses owned by Franchisor or Franchisor's affiliates are not required to pay any Brand Development Fund Fee or contribute to or make any contribution to the Brand Development Fund;

(8) Franchisee and Franchisor acknowledge and agree that (a) the Brand Development Fund is not a trust, (b) Franchisor is not a trustee or fiduciary of the Brand Development Fund, and (c) Franchisor may deposit and maintain any and all funds of the Brand Development Fund Fee in Franchisor's general accounts. Brand Development Fund Fees are not required to be segregated from other assets or accounts of Franchisor. The Brand Development Fund is not required to expend Brand Development Fund Fees in the year that they are collected and the Brand Development Fund may borrow from Franchisor or other lenders at standard commercial interest rates to cover deficits of the Brand Development Fund, and Franchisor may cause the Brand Development Fund to invest any surplus for future use by the Brand Development Fund. All interest earned on monies contributed to the Brand Development Fund will be used to pay costs of the Brand Development Fund before other assets of the Brand Development Fund are expended. A summary statement of monies collected and costs incurred by the Brand Development Fund for Franchisor's immediately preceding fiscal year shall be made available to Franchisee upon Franchisee's written request. Franchisor will have the right to cause the Brand Development Fund to be incorporated or operated through an entity separate from Franchisor at such time as Franchisor deems appropriate, and such successor entity shall have all rights and duties of Franchisor pursuant to this Article 9.A(8);

(9) Although Franchisor will endeavor to utilize the Brand Development Fund to develop advertising and marketing materials and programs, Franchisor undertakes no obligation to ensure that expenditures by the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Development Fund by Toro Taxes Businesses operating in that geographic area or that any Toro Taxes Businesses will benefit directly or in proportion to its contribution to the Brand Development Fund from the development of advertising and marketing materials. Franchisor may use the Brand Development Fund to promote or benefit any type of Toro Taxes Businesses in the System. Franchisor may use the Brand Development Fund to promote or benefit Toro Taxes Businesses located within a particular region of the United States. Franchisee acknowledges and agrees that Franchisee's failure to derive any such benefit will not serve as a basis for a reduction or elimination of its obligation to contribute to the Brand Development Fund. Franchisee agrees that the failure (whether with or without Franchisor's permission) of any other franchisee to make the appropriate amount of contributions to the Brand Development Fund shall not in any way release Franchisee from or reduce Franchisee's obligations under this Article 9, such obligations being separate and independent obligations of Franchisee under this Agreement. Except as expressly provided in this Article 9, Franchisor assumes no direct or indirect liability, responsibility, or obligation to Franchisee with

respect to the maintenance, direction, and/or administration of the Brand Development Fund; and

(10) Franchisor, in Franchisor's Reasonable Business Judgment, may establish a council to provide guidance respecting the administration of the Brand Development Fund and marketing matters concerning the Brand Development Fund. The council shall only serve in an advisory capacity and Franchisor shall select members of the council which may be comprised of employees of Franchisor, Franchisor, franchisees of the System and third-parties.

9.B. LOCAL MARKETING AND DMA MARKETING FUND

Franchisee shall spend a minimum of \$1,000 on the grand opening marketing and promotion of the Franchised Business. In addition to the mandatory contributions to the Brand Development Fund, at all times Franchisor, in Franchisor's Reasonable Business Judgment, shall maintain, and administer a regional or local DMA Marketing Fund for a DMA that includes (in whole or in part) Franchisee's Designated Territory, and/or Franchisee's Store Location (the "DMA Marketing Fund"). The DMA Marketing Fund is due for all System franchisees, regardless of whether there are other franchisees located within the DMA. The following shall apply to the DMA Marketing Fund at all times throughout the Term:

(1) Franchisee shall pay on the Due Date a mandatory and continuing fee to the DMA Marketing Fund in an amount equal to a percentage of Gross Sales (as determined and designated by Franchisor in Franchisor's Reasonable Business Judgment) for each weekly Accounting Period (the "DMA Marketing Fund Fee"), provided however, Franchisee will not be required to contribute more than: (i) 5% percent of the Gross Sales for each weekly or monthly Accounting Period from Bank Product Transactions and Business Division Services (varying according to then-applicable Due Date); and (ii) a payment of \$5 for each Non-Bank Product Transaction completed during the Accounting Period.

(2) The DMA Marketing Fund Fee shall be paid to Franchisor and/or Franchisor's designee on the Due Date and in accordance with the payment terms and method set forth in Article 5.B for the payment of Royalty Fees. Franchisee shall submit to the DMA Marketing Fund or Franchisor, statements and/or reports as may be required by Franchisor or by the DMA Marketing Fund, with Franchisor's prior written approval;

(3) Toro Taxes Stores owned by Franchisor and/or Franchisor's affiliates are not required to pay any DMA Marketing Fund Fees or to financially contribute to a DMA Marketing Fund;

(4) The DMA Marketing Fund will be Franchisor's designee for maintaining and administering advertising and promotional programs in the DMA that includes (in whole or in part) the Designated Territory and/or Franchisee's Store Location for the benefit of Franchisee and those other franchisees with operating territories and/or Store Locations within the designated DMA;

(5) The DMA Marketing Fund will consist of all franchisee Stores or Kiosks with operating territories and/or Store Facilities located (in whole or in part) within in the designated DMA (the "Contributors"). The DMA Marketing Fund shall be organized for the purposes of, and all contributions and any earnings thereon shall be used exclusively to meet any and all costs for, maintaining, directing and preparing advertising, public relations and/or promotional activities in connection with the DMA Marketing Fund's advertising program, including, without limitation, the cost of preparing and conducting media campaigns, charitable events, community events, direct mail, marketing and surveys and other public relations activities, employing advertising agencies to assist therein, and providing promotional materials to the Toro Taxes Stores operated under the System;

(6) Franchisor shall exclusively administer the DMA Marketing Fund. The DMA Marketing Fund shall be operated solely as a conduit for the collection and expenditure of marketing contributions for the purpose stated herein;

(7) The DMA Marketing Fund will not conduct any advertising, promotion, public relations or other marketing efforts for the Toro Taxes Stores within the designated DMA unless and until Franchisor has given the DMA Marketing Fund prior written approval for all concepts, materials or media proposed for any such advertising, promotion, marketing, public relations or telemarketing program or campaign. The DMA Marketing Fund will not distribute, publish, broadcast or otherwise disseminate any approved advertising, promotional or marketing materials after the date specified by Franchisor; and

(8) Franchisee's payment of DMA Marketing Fund Fees in accordance with the instruction of Franchisor, shall, respectively as to the time period in which the DMA Marketing Fund Fees are paid, count toward Franchisee's local marketing obligations set forth in Article 9.B of this Agreement.

9.C. REQUIRED FRANCHISOR APPROVAL OF ALL MARKETING

All marketing and promotion of the Franchised Business and all marketing media utilized by Franchisee in the marketing and/or promotion of the Franchised Business must be professional and must conform to Franchisor's standards and specifications as set forth in the Operations Manual or as otherwise directed by Franchisor in writing. Before Franchisee uses any local marketing and promotional materials and/or media not prepared by or previously approved by Franchisor in writing, Franchisee shall submit samples of such materials to Franchisor for approval, which shall be at the discretion of Franchisor, in Franchisor's Reasonable Business Judgment. Provided that Franchisee has satisfied the notification requirements set forth in this Agreement, if Franchisor does not notify Franchisee that Franchisor disapproves the materials within 15 days from the date Franchisor receives the materials, then Franchisee may commence using the materials. However, Franchisor may still disapprove such materials by notice to Franchisee, and Franchisee must then cease using such materials upon receipt of such notice. Franchisee must not use any advertising or promotional materials that Franchisor has disapproved.

9.D. WAIVERS OR DEFERRALS

On written request from Franchisee with reasons supporting such request, Franchisor may, at Franchisor's sole discretion and on conditions Franchisor deems appropriate, temporarily waive or defer the obligations of Franchisee under the Brand Development Fund. In no event shall such waiver or deferral extend beyond 6 months. However, at the end of any waiver or deferral period, Franchisee may resubmit a request for waiver or deferral of its obligations under the Brand Development Fund. Under no circumstance shall Franchisor be under any obligation to grant any waiver or deferral. Franchisor may reject Franchisees request for a waiver or deferral based on any reason or no reason at all.

9.E. DIGITAL MEDIA AND WEBSITE PROHIBITIONS

Franchisee acknowledges and agrees that Franchisee's use of Digital Media shall be subject to and require Franchisor's express written consent which shall and may be withheld by Franchisor for any or no reason at all. Without limitation to the foregoing, Franchisee possess no right or authority to utilize Digital Media and Franchisee acknowledges and agrees that Franchisor reserves all rights respecting the marketing, sale and distribution of System Products and Services through Digital Media. Franchisee agrees that all Digital Media and Digital Media accounts associated with and/or relating to the Franchised Business and/or the System shall, upon demand of Franchisor, be transferred to Franchisor. Upon execution of this Agreement and any and all future dates demanded by Franchisor, Franchisee shall execute and deliver to Franchisor the Assignment of Telephone Numbers and Digital Media Accounts Agreement attached to this Agreement

as Exhibit 9. Franchisee agree that the foregoing shall not be interpreted or construed as permitting Franchisee to establish, designate, utilize and/or otherwise establish accounts as to Digital Media respecting and/or concerning the Franchised Business and/or the System.

ARTICLE 10

RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

10.A. INDEPENDENT CONTRACTORS

Franchisor and Franchisee acknowledge and agree that this Agreement does not create a fiduciary relationship between Franchisor and Franchisee, Franchisor and Franchisee are independent contractors, and nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose. The parties' relationship is strictly a franchisor and franchise relationship.

Franchisee acknowledges and agrees that it is the sole employer of its employees. Franchisee has the sole right to select, hire and discharge Franchisee's employees. Franchisee is responsible for all decisions regarding hiring, firing, training, supervising, disciplining, scheduling and paying wages to, and withholding and paying taxes for Franchisee's employees. Franchisee, each Owner, each Spouse, and Franchisee's officers, directors, manager, agents, representatives, independent contractors and employees shall not be construed, considered, or represented as Franchisor's employees, representatives, or agents. Franchisee acknowledges and agrees that there is no joint employer relationship between Franchisor and Franchisee. Franchisee's compliance with all federal, state and local labor laws rules and regulations shall be exclusively determined and managed by Franchisee. To the extent that the Operations Manual includes information, specifications, procedures, criteria and/or requirements as to employees of the Franchised Business, such requirements shall be interpreted exclusively for the purpose of maintaining brand standards associated with the System, to protect the good will associated with the System, and to ensure System uniformity requirements and standards concerning the System Products and Services, and under no circumstance shall same relate to the employer-employee relationship. As to the foregoing issue of "joint employer" and the non-existence thereof, in the event of any inconsistency or conflict between this Agreement and the Operations Manual, the terms of this Agreement shall take precedence and govern.

Franchisee must conspicuously identify itself at the premises of the Franchised Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of a Toro Taxes Business under a franchise from Franchisor, and Franchisee must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as Franchisor requires.

Franchisee must not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation. Franchisee must not employ any Licensed Mark in a manner that is likely to result in liability of Franchisor for any indebtedness, action, inaction, or obligation of Franchisee.

Franchisor and Franchisee shall not make any express or implied agreements, guaranties or representations, or incur any debt, in the name, or on behalf, of the other. Franchisor and Franchisee shall not represent that their relationship is anything other than franchisor and franchisee. Franchisor and Franchisee shall not be obligated by, or have any liability under, any agreements or representations made by the other that are not expressly authorized. Franchisor shall not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, whether or not caused by Franchisee's negligent, willful act or failure to act.

Franchisor shall have no liability for any sales, use, excise, gross receipts, property or other taxes, whether levied upon Franchisee, the Franchised Business or its assets, or upon Franchisor in connection with sales made, services performed or business conducted by Franchisee.

10.B. INDEMNIFICATION BY FRANCHISEE

Franchisee and each Owner shall indemnify, defend through counsel acceptable to Franchisor, and hold harmless Franchisor, Franchisor's affiliates, and their respective officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisor Indemnified Parties") from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages arising out of, or relating to, Franchisee's Facility, the Franchise Location, and/or the Franchised Business (including, without limitation, the ownership and operation of the Franchised Business), unless such loss, expense, claim, cause of action, lawsuit, liability, tax, cost, demand, proceeding, or damage is solely due to Franchisor's gross negligence, and Franchisee shall pay all of the Franchisor Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisor Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisor Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other mediation, arbitration, or litigation expenses. At the expense and risk of Franchisee and each Owner, Franchisor may elect to assume (but is not obligated to undertake) the defense and/or settlement of any action, lawsuit, proceeding, claim, or demand. Such an election by Franchisor to assume its defense shall not diminish the obligation of Franchisee and each Owner to indemnify, defend and hold harmless Franchisor. Franchisee and each Owner acknowledge and agree that the terms of this Article 10.B shall survive the termination, expiration or Transfer of this Agreement.

Under no circumstances are the Franchisor Indemnified Parties required or obligated to seek recovery from third parties or otherwise mitigate their respective losses in order to maintain a claim against Franchisee or any Owner. Franchisee and each of the Owners agree that Franchisor's failure to pursue recovery or mitigate loss in no way reduces the amounts recoverable from Franchisee or any Owner.

10.C. INDEMNIFICATION BY FRANCHISOR

Franchisor shall indemnify, defend, and hold harmless Franchisor and Franchisor's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisee Indemnified Parties") from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, investigation, hearing, and/or damages solely arising out of, or solely relating to, Franchisor's gross negligence in the operation of Franchisee's Toro Taxes Business that was the direct cause of any such loss, expense, liability or damage provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing, and Franchisor shall pay all of the Franchisee Indemnified Parties' reasonable costs, fees and expenses of defending any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing brought against any of the Franchisee Indemnified Parties or any such claim, cause of action, lawsuit, demand, proceeding, investigation, and/or hearing in which any of the Franchisee Indemnified Parties is named as a party, including, without limitation, reasonable accountant fees, attorney fees, and expert witness fees, court costs, deposition fees, travel expenses and other litigation expenses provided Franchisee immediately notifies Franchisor of such claim, cause of action, lawsuit, demand, proceeding, investigation or hearing. Franchisor acknowledges and agrees that the terms of this Article 10.C shall survive the termination, expiration or Transfer of this Agreement.

ARTICLE 11
LICENSED MARKS AND SYSTEM; INNOVATIONS TO SYSTEM

11.A. OWNERSHIP AND GOODWILL

Franchisee acknowledges and agrees that Franchisor is the owner of all right, title and interest in and to the Licensed Marks, the System, Web Based Media, Media Content and the goodwill associated with the Licensed Marks and the System. Except as otherwise specifically provided in this Agreement, Franchisee further acknowledges and agrees that Franchisee possesses no interest or right, whatsoever, in or to the Licensed Marks, the System, Web Based Media, Media Content and the goodwill associated with the Licensed Marks and the System, and Franchisee's right to use the Licensed Marks and the System is derived solely from this Agreement. Any unauthorized use of the Licensed Marks and/or the System by Franchisee or any of Franchisee's affiliates shall constitute an infringement of the rights of Franchisor in and to the Licensed Marks and/or the System. Franchisee acknowledges and agrees that all usage of the Licensed Marks and/or the System by Franchisee, and all goodwill associated with the Licensed Marks and System, shall exclusively benefit Franchisor without granting any goodwill interests or rights to Franchisee except for Franchisee's non-exclusive interest and limited right to use the Licensed Marks and the System in the operation of the Franchised Business, subject to the terms and conditions of this Agreement. Franchisee shall not, at any time during the Term or after the expiration, termination or Transfer of this Agreement, contest the validity or ownership of the Licensed Marks, the System, Web Based Media, Media Content, and/or the goodwill associated with the Licensed Marks and the System, and at no time shall Franchisee assist any other person in contesting the validity or ownership of the Licensed Marks, the System, Web Based Media, Media Content, and/or the goodwill associated with the Licensed Marks and the System. Franchisee and each Owner shall not take any action that prejudices or interferes with the validity of Franchisor's rights with respect to Licensed Marks, the System, Web Based Media, Media Content, and/or the goodwill associated with the Licensed Marks and the System.

11.B. USE OF THE LICENSED MARKS

Franchisee agrees that the Licensed Marks shall be the sole identification of the Franchised Business. Franchisee must operate, advertise and market the Franchised Business only under the Licensed Marks as designated and specified by Franchisor in Franchisor's Reasonable Business Judgment. Franchisee shall not use the Licensed Marks as part of its corporate or other legal name, and Franchisee shall not use the Licensed Marks with modifying words, terms, designs, or symbols, or in any modified form. Franchisee shall comply with Franchisor's instructions in filing and maintaining their requisite trade name or fictitious name registrations as may be required by applicable law.

11.C. NOTIFICATION OF INFRINGEMENT AND CLAIMS

Franchisee must notify Franchisor immediately in writing of any apparent infringement of, or challenge to, Franchisee's use of any Licensed Mark and/or the System or of any claim by any person claiming any rights in any manner with respect to the Licensed Mark, the System, or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge, or claim by any third party to the Licensed Marks and/or the System. Franchisor and/or Franchisor's licensor shall possess sole and complete discretion, in Franchisor's Reasonable Business Judgment, to take any action and/or to refrain from taking action, Franchisor and/or Franchisor's licensor deems appropriate, including, without limitation, the right to exclusively control any litigation or administrative proceeding arising out of, or relating to, any infringement, challenge, claim or otherwise relating to any Licensed Mark and/or the System. Franchisee agrees to execute all documents, render assistance, and take all actions as may be necessary or advisable to protect and maintain the interests of Franchisor and/or Franchisor's licensor in any litigation or administrative proceeding or to otherwise protect and maintain, as directed by Franchisor, the interests of Franchisor and/or Franchisor's licensor in the Licensed Marks. Franchisor will reimburse Franchisee for reasonable direct expenses incurred by Franchisee in assisting Franchisor in any such

litigation or administrative proceeding provided Franchisee timely notifies Franchisor of such litigation or administrative proceeding, and Franchisee complies with the written instructions of Franchisor respecting any such litigation or administrative proceeding.

11.D. DISCONTINUANCE OF USE OF LICENSED MARKS

Franchisee acknowledges and agrees that at any time should Franchisor determine, in Franchisor's sole discretion and based on Franchisor's Reasonable Business Judgment, that it is advisable for Franchisor, the System, and/or Franchisee to replace, modify, substitute, and/or discontinue use of any of Licensed Marks, then Franchisee shall comply with Franchisor's determination and instructions as to the replacement, modification, substitution, and/or discontinuance of such Licensed Mark(s). Franchisee shall comply within the foregoing requirements within a reasonable time period after notice by Franchisor. If Franchisee is required to take action pursuant to instruction by Franchisor pursuant to this [Article 11.D](#) or, if Franchisee is otherwise required to replace, modify, substitute, and/or discontinue use of any of Licensed Marks, the sole liability and obligation of Franchisor to Franchisee shall be to reimburse Franchisee for the reasonable and direct costs incurred by Franchisee in complying with this obligation, which Franchisee shall document to the satisfaction of Franchisor. Franchisor maintains the exclusive right, in Franchisor's Reasonable Business Judgment, to, in whole or in part, replace, modify, substitute and/or discontinue any and all features and/or components of the Licensed Marks and/or the System at any time.

11.E. INDEMNIFICATION OF FRANCHISEE

If Franchisee is sued in a legal proceeding or is threatened with legal action and/or a notice of infringement by a third party where the claims and/or causes of action directly relate to a third-party claiming trademark infringement, unfair competition, and/or trademark dilution as a result of Franchisee's use of the Licensed Marks in accordance with the terms of this Agreement and the System (the "[IP Claim](#)"), then Franchisor shall indemnify Franchisee for the reasonable and direct costs incurred by Franchisee and/or a judgment entered against Franchisee, provided: (i) Franchisee immediately notified Franchisor of the IP Claim by a written notice sent to Franchisor via priority overnight courier; (ii) Franchisee provided and afforded Franchisor the absolute opportunity and right to defend against the IP Claim and to select and appoint legal counsel of Franchisor's choosing; and (iii) Franchisee utilized the Licensed Marks in accordance with the terms of this Agreement and the System. Franchisee acknowledges and agrees that time is of the essence with respect to notifying Franchisor of the IP Claim in accordance with this Agreement, including this [Article 11.E](#).

11.F. OWNERSHIP OF INNOVATIONS, IMPROVEMENTS AND CUSTOMER INFORMATION

Franchisee acknowledges and agrees that with regard to the Franchised Business, all customer lists, including the contents and information contained in all customer lists, constitute Confidential Information and an asset of Franchisor whether or not such information was supplied by Franchisor. During the Term, and in connection with the development, establishment, marketing, promotion and operation of the Franchised Business, Franchisee shall disclose to Franchisor all of Franchisee's ideas, concepts, methods, and products conceived or developed by Franchisee, any Owner, and/or Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees relating to the development and operation of Toro Taxes Businesses and the System. Franchisee hereby assigns to Franchisor, and Franchisee agrees to procure an assignment of any such ideas, concepts, methods, and products that Franchisee is required to disclose to Franchisor under this [Article 11.F](#) from each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees. Franchisor shall have no obligation to tender any lump sum payment, on-going payments, or any other consideration to Franchisee, any Owner, each Owner and Franchisee's affiliates, officers, directors, shareholders, partners, agents, members, representatives, independent contractors, servants and employees with respect to any such idea, concept, method, technique or product. Franchisee agrees that Franchisee shall not use, or allow any other person or

entity to use, any such concept, method, technique, or product without obtaining Franchisor's prior written approval.

ARTICLE 12 **RECORDS AND REPORTS**

12.A. MAINTENANCE AND PRESERVATION OF RECORDS.

Franchisee shall maintain during the Term, and preserve for at least 3 years from the dates of their preparation, full, complete and accurate books, records, and accounts from the Franchised Business. Such records shall be maintained and preserved in the form and manner by Franchisor in the Operations Manual or otherwise in writing.

12.B REPORTING OBLIGATIONS.

Franchisee shall comply with the following reporting obligations:

- (1) Franchisee shall submit to Franchisor, in the form Franchisor reasonably prescribes, an unaudited monthly profit and loss statement and balance sheet for the Franchised Business within 60 days after the end of each month during the Term. If Franchisee fails to submit the profit and loss statement and balance sheet within the time period specified in this Article 12, Franchisor will assess a late fee in the amount of \$100 against Franchisee. Because Franchisor's administrative, incidental and indirect costs, expenses and damages would be difficult, if not impossible to ascertain in the event such documentation is not timely tendered by Franchisee to Franchisor, the foregoing late charge was negotiated by the parties as liquidated damages and not a penalty. Payment of such late fee shall not constitute a cure of Franchisee's reporting obligations under this Article 12.B, and such payment shall not relieve Franchisee of its reporting obligations under this Agreement;
- (2) Franchisee shall provide to Franchisor annual financial statements for Franchisee reviewed by an independent certified public accountant in accordance with GAAP within 90 days after the end of Franchisee's fiscal year. Franchisor reserves the right to require such financial statements to be audited by an independent certified public accountant satisfactory to Franchisor at Franchisee's cost and expense. The annual financial statements of Franchisee must reconcile Gross Sales per GAAP to Gross Sales per this Agreement;
- (3) Franchisee shall provide to Franchisor, Franchisee's annual federal, state and local tax returns as same are prepared and submitted to the applicable federal, state and local entities. Said tax returns shall be submitted to Franchisor within 45 days of Franchisee or Franchisee's agent filing such returns with the applicable federal, state and local entities; and
- (4) Franchisee shall timely submit to Franchisor, any other forms, reports, records, information, and data as Franchisor may reasonably request.

ARTICLE 13 **INSPECTION AND AUDITS**

13.A. FRANCHISOR'S RIGHT TO INSPECT FRANCHISEE'S TORO TAXES FACILITY AND FRANCHISE LOCATION

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to inspect Franchisee's Facility. Franchisee shall fully cooperate with representatives of Franchisor making any inspection and permit such representatives of Franchisor to take photographs, movies, or videotapes of Franchisee's Facility and interview employees and customers of the Franchised Business, so long as

Franchisee's ability to operate the Franchised Business is not materially and unreasonably impeded. Franchisee has the right to request and receive copies of all reports, transcripts, videotapes, recordings, photographs, and media made in the course of the inspection within 10 days after Franchisor's said request.

13.B. FRANCHISOR'S RIGHT TO EXAMINE BOOKS AND RECORDS

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to examine or audit, or cause to be examined or audited by a third party, the business records, cash control devices, bookkeeping and accounting records, bank statements, sales and income tax records and returns, and other books, statements, and records of the Franchised Business and Franchisee. Franchisee shall maintain complete and accurate copies all such books, statements, records and supporting documents at all times at Franchisee's Facility. Franchisee must fully cooperate with Franchisor, representatives of Franchisor, and third parties hired by Franchisor to conduct any such examination or audit.

ARTICLE 14 **TRANSFER OF INTEREST**

14.A. BY THE FRANCHISOR

At all times, Franchisor possesses and maintains the sole and absolute right to Transfer and/or assign Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, in whole and/or in part (for any purpose and in any form of transaction as may be designated and/or elected by Franchisor, in Franchisor's sole discretion) to any person, entity, Corporate Entity and/or third-party without the consent of Franchisee and without the approval of Franchisee. Nothing contained in this Agreement shall prevent, prohibit, restrict, hinder, enjoin or otherwise restrain Franchisor from selling, transferring, conveying, or assigning this Agreement and the Ancillary Agreements, and/or Franchisor's rights and obligations under this Agreement and the Ancillary Agreements, to any person, entity, Corporate Entity or other third party. Franchisor has an unrestricted and unequivocal right to Transfer and/or assign any of its rights or obligations under this Agreement and the Ancillary Agreements, in whole or in part, at Franchisor's sole and absolute discretion. In the event Franchisor Transfers and/or assigns this Agreement and/or the Ancillary Agreements, and/or any or all of Franchisor's rights and obligations set forth in this Agreement and/or the Ancillary Agreements, to a person, an entity, Corporate Entity, or other third party, this Agreement and the Ancillary Agreements, shall survive, remain in full force and effect, and inure to the benefit of the purchaser, transferee, conveyee, and/or assignee of this Agreement and/or the Ancillary Agreements and/or Franchisor's rights and obligations under this Agreement and/or the Ancillary Agreements for the remainder of the Term.

14.B. FRANCHISEE MAY NOT TRANSFER WITHOUT FRANCHISOR APPROVAL

Franchisee agrees, and, Franchisee represents and warrants that Franchisee's Owners understand and agree, that the rights and duties set forth in this Agreement are personal to Franchisee and each Owner. Therefore, Franchisee agrees that:

- (1) No ownership interest of any Owner in Franchisee may be Transferred without the prior written consent of Franchisor;
- (2) No obligations, rights or interest of Franchisee in (a) this Agreement, (b) the lease or ownership interests in the Franchise Location and Franchisee's Facility, (c) the Franchised Business, or (d) all or substantially all of the assets of the Franchised Business may be Transferred without the prior written consent of Franchisor. This restriction shall not prohibit Franchisee from granting a mortgage, charge, lien, or security interest in the assets of the Franchised Business or this Agreement for the exclusive purpose of securing financing for the initial development (occurring prior to the Actual Business Commencement Date) of the Franchised Business;

(3) Without limitation to the foregoing, any Transfer by Franchisee respecting and/or relating to this Agreement and/or the Franchised Business and/or assets associated with the Franchised Business will require the prior written consent of Franchisor where such Transfer occurs by virtue of: (a) divorce or legal dissolution of marriage; (b) insolvency; (c) dissolution of a Corporate Entity; (d) last will and testament; (e) intestate succession; or (f) declaration of, or transfer in trust;

(4) Any purported Transfer without the written consent of Franchisor, or otherwise in violation of this Agreement including, but not limited to this Article 14.B. shall constitute a breach of this Agreement and shall convey to the transferee no rights or interests in this Agreement; and

(5) In the event of a Transfer of this Agreement that is approved by Franchisor, Franchisee shall not be relieved of Franchisee's obligations under this Agreement whether said obligations accrued and/or arose prior to and/or after the date of Transfer.

14.C. CONDITIONS FOR APPROVAL OF TRANSFER

Provided Franchisee and each Owner and Spouse, respectively, are in substantial compliance with this Agreement and the Ancillary Agreements, and Franchisor does not elect to exercise Franchisor's right of first refusal as set forth in Article 14.F below, Franchisor shall not unreasonably withhold its approval of a Transfer by Franchisee or an Owner. The proposed transferee (including such assignee's owner(s) and spouse(s) if the proposed transferee is a Corporate Entity) must be of good moral character, have sufficient business experience, aptitude and financial resources to own and operate a Toro Taxes Business, and otherwise meet Franchisor's then applicable standards for franchisees as determined by Franchisor in its sole, but reasonable discretion. Furthermore, the proposed transferee and the proposed transferee's owners and spouses may not own or operate, or intend to own or operate, a Competitive Business. Franchisee acknowledges and agrees that Franchisor may condition approval of a Transfer upon Franchisee's satisfaction (either before, or contemporaneously with, the effective date of the Transfer) of the following:

(1) Franchisee must provide written notice to Franchisor of the proposed Transfer of this Agreement at least 30 days prior to the Transfer, and Franchisee must have also satisfied the obligations set forth in Article 14.F below;

(2) All accrued monetary obligations of Franchisee and all other outstanding obligations to Franchisor and/or Franchisor's affiliates under this Agreement and the Ancillary Agreements must be satisfied in a timely manner, and Franchisee must satisfy all trade, supplier, and vendor accounts and other debts, of whatever nature or kind, in a timely manner;

(3) Franchisee, each Owner, and each Spouse must not be in default or material breach of this Agreement or the Ancillary Agreements;

(4) The transferee shall be bound by all terms and conditions of this Agreement, and each owner of the transferee and their respective spouses shall personally execute the Franchise Owner and Spouse Agreement and Guaranty in the form attached to this Agreement as Exhibit 1. Each owner of the transferee shall also be required to execute the Joinder Agreement in the form attached to this Agreement as Exhibit 2 and such further agreements designated by Franchisor whereby the proposed transferee assumes each and every obligation and responsibility of Franchisee as set forth in this Agreement;

(5) All obligations of Franchisee under this Agreement and the Ancillary Agreements shall be assumed by the transferee, each individual owner of transferee, and their respective spouses in a manner satisfactory to Franchisor;

(6) Franchisee, each Owner, and each Spouse must execute the General Release attached to this Agreement as Exhibit 10 releasing Franchisor, Franchisor's Affiliates and Franchisor's past and present officers, directors, shareholders, members, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on, or before, the effective date of the Transfer;

(7) If the proposed Transfer includes or entails the Transfer of this Agreement, substantially all of the assets of the Franchised Business, a controlling interest in Franchisee, or is one of a series of Transfers which in the aggregate Transfers substantially all of the assets of the Franchised Business or a controlling interest in Franchisee, then, at the election of Franchisor and upon notice from Franchisor to Franchisee, the transferee may be required to execute (and/or, upon Franchisee's request, shall cause all interested parties to execute) for a term ending on the expiration date of the original Term of this Agreement, the then-current standard form franchise agreement offered to new franchisees of Toro Taxes Businesses and any other agreements as Franchisor requires. Such agreements shall supersede this Agreement and its associated agreement in all respects, and the terms of Franchisor's then-current agreements may differ from the terms in this Agreement, provided that such agreements shall provide for the same Royalty Fee, Advertising Contributions, and all other financial or monetary obligations established in this Agreement;

(8) Unless Franchisee has met the requirements of Article 3.E within the 5 year period immediately preceding the Transfer, the transferee, at its expense, must improve, modify, refurbish, renovate, remodel, and/or otherwise upgrade Franchisee's Toro Taxes Business Facility to conform to the then-current standards and specifications of Franchisor, and the transferee must complete such improvements, modifications, refurbishments, renovations, remodeling, and/or upgrading within the time period Franchisor reasonably specifies;

(9) Franchisee, each Owner, and each Spouse shall remain liable for all obligations to Franchisor set forth in this Agreement;

(10) At the transferee's expense, the transferee, and the transferee's managing owner, managers and/or any other applicable employees of transferee's Toro Taxes Business must complete any training programs then in effect for franchisees of Toro Taxes Businesses upon terms and conditions set forth in this Agreement or as Franchisor otherwise reasonably requires;

(11) Franchisee must pay the Transfer Fee to Franchisor;

(12) Franchisor's approval of the material terms and conditions of the Transfer, and Franchisor determines in Franchisor's Reasonable Business Judgment that the price and terms of payment are not so burdensome as to be detrimental to the future operations of the Franchised Business by the transferee;

(13) Transferee's employees, directors, officers, independent contractors, and agents who will have access to Confidential Information shall execute the Confidentiality Agreement attached hereto as Exhibit 4;

(14) Franchisee entering into an agreement with Franchisor agreeing to subordinate any obligations of transferee to make installment payments of the purchase price to Franchisee to the transferee's obligations to Franchisor, including, without limitation, transferee's obligations with respect to Royalty Fees, Advertising Contributions;

(15) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer indicates only that the transferee meets, or Franchisor waived, the criteria established by Franchisor for franchisees as of the time of such transfer, and Franchisor's approval thereof does not constitute a warranty or guaranty by Franchisor, express or implied, of the suitability of the terms of sale, successful operation, or profitability of the Franchised Business;

(16) Franchisee and transferee acknowledge and agree that Franchisor's approval of the Transfer at issue does not constitute Franchisor's approval of future or other Transfers or the waiver of the requirement that Franchisor must approve such future or other Transfers in accordance with this Agreement;

(17) The Transfer must be made in compliance with all applicable laws;

(18) The Transfer of the Franchised Business, the lease for Franchisee's Toro Taxes Business Facility, Franchise Location and the assets of the Franchised Business shall be made only in conjunction with a Transfer of this Agreement, approved by Franchisor in accordance with and subject to this Article 14 and the terms and conditions of this Agreement; and

(19) Franchisor's consent to a Transfer of any interest that is subject to the restrictions of this Agreement shall not constitute a waiver of any claims it may have against Franchisee or deemed a waiver of Franchisor's right to demand strict and exact compliance with this Agreement by the transferee.

14.D. DEATH OR DISABILITY OF OWNER

(1) Upon the death or permanent disability of Franchisee (if Franchisee is an individual and not a Corporate Entity) or the Managing Owner (if Franchisee is a Corporate Entity), the executor, administrator, conservator or other personal representative of that person, or the remaining shareholders, members or partners, must appoint an Owner or Managing Owner (as applicable) within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability. The appointed Owner or Managing Owner (as applicable) must serve and qualify as Managing Owner and attend and successfully complete the Training Program within 120 days of the appointment. If The Franchised Business is not being managed by a Franchisor approved Owner or Managing Owner (as applicable) within 30 days after such death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of The Franchised Business for, and on behalf of, Franchisee at Franchisee's sole costs until an approved assignee is able to assume the management and operation of The Franchised Business. Franchisor's appointment of a manager for The Franchised Business does not relieve Franchisee of its obligations under this Agreement, including this Article 14.D., or constitute a waiver of Franchisor's right to terminate this Agreement pursuant to Article 16, below. At all times, including while The Franchised Business may be managed by Franchisor's appointed manager, Franchisor shall not be liable for any debts, losses, costs, or expenses incurred in the operations of The Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by The Franchised Business. Franchisor has the right to charge a reasonable fee for such management services and may cease to provide management services at any time.

(2) Upon the death of Franchisee or any Owner, the executor, administrator, conservator or other personal representative of that deceased person must transfer his interest to a person Franchisor approves within a reasonable time, not to exceed 12 months from the date of death.

(3) If Franchisee is an individual, then in the event of the death or permanent disability of Franchisee, this Agreement may be transferred to any designated person, heir or beneficiary without

the payment of the Transfer Fee. Notwithstanding the immediately foregoing sentence, the Transfer of this Agreement to such transferee of Franchisee shall be subject to the applicable terms and conditions of this Article 14, and the Transfer shall not be valid or effective until Franchisor has received the properly executed legal documents, which Franchisor's attorneys deem necessary to properly and legally document such Transfer of this Agreement. Furthermore, said transferee must agree to be unconditionally bound by the terms and conditions of this Agreement, personally guarantee the performance of Franchisee's obligations under this Agreement, and execute the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1 and the Joinder Agreement attached to this Agreement as Exhibit 2.

14.E. TRANSFER TO WHOLLY OWNED CORPORATE ENTITY

In the event Franchisee is an individual/are individuals, this Agreement may be Transferred by Franchisee to a Corporate Entity (the "Assignee Corporate Entity"), provided that: (a) Franchisee has provided Franchisor with 30 days prior written notice of the proposed Assignment of this Agreement; (b) Franchisee (individually, jointly and severally as to each individual Franchisee) sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1 and the Joinder Agreement attached to this Agreement as Exhibit 2; (c) the Spouse of each Franchisee (individually, jointly and severally as to each individual Spouse) sign and be bound by the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1; (d) Franchisee has provided Franchisor with true and accurate copies of corporate formation documents related to the Assignee Corporate Entity and the ownership of the Assignee Corporate Entity and has further provided Franchisor with all additional documentation as Franchisee may request concerning the proposed assignment and/or Assignee Corporate Entity; and (e) Franchisee is otherwise in compliance with the terms and conditions of this Agreement and any Ancillary Agreements. Franchisee acknowledges and agrees that an assignment to an Assignee Corporate Entity shall not relieve Franchisee of Franchisee's individual obligations under this Agreement as such obligations existed between Franchisee and Franchisor prior to the date of any assignment to the Assignee Corporate Entity.

14.F. FRANCHISOR'S RIGHT OF FIRST REFUSAL

If Franchisee or an Owner desires to engage, in whole or in part, in a Transfer of Franchisee, this Agreement, The Franchised Business, Franchisee's Facility, and/or the Franchise Location, then Franchisee or such Owner (as applicable) must obtain a bona fide, signed written offer from the fully disclosed purchaser (the "Offer") and submit an exact copy of the Offer to Franchisor. Franchisor shall have 30 days after receipt of the Offer to decide whether Franchisor will purchase the interest in Franchisee, The Franchised Business, Franchisee's Facility, and/or the Franchise Location for the same price and upon the same terms contained in the Offer (however, Franchisor may substitute cash for any form of payment proposed in the Offer). If Franchisor notifies Franchisee that Franchisor intends to purchase the interest within said 30 day period, Franchisee or Owner (as applicable) must sell the interest to Franchisor. Franchisor will have at least an additional 60 days to prepare for closing. Franchisor shall be entitled to receive from Franchisee or Owner (as applicable) all customary representations and warranties given by Franchisee or Owner (as applicable) as the seller of the assets and/or the ownership interest or, at Franchisor's election, the representations and warranties contained in the offer. If Franchisor does not exercise its right of first refusal, Franchisee or Owner (as applicable) may complete the Transfer to the purchaser pursuant to and in accordance with the terms of the Offer, provided that separate and apart from this Article 14.F right of first refusal, Franchisee complies with the terms of this Article 14. However, if the sale to the purchaser is not completed within 120 days after delivery of the Offer to Franchisor, or there is a material change in the terms of the sale, Franchisor will again have the right of first refusal specified in this Article 14.F. Franchisor's right of first refusal in this Article 14.F shall not apply to any Transfer pursuant to Article 14.E of this Agreement.

ARTICLE 15
RENEWAL OF FRANCHISE

15.A. FRANCHISEE’S RIGHT TO RENEW

Subject to Franchisee’s satisfaction of the terms and conditions of this Article 15, Franchisee possesses the option to renew the franchise for the Franchised Business for one additional 5-year Renewal Term if the Franchised Business is a Toro Taxes Store or for one additional 3-year Renewal Term if the Franchise Business is a Toro Taxes Kiosk, provided that:

- (1) Franchisee has complied with the terms and conditions of this Agreement and, without limitation to the foregoing, has operated The Franchised Business in conformity with the System and has not otherwise breached this Agreement at any time;
- (2) Franchisee maintains possession of Franchisee’s Facility and the Franchise Location and/or a substitute thereof that is approved by Franchisor and located within the Designated Territory;
- (3) Franchisee agrees to update the condition, appearance and functionality of Franchisee’s Facility and the Franchise Location and to otherwise modify Franchisee’s Facility and the Franchise Location in compliance with specifications and standards then applicable for new Toro Taxes Businesses;
- (4) Franchisee pays the Renewal Fee; and
- (5) Franchisee complies with the terms and conditions of Article 15.

15.B. NOTICE OF RENEWAL AND NON-RENEWAL

Franchisee must give Franchisor written notice of Franchisee’s election to renew this Agreement not less than 90 days before the end of the Term.

15.C. RENEWAL FRANCHISE AGREEMENT

Subject to the satisfaction of the conditions set forth in this Article 15, to renew the franchise license and to obtain the right to continue to operate the Franchised Business (a) Franchisor and Franchisee execute and become parties to Franchisor’s then current franchise agreement and Franchisor’s then current ancillary agreements that Franchisor then designates and customarily uses in the grant of franchises for Toro Taxes Businesses at the time of renewal, and (b) each Owner and Spouse must execute and become parties to an individual personal guarantee similar to the Franchise Owner and Spouse Agreement and Guaranty attached hereto as Exhibit 1 and an agreement similar to the Joinder Agreement attached hereto as Exhibit 2. The terms of the renewal franchise agreement and ancillary agreements may differ from the terms of this Agreement and the Ancillary Agreements, including, without limitation, requiring higher advertising contributions and higher royalty fees. Franchisee, each Owner and each Spouse may be required to execute further documents, instruments or agreements that Franchisor customarily requires in the grant of franchises for Toro Taxes Businesses at the time of renewal. Failure by Franchisee, each Owner, and/or each Spouse to execute the foregoing documents, instruments, and agreements within 30 days after delivery to Franchisee shall be deemed an election by Franchisee not to renew the franchise.

15.D. CONDITIONS FOR RENEWAL

In addition to the conditions and requirements stated above in this Article 15, each and every one of the following conditions and requirements must be satisfied by Franchisee before and at the time of renewal:

- (1) Franchisee, each Owner and each Spouse (as applicable) must not be in material default of any provision of this Agreement, any amendment or successor agreement, and any of the Ancillary

Agreements; and Franchisee must have substantially and timely complied with all the terms and conditions of all agreements with Franchisor and Franchisor's affiliates;

(2) Franchisee must have timely satisfied all monetary obligations owed by Franchisee to Franchisor and under this Agreement, the Ancillary Agreements, and any other agreement between Franchisee and any of Franchisor's;

(3) Franchisee must present satisfactory, evidence that Franchisee has the right to remain in possession of Franchisee's Facility and the Franchise Location or obtain Franchisor's approval for a new Facility and the Franchise Location within the Designated Territory (if any) for the operation of the Franchised Business for the duration of the Renewal Term of this Agreement;

(4) Based upon an assessment of Franchisee's needs conducted by Franchisor prior to renewal, Franchisee must undertake such additional training, if any, as necessary to comply with Franchisor's then-current training requirements; and

(5) Franchisee and the Owners must execute the general release, attached hereto as Exhibit 10 releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders. If precluded by law from giving a general release, Franchisee shall execute an estoppel statement.

ARTICLE 16

DEFAULTS AND REMEDIES

16.A. TERMINATION BY FRANCHISOR

(1) **Automatic Termination** – Franchisee shall be in default of this Agreement, and Franchisee's rights under this Agreement shall be automatically and immediately terminated, without notice to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, events, and/or circumstances:

(a) Franchisee becomes insolvent;

(b) Franchisee makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors;

I Franchisee admits in writing Franchisee's inability to pay its debts as they mature;

(d) Franchisee gives notice to any governmental body or agency of insolvency, pending insolvency, suspension of operations and/or pending suspension of operations;

(e) Franchisee files a voluntary petition in bankruptcy;

(f) Franchisee is adjudicated bankrupt or insolvent;

(g) An involuntary petition in bankruptcy is filed against Franchisee;

(h) Franchisee files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any applicable federal and/or state law relative to bankruptcy, insolvency or similar relief for debtors;

- (i) A court of competent jurisdiction enters an order, judgment or decree approving a petition filed against Franchisee seeking any relief described in Article 16.A(1)(h), and (1) Franchisee acquiesces in the entry of such order, judgment or decree (the term "acquiesce" as used in this Article 16.A(1)(i) shall include, without limitation, Franchisee's failure to file a petition or motion to vacate or discharge any order, judgment or decree within 60 days after entry of such order, judgment or decree), or (2) such order, judgment or decree shall remain for an aggregate of 60 days, whether or not consecutive, from the date of entry thereof;
- (j) Franchisee seeks, consents to, or acquiesces in, the appointment of any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee;
- (k) A bill in equity or other proceeding for the appointment of any trustee, receiver, conservator, custodian or liquidator of Franchisee for Franchisee's business or any assets of Franchisee is filed and Franchisee consents to same;
- (l) A court of competent jurisdiction appoints or orders any trustee, receiver, conservator, custodian or liquidator for Franchisee's business or any assets of Franchisee and such appointment or order remains for an aggregate of 60 days, whether or not consecutive, from the date of entry thereof;
- (m) Franchisee initiates proceedings for a composition with creditors under any state or federal law or such a proceeding is initiated against Franchisee;
- (n) This Agreement, or any of Franchisee's rights under this Agreement, is levied upon under any attachment or execution;
- (o) Execution is levied upon or against Franchisee's business or any assets of Franchisee;
- (p) A final judgment against Franchisee remains of record or unsatisfied for 30 days or more, unless an appeal and/or supersedeas bond is filed;
- (q) Franchisee is dissolved;
- (r) A cause of action or lawsuit to foreclose any lien or mortgage against the Franchise Location if Franchisee is the fee simple owner of the Franchise Location;
- (s) A cause of action or lawsuit to foreclose any lien against equipment used in the operation of The Franchised Business or located at the Franchise Location is instituted against Franchisee and not dismissed within 60 days after the summons is served on Franchisee;
- (t) Real or personal property of Franchisee utilized in the operation of The Franchised Business is sold after levy thereupon by any sheriff, marshal or other law enforcement officer;
- (u) Upon termination by Franchisor pursuant to Article 16.A(2) of this Agreement; and/or
- (v) Upon termination by Franchisor pursuant to Article 16.A(3) of this Agreement.
- (2) **Automatic Termination Upon Written Notice** - Franchisee shall be in default of this Agreement and Franchisee's rights under this Agreement may be terminated by Franchisor, in Franchisor's sole discretion, upon written notice from Franchisor to Franchisee of any one of the

following events and/or the occurrence of any one or more of the following actions, events and/or circumstances with such termination effective on the date of Franchisor's notice:

- (a) Franchisee abandons, surrenders and/or fails to continuously and actively operate The Franchised Business, unless prevented by casualty if such casualty is repaired or otherwise remedied in accordance with Article 7.D;
- (b) Franchisee failing or refusing on more than 3 occasions during the Term to timely submit to Franchisor any records, reports, videotapes, recordings, books, accounts, statements, data, documentation or other information in accordance with this Agreement;
- (c) Franchisee fails or refuses on more than 3 occasions during the Term to timely pay when due the Royalty Fee, Advertising Contribution, and/or any other payment, fee, financial obligation, and/or monetary obligation payable to Franchisor pursuant to this Agreement;
- (d) Franchisee materially misrepresents or omits information in Franchisee's Disclosure Questionnaire and Representations Agreement attached hereto as Exhibit 3, Franchisee maintains records, reports, books, accounts, statements, data, documentation or other information in accordance with this Agreement that are with misleading, fraudulent or inaccurate, or Franchisee provides Franchisor with records, reports, books, accounts, statements, data, documentation or other information in accordance with this Agreement that are with misleading, fraudulent or inaccurate;
- (e) Franchisee attempts to Transfer, or any purported Transfer of, this Agreement or any of Franchisee's rights under this Agreement to a third party without Franchisor's prior written consent and/or otherwise not in accordance with this Agreement;
- (f) Franchisee discloses, divulges, and/or communicates to any unauthorized person or entity the Operations Manual and/or any contents of, or any information contained in, the Operations Manual;
- (g) Franchisee discloses, divulges, and/or communicates to any unauthorized person or entity any Confidential Information;
- (h) Franchisee fails or refuses on more than 3 occasions to substantially comply with any of the requirements imposed by this Agreement or the Operations Manuals;
- (i) Franchisee materially breaches, or is in material default of, this Agreement or engaging in any other activity that injures, harms, damages, or otherwise has a material adverse effect on Franchisor, the System, the Licensed Marks, Toro Taxes Businesses, The Franchised Business, and/or the goodwill, brand, and reputation associated therewith;
- (j) Franchisee, an Owner, and/or a Spouse (as applicable) materially breaches, or is in material default of, any of the Ancillary Agreements, including, without limitation, the Franchise Owner and Spouse Agreement and Guaranty attached hereto as Exhibit 1 and the Joinder Agreement attached hereto as Exhibit 2;
- (k) Conviction of Franchisee and/or an Owner of a felony or Franchisee or an Owner pleading guilty or nolo contendere to a felony;
- (l) Franchisee and/or an Owner engages in dishonest or unethical conduct that results, in

Franchisor's Reasonable Business Judgment, in embarrassment to Franchisor, the System, the Licensed Marks, Toro Taxes Businesses, The Franchised Business, and the goodwill, brand, and reputation associated therewith;

- (m) If any inspection of Franchisee's records, reports, books, accounts, statements, data, documentation or other information discloses an understatement of payments payable to Franchisor under this Agreement of 5% or more, including, without limitation, payment of the Royalty Fee and/or the Advertising Contribution;
- (n) Franchisee uses products, supplies not approved by Franchisor, including, without limitation, the System Equipment, Supplies and Services and/or the System Products and Services;
- (o) Franchisee fails to complete the Training Program to Franchisor's reasonable satisfaction;
- (p) Franchisee engages in conduct which, in Franchisor's Reasonable Business Judgment, may adversely affect the goodwill of Franchisor, the System, the Licensed Marks, Toro Taxes Businesses and/or The Franchised Business;
- (q) An immediate threat or danger to public health or safety resulting from the operation of The Franchised Business;
- (r) Franchisee loses the right or ability to occupy Franchisee's Facility due to Franchisee's default of the underlying breach, material breach of the underlying lease, or Franchisee's failure to elect any option to renew the underlying lease;
- (s) Franchisee and/or an Owner fails to comply with Anti-Terrorism Laws or become listed on the Annex to Executive Order 13244;
- (t) Franchisee fails to: (1) immediately notify Franchisor of any known breach of the Confidentiality Agreement by any person or entity; (2) immediately notify Franchisor of facts and information that would cause a reasonable person to believe that a person or entity violated the Confidentiality Agreement and/or is in the process of violating the Confidentiality Agreement; and/or (3) take reasonable steps (including notice to Franchisor and Franchisee's consultation with Franchisee's legal counsel) to prevent any person or entity from violating the terms of the Confidentiality Agreement;
- (u) Franchisee misappropriates, misuses, or makes any unauthorized use of the Licensed Marks, the Confidential Information, and/or the System, Franchisee materially impairs the goodwill associated with the Licensed Marks, and/or Franchisee applies for registration of the Licensed Marks anywhere in the world;
- (v) Franchisee fails, refuses, and/or is unable to pay the Royalty Fee, Advertising Contribution, and/or any other payment, fee, financial obligation, and/or monetary obligation payable to Franchisor pursuant to this Agreement within 10 calendar days following written notice of same from Franchisor;
- (w) Franchisee and/or Franchisee's affiliate fails, refuses, and/or is unable to pay any payment, fee, financial obligation, and/or monetary obligation payable to Franchisor and/or Franchisor's Affiliates pursuant to this Agreement and/or any other agreement between or among Franchisor, Franchisor's Affiliate, Franchisee and/or Franchisee's affiliate within

10 calendar days following written notice of same from Franchisor and/or Franchisor's Affiliate; and/or

- (x) Franchisee fails or refuses, without legal justification, on more than 3 occasions to timely pay any supplier or vendor for any goods, products, supplies, equipment, materials and/or any other items for the use of, operation of, and/or associated with, The Franchised Business, including, without limitation, the System Equipment, Supplies and Services and/or the System Products and Services.

(3) **Termination After Cure Period** - Franchisee shall be in default of this Agreement, and Franchisee's rights under this Agreement shall be terminated, upon 30 calendar days written notice (specifying the default of this Agreement and/or the actions, inactions, failures, circumstances, and/or events that must be cured by Franchisee) to Franchisee (the "Notice Period") upon the occurrence of any one or more of the following actions, inactions, events, and/or circumstances with such termination effective upon expiration of the Notice Period, unless cured by Franchisee within the Notice Period:

- (a) Franchisee fails or refuses to comply with any term and condition of this Agreement or any other agreement between or among Franchisor, Franchisor's Affiliates, Franchisee and/or Franchisee's affiliates;

- (b) Franchisee fails to develop, open, operate and maintain The Franchised Business in accordance with this Agreement and throughout the Term;

- (c) Franchisee fails to develop, open and operate The Franchised Business on or before the Scheduled Business Commencement Date;

- (d) Franchisee operates The Franchised Business in any manner that violates any federal, state, or local law, rule, regulation, ordinance, permit or code;

- (e) Franchisee fails to maintain, or suffers cancellation of, any insurance policy required under this Agreement;

- (f) Franchisee fails or refuses to comply with any specification, standard or operating procedure designated by Franchisor or otherwise set forth in the Operations Manual;

- (g) Franchisee fails or refuses, without legal justification, to pay any supplier or vendor for any goods, products, supplies, equipment, materials and/or any other items for the use of, operation of, and/or associated with, The Franchised Business, including, without limitation, the System Equipment, Supplies and Services and/or the System Products and Services; and/or

- (h) Franchisee fails or refuses, within 120 calendar days of the Effective Date to obtain and secure a signed lease agreement or fee simple ownership interest in a franchise location in accordance with this Agreement and, that is approved by Franchisor as the Franchise Location.

(4) **Additional Termination Rights** - Franchisee acknowledges and agrees that Franchisee's strict and exact compliance with, and performance of, all the terms and conditions of this Agreement is necessary for the protection of Franchisor, the System, the Licensed Marks, Toro Taxes Businesses, The Franchised Business, and the goodwill, brand, and reputation associated therewith. Franchisee acknowledges and agrees that Franchisee's failure to strictly and exactly to comply and perform in accordance with each of the terms and conditions of this Agreement shall constitute a default under, and a material breach of, this Agreement. Accordingly, in addition to the actions, inactions, events, and/or circumstances specified as a

default in Article 16.A(1) through Article 16.A(3) above or elsewhere in this Agreement, Franchisee's failure to perform and comply with each and every term and condition set forth in this Agreement shall constitute a default under this Agreement and a material breach of this Agreement. In the event of a default or material breach not otherwise specified as a default in Article 16.A(1) through Article 16.A(3) above or elsewhere in this Agreement (a "General Default"), then Franchisor shall notify Franchisee in writing of such General Default, and Franchisor will specify in such notice the default or material breach of this Agreement and/or the actions, inactions, failures, circumstances, and/or events that must be cured by Franchisee. If Franchisee fails to remedy or cure such default within 30 days of such notice, or such longer period time as may be required by law, then Franchisor may terminate Franchisee's rights under this Agreement without further notice to Franchisee.

16.B. TERMINATION BY FRANCHISEE

If Franchisee, each Owners and Spouse (as applicable) are in full compliance with each and every term and provision of this Agreement, any amendment or successor agreement, and any of the Ancillary Agreements, and Franchisor materially breaches Franchisor's substantive and material obligations set forth in this Agreement, Franchisee may terminate this Agreement in the event of the following:

- (1) Franchisor does not correct the material breach within 30 days after Franchisor's receipt of Franchisee's written notice of such material breach to Franchisor; or
- (2) In a case where Franchisor's material breach cannot reasonably be cured within 30 days, within 30 days of Franchisor's receipt of Franchisee's written notice of Franchisor's material breach, Franchisor shall be provided a reasonable time period to cure such material breach provided that Franchisor provides reasonable evidence to Franchisee of Franchisor's current, continuing and/or planned efforts to correct the material breach within a reasonable time.

In either case, Franchisee's termination of this Agreement shall not take effect until expiration of the 30 day period set forth above and or such reasonable time period as necessary to cure the material breach, and Franchisee delivers to Franchisor a separate written notice of termination. The termination date must be at least 10 days after Franchisor's receipt of Franchisee's notice of termination. Franchisee's termination of this Agreement for any reason other than as set forth in this and in compliance with this Article 16.B shall not constitute the termination of this Agreement and shall constitute a material breach of this Agreement by Franchisee.

To induce Franchisor to enter into this Agreement Franchisee, each Owner and each Spouse agree that if Franchisee terminates this Agreement pursuant to this Article 16.B, that Franchisee, each Owner and each Spouse shall nevertheless comply with and be bound by all restrictions and the post-term obligations set forth in Articles 6 and 17 of this Agreement.

16.C. FRANCHISOR'S OTHER REMEDIES

In the event of Franchisee's breach of any provision of this Agreement or Franchisor's default under this Agreement, Franchisor, at its sole discretion, shall be entitled to the following remedies and rights in addition to any other rights and remedies available to Franchisor set forth in this Agreement, at law, or in equity: (i) void and terminate this Agreement, and market, sell, transfer, convey and assign the rights granted to Franchisee under this Agreement to any other person or entity at Franchisor's sole and absolute discretion; (ii) hold Franchisee liable for, and recover from Franchisee, all costs (including court costs, deposition costs, and all other costs of mediation, arbitration, or litigation), damages (subject to the limitations set forth in Article 18.J below), losses (including loss of royalties and loss of business), interest, fees (including, without limitation, reasonable attorney fees, accountant fees, expert witness fees, and consultant fees), expenses, and charges resulting from Franchisee's default or material breach; (iii) exercise

all legal and equitable rights and remedies allowable by applicable law; (iv) recover from Franchisee all costs (including court costs, deposition costs, and all other costs of mediation, arbitration, or litigation), damages (subject to the limitations set forth in Article 18.J below), losses (including loss of royalties and loss of business), interest, fees (including, without limitation, reasonable attorney fees, accountant fees, expert witness fees, and consultant fees), expenses, and charges to reclaim the rights granted to Franchisee under this Agreement, and marketing, selling, transferring, conveying or assigning those rights to another person or entity; (v) enjoin, prohibit or otherwise prevent Franchisee from operating The Franchised Business or exercising any rights granted to Franchisee under this Agreement pursuant to a court ordered restraining order, injunction or other means; (vi) recover from Franchisee all costs (including court costs, deposition costs, and all other costs of mediation, arbitration, or litigation), damages (subject to the limitations set forth in Article 18.J below), losses (including loss of royalties and loss of business), interest, fees (including, without limitation, reasonable attorney fees, accountant fees, expert witness fees, and consultant fees), expenses and charges resulting from, or associated with, enjoining, restraining, prohibiting, or otherwise preventing Franchisee from operating the Franchised Business or exercising any rights granted to Franchisee under this Agreement pursuant to a court ordered restraining order, injunction or other means; (vii) a declaratory judgment that this Agreement and all rights granted to Franchisee under this Agreement are terminated, null and void; (viii) recover from Franchisee all costs (including court costs, deposition costs, and all other costs of mediation, arbitration, or litigation), damages (subject to the limitations set forth in Article 18.J below), losses (including loss of royalties and loss of business), interest, fees (including, without limitation, reasonable attorney fees, accountant fees, expert witness fees, and consultant fees), expenses and charges associated with enforcing this Agreement; (ix) recover from Franchisee all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to Franchisor from Franchisee pursuant to this Agreement, the Ancillary Agreements, and/or any other agreements between Franchisee and Franchisor, including, without limitation, payments of the Royalty Fee and Advertising Contributions; (x) recover from Franchisee all costs (including court costs, deposition costs, and all other costs of mediation, arbitration, or litigation), damages (subject to the limitations set forth in Article 18.J below), losses (including loss of royalties and loss of business), interest, fees (including, without limitation, reasonable attorney fees, accountant fees, expert witness fees, and consultant fees), expenses and charges resulting from, or associated with, recovering from Franchisee all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to Franchisor from Franchisee this Agreement, the Ancillary Agreements, and/or any other agreements between Franchisee and Franchisor, including, without limitation, payments of the Royalty Fee and Advertising Contributions; (xi) temporarily or permanently suspend any existing credit arrangements or accommodations previously extended to Franchisee and/or refrain from offering or making available to Franchisee any credit arrangements or accommodations that may be offered or made available to other System franchisees; (xii) modify payment terms for approved products, supplies, or other merchandise purchased by Franchisee (which may include, without limitation, requiring cash on delivery); (xiii) disqualify Franchisee from being eligible for, or from participating in, special promotion programs, rebates, and/or rebate sharing that may be offered or made available to other System franchisees; (xiv) refrain from providing or making available to Franchisee promotional materials or other materials developed by the Brand Development Fund and DMA Marketing Fund; (xv) require payment of the Noncompliance Fee, which shall be payable and due within 14 days of the date of Franchisor's invoice; and/or (xvi) if a default or breach by Franchisee results in the earlier termination of this Agreement, then Franchisor, at Franchisor's sole election, may accelerate the due date for all payments, fees, monetary obligations, financial obligations, interest, and charges due and owing to Franchisor from Franchisee, including, without limitation, payments of the Royalty Fee and Advertising Contributions. If Franchisor does not pursue termination of this Agreement in the event of a default or breach by Franchisee, and/or Franchisor accepts any royalties, payments, contributions, funds, or other monetary sums from Franchisee, such actions do not constitute a waiver or acceptance of Franchisee's default or breach, and Franchisor reserves the right to pursue any and

all additional remedies set forth in this Agreement, at law, or in equity. Franchisor's such rights and remedies are cumulative, and no exercise or enforcement by Franchisor of any such right or remedy precludes the exercise or enforcement by Franchisor of any other right or remedy which Franchisor is entitled by law to enforce.

16.D. GUARANTY

The payment of all payments, amounts, fees, charges and other financial obligations payable by Franchisee to Franchisor pursuant to this Agreement, and Franchisee's observance and performance of all terms and conditions of this Agreement, are guaranteed pursuant to The Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1.

16.E. NOTICE OF LEGAL PROCEEDINGS AGAINST FRANCHISOR

Franchisee shall give Franchisor advance written notice of Franchisee's intent to commence or otherwise institute any legal action or proceeding against Franchisor, specifying the basis for such proposed action, and Franchisee shall grant Franchisor 30 days from receipt of said notice to cure the alleged act upon which such legal action is to be based (hereinafter, the "30 Day Cure Notice"). Franchisee hereby expressly understands, acknowledges and agrees that the 30-Day Cure Notice is a strict condition precedent to Franchisee commencing, or otherwise instituting, legal action or proceeding against Franchisor for any reason whatsoever.

ARTICLE 17 OBLIGATIONS UPON TERMINATION, EXPIRATION AND CONTINUING OBLIGATIONS

17.A. PAYMENT OF AMOUNTS OWED TO FRANCHISOR

Without limitation as to any other Article or provision of this Agreement, upon expiration or termination of this Agreement for any reason, Franchisee shall immediately pay to Franchisor all sums and fees due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to Royalty Fees and Advertising Contributions and all other sums and fees due from Franchisee to Franchisor and/or Franchisor affiliates and/or suppliers for products and services including, but not limited to, System Equipment, Supplies and Services.

17.B. CEASE OPERATIONS, USE OF SYSTEM AND PROTECTION OF THE SYSTEM

Upon expiration, termination, or Transfer of this Agreement for any reason, Franchisee shall immediately:

- (1) Permanently cease to be a franchise owner of the Franchised Business that was the subject of this Agreement and cease to operate the Toro Taxes Business under the System;
- (2) Directly or indirectly, hold itself out to any person or entity, or represent itself, as a present or former Toro Taxes Business franchisee;
- (3) Permanently cease to use, in any manner: (a) the System including, without limitation, the Confidential Information, the Licensed Marks, the Business Management System Data, and the Operations Manual; (b) any methods, procedures, or techniques associated with the System in which Franchisor possesses proprietary rights or constitute Franchisor's trade secrets; (c) System Equipment, Supplies and Services, including communicating with or ordering products from Franchisor's designated suppliers and vendors of System Equipment, Supplies and Services; (d) the System Products and Services; and (e) any other advertising, marketing, media, and any other information, documents or things associated with Franchisor, the System, the Licensed Marks, Toro Taxes Businesses, the Franchised Business, and Franchisee's former Toro Taxes Business, including, without limitation, any confidential, proprietary methods, procedures, descriptions of

products, techniques, trade secrets, proprietary marks, distinctive forms, slogans, symbols, signs, stationary, advertising material, articles, logos, devices, items and all other things, tangible or intangible, associated with Franchisor, the System, the Licensed Marks, and Toro Taxes Businesses;

(4) Return to Franchisor the Operations Manual (including any and all parts, supplements, and copies of the Operations Manual), the Confidential Information (including without limitation the Business Management System Data and all customer lists and information), and all other confidential materials, equipment, software, information, and property owned by Franchisor and all copies thereof provided, however, that Franchisee may retain Franchisee's copies of this Agreement, correspondence between Franchisor and Franchisee, but not including Confidential Information that may be contained in or attached thereto, and other documents that Franchisee needs to retain pursuant to applicable law;

(5) Permanently cease accessing, immediately disconnect from, and discontinue using any and all digital media, intra-nets, cloud-based systems, and/or servers that store, maintain, and/or provide access to the Operations Manual, Confidential Information, and all other standards, specifications of Franchisor;

(6) Immediately notify Franchisor, in writing, of any and all locations where Franchisee may have maintained and/or stored digital files and/or media containing all or parts of the Operations Manual, any Confidential Information, and all other standards and specifications of Franchisor, immediately turn over such digital files and media to Franchisor, and follow Franchisor's instructions as to the destruction of such digital files and media;

(7) Except in the event an authorized transferee continues to operate Franchisee's former Toro Taxes Business at the Franchise Location subsequent to a Transfer, at Franchisee's sole cost and expense: (a) modify and alter Franchisee's former Toro Taxes Business, Franchisee's former Facility, and the Franchise Location, as reasonably necessary or otherwise required by Franchisor, to ensure that Franchisee's Facility and the Franchise Location have been completely de-identified and differentiated from its former appearance to prevent any confusion by the public as to the continued existence of a Toro Taxes Business at the Franchise Location; (b) remove from Franchisee's Facility and the Franchise Location all distinctive physical and structural features identifying a Toro Taxes Business and all distinctive signs, trade dress and emblems associated with the System including, without limitation, signs, trade dress, and emblems bearing the Licensed Marks; (c) make specific additional changes to Franchisee's Facility and the Franchise Location as Franchisor reasonably requests for the purpose of completely de-identifying Franchisee's former Toro Taxes Business. Franchisee shall immediately initiate the foregoing actions and complete such actions within the period of time designated by Franchisor, and Franchisee acknowledges and agrees that Franchisor and/or Franchisor's designated agents may enter the premises of Franchisee's Facility and the Franchise Location at any time to make foregoing alterations at Franchisee's sole risk and expense. Franchisee further acknowledges and agrees that Franchisee's failure to timely make modifications and alterations to Franchisee's Facility and the Franchise Location will cause irreparable injury to Franchisor, and Franchisee consents to the entry, at Franchisee's expense, of any ex-parte order by any court of competent jurisdiction authorizing Franchisor or its agents to take action, if Franchisor seeks such an order;

(8) Take all actions necessary and/or reasonably required to cancel all fictitious or assumed names or equivalent registrations relating to the Licensed Marks;

(9) At no cost to Franchisor, take such action as may be determined by Franchisor to: (i) provide

and assign to Franchisor the Business Management System, the Business Management System Data, and all customer lists, customer information, and customer data; (b) transfer, disconnect, and/or otherwise assign, as directed by Franchisor, all telephone numbers, email addresses, yellow pages telephone directories, telephone directory type listings, Web Based Media listings, accounts and log-in information used in connection with Franchisee's former Toro Taxes Business and/or otherwise associated with the System and/or the Licensed Marks, cancel Franchisee's interests in same as such cancellation may be directed by Franchisor, and effectuate, perform, honor, and comply with Franchisee's obligations under the Assignment of Telephone Numbers and Digital Media Accounts attached to this Agreement as Exhibit 9;

(10) Abide by, and comply with, the restrictive covenants and obligations set forth in this Agreement, including, without limitation, the restrictive covenants and obligations set forth in Article 6.B through Article 6.E of this Agreement.

(11) Provide Franchisor, within 30 days of the expiration, termination, or Transfer of this Agreement, with written proof demonstrating that Franchisee has complied with the terms of this Article 17 and all other obligations under this Agreement that Franchisee must perform, abide by, and comply with, subsequent to the termination, expiration, or Transfer of this Agreement.

17.C. CONTINUING OBLIGATIONS

All obligations of Franchisor and Franchisee under this Agreement which expressly, or by their nature, survive, or are intended to survive, the expiration, termination, or Transfer of this Agreement shall continue in full force and effect subsequent to, and notwithstanding, this Agreement's termination, expiration, or Transfer until such obligations are satisfied in full or, by the nature and/or terms, such obligation(s) expire.

Franchisee further acknowledges and agrees that in the event of a Transfer of this Agreement by Franchisee, whether or not such Transfer is authorized by Franchisor or made in violation of this Agreement, under no circumstance shall Franchisee be relieved of Franchisee's Obligations under this Agreement and under no circumstance shall each Owners and Spouse be relieved of their respective guarantees, agreements, and obligations related to, or associated with, this Agreement, including, without limitation, the guarantees, agreements, and obligations set forth in the Franchise Owner and Spouse Agreement and Guaranty attached to this Agreement as Exhibit 1 and the Joinder Agreement attached to this Agreement as Exhibit 2. The immediately foregoing shall not be interpreted or otherwise construed as constituting consent to any Transfer of this Agreement without the express written consent by Franchisor and Franchisee's compliance with this Agreement respecting any such Transfer.

ARTICLE 18 **ENFORCEMENT AND CONSTRUCTION**

18.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(1) Except as expressly provided to the contrary in this Agreement, Franchisor and Franchisee acknowledge and agree that each term and condition of this Agreement shall be interpreted or otherwise construed to be independent of each other and severable. Although each term and condition of this Agreement are considered by the parties to be reasonable and intended to be enforceable, if any such term and condition of this Agreement is found by a court of competent jurisdiction, agency, or other governmental agency to be unenforceable as written or otherwise, then such term and condition shall be modified, rewritten, interpreted, or "blue-lined" to include as much of its nature and scope as will render it enforceable. If such term and condition cannot be so modified, rewritten, interpreted, or "blue-lined" in any respect, then it will not be given effect and severed from this Agreement, and the remainder of this Agreement shall be interpreted, construed and enforced as if such term and condition was not included in this Agreement.

(2) If any applicable and binding law or rule requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required by this Agreement, or if under any applicable and binding law or rule, any term and condition of this Agreement, or any specification, standard, or operating procedure Franchisor prescribes is invalid or unenforceable, then the greater prior notice and/or other action required by law or rule shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable term and condition, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisee agrees to be bound by any such substituted and/or modified term and condition of this Agreement imposing the maximum duty permitted by law that is prescribed within the terms of any provision of this Agreement as though it were originally and separately articulated in, and made a part of, this Agreement as of the Effective Date and/or any specification, standard or operating procedure Franchisor prescribes, which may result from striking from any terms and conditions, specifications, standards, or operating procedures, and any portion or portions thereof, a court may hold to be unenforceable or from reducing the scope of any promise or covenant to the extent required to comply with a court order. Modifications to this Agreement shall be effective only in those jurisdictions in which such terms and conditions, specifications, standards, or operating procedures are found to be unenforceable, unless Franchisor elects to give them greater applicability, in which case, this Agreement shall be enforced as originally made in all other jurisdictions.

18.B. WAIVER OF OBLIGATIONS

No delay, waiver, omission, or forbearance on the part of Franchisor to enforce any term and condition of this Agreement or exercise any of Franchisor's rights, options, or powers under this Agreement constitutes a waiver by Franchisor to enforce any other term and condition of this Agreement or exercise any of Franchisor's other rights, options, or powers under this Agreement. No such delay, waiver, omission, or forbearance shall constitute a waiver by Franchisor to subsequently enforce such term and condition of this Agreement or subsequently exercise such right, option, or power. Acceptance by Franchisor of any payments, fees, charges, or other amount from Franchisee payable to Franchisor pursuant to this Agreement shall not constitute a waiver or acceptance of Franchisee's default or breach of this Agreement or otherwise a waiver of any term and condition of this Agreement, and Franchisor reserves the right to pursue any and all additional remedies set forth in this Agreement, at law, or in equity. Franchisor shall likewise not be deemed to have waived or impaired any term and condition, right, option or power set forth in this Agreement by virtue of any custom or practice of the parties at variance with the terms and conditions of this Agreement or Franchisor's insistence upon Franchisee's strict compliance with Franchisee's obligations, including any mandatory specification, standard or operating procedure. No waiver by Franchisor of any term and condition of this Agreement shall be valid unless in writing and signed by Franchisor.

18.C. FORCE MAJEURE

If either Franchisor or Franchisee is delayed in performing any obligation under this Agreement by any cause reasonably beyond its control when such cause would affect any person or entity similarly situated, including, without limitation, war, civil disorder, catastrophic weather, power outage, acts of God and/or labor strikes unassociated with Franchisee or Franchisor (collectively, "Force Majeure"), then the time period for performing such obligation shall be extended by a period of time equal to the period of delay. Notwithstanding the immediately foregoing sentence, any delay resulting from Force Majeure shall not excuse Franchisee's payment of any fee, charge, amount, and/or any other monetary or financial obligation to Franchisor under this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, and the non-performance of any obligation under this Agreement due to Force Majeure shall not be extended or otherwise excused for more than 6 months.

18.D. SPECIFIC PERFORMANCE AND INJUNCTIVE RELIEF

Nothing in this Agreement bars Franchisor’s right to obtain specific performance of the provisions of this Agreement and injunctive relief under legal and/or equity rules against threatened conduct that will cause damages or loss to it, the Licensed Marks or the System. Without limitation to the rights set forth in Article 6 of this Agreement, Franchisee agrees that Franchisor may obtain such injunctive relief. Franchisee agrees that Franchisor will not be required to post a bond (other than as set forth in Article 6.H of this Agreement) to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). The remedies available to Franchisor under Article 6.H are not exclusive of one another and may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Without limitation to the foregoing Franchisee agrees that in the event of a breach of this Agreement by Franchisee respecting and/or concerning the System and/or the Licensed Marks shall cause irreparable harm to Franchisor, the System and the Licensed Marks. The foregoing shall not be interpreted to invalidate the mediation and arbitration requirements set forth in Article 18.G of this Agreement and shall be consistent with same.

18.E. RIGHTS OF PARTIES ARE CUMULATIVE

The rights of Franchisor and Franchisee under this Agreement are cumulative and no exercise or enforcement by a party of any right or remedy precludes the exercise or enforcement by that party of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

18.F. GOVERNING LAW

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEVADA, EXCEPT THAT ITS CHOICE OF LAW AND CONFLICTS OF LAWS RULES SHALL NOT APPLY AND ANY FRANCHISE REGISTRATION, DISCLOSURE, RELATIONSHIP OR SIMILAR STATUTE WHICH MAY BE ADOPTED BY THE STATE OF NEVADA SHALL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH.

18.G. CHOICE OF LAW, NON-BINDING MEDIATION, BINDING ARBITRATION, AND CONSENT TO JURISDICTION

- (1) **Non-Binding Mediation** – Franchisee and Franchisor agree that before either party may bring any action, dispute and/or controversy arising from or related to this Agreement and/or the franchise relationship between Franchisor and Franchisee in arbitration, the parties must first mediate the dispute through non-binding mediation. Mediation shall be non-binding and shall be conducted by the American Arbitration Association in accordance with the AAA’s then current rules for the mediation of commercial disputes. All mediation proceedings shall be conducted in Las Vegas, Nevada or, if a mediator is not available in Las Vegas, Nevada then at a suitable location selected by the mediator that is located closest to Las Vegas, Nevada. Mediation shall be conducted by one mediator and if Franchisor and Franchisee cannot agree on a mediator then the mediator shall be selected by the American Arbitration Association. Mediation shall be conducted within 45 days of the American Arbitration Association’s

designation and/or acknowledgment of the selected mediator or such longer period as may be agreed to between Franchisor and Franchisee in writing and signed by each respective party. Franchisor and Franchisee shall each be responsible for their own costs associated with mediation and Franchisor and Franchisee shall each be responsible for and shall each pay 50% percent of the mediator's fee and the American Arbitration Association's mediation fees.

Notwithstanding the preceding paragraph, Franchisor and Franchisee agree this Sub-Article 18.G.(1) and, thereby, the prerequisite requirement of non-binding mediation, shall not, at Franchisor's election, apply to: (a) any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief including, but not limited to, Franchisee's violation or purported violation of Article 6 of this Agreement; and/or (b) claims by either Franchisor or Franchisee under this Agreement that relates to either Franchisor's or Franchisee's failure to pay fees or other monetary obligations due under this Agreement.

- (2) **Arbitration** – Subject to the prerequisite requirements of non-binding mediation as set forth in Sub-Article 18.G.(1), and, except, at Franchisor's election, as to any claims or disputes related to or concerning a breach of this Agreement by Franchisee that, under the terms of this Agreement, may entitle Franchisor to the award of injunctive relief including, but not limited to, Franchisee's violation or purported violation of Article 6 of this Agreement, Franchisor and Franchisee agree that all disputes, controversies, and claims, arising from and/or related to this Agreement, the relationship between Franchisor and Franchisee, the System, and/or the validity of this Agreement and/or the Ancillary Agreements, shall be submitted, on demand of either Franchisor or Franchisee, to the American Arbitration Association for binding arbitration. Arbitration shall be conducted by 1 arbitrator in accordance with the American Arbitration Association's then current rules for commercial disputes, except as may be otherwise required in this Article 18.G. All arbitration proceedings shall be conducted in Las Vegas, Nevada or, if suitable American Arbitration Association facilities are not available in Las Vegas, Nevada then at a suitable American Arbitration Association location selected by the arbitrator that is located closest to Las Vegas, Nevada.

In connection with binding arbitration, Franchisor and Franchisee further agree that:

- (a) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;
- (b) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;
- (c) The arbitrator shall render written findings of fact and conclusions of law;
- (d) Except as may be otherwise required and/or prohibited by this Agreement including, but not limited to Articles 18.I., 18.J., 18.N., 18.O., 18.R., 18.T., and 18.X. of this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid;

- (e) They shall each be bound to the limitations periods set forth in Article 18.I. of this Agreement and that, in any arbitration proceeding, Franchisor and Franchisee must each timely submit, within the same arbitration proceeding, any claim that would constitute a compulsory counterclaim as such claims are defined and set forth under Rule 13 of the United States Federal Rules of Civil Procedure. Any claim that is not submitted or filed as required shall be forever barred;
 - (f) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction;
 - (g) Arbitration and/or any arbitration award must be conducted in accordance with the terms of this Agreement including, but not limited to, the requirements set forth in this Article 18.
- (3) **Consent to Jurisdiction and Venue** – Subject to the non-binding mediation and arbitration provisions set forth in this Article 18.G, Franchisor and Franchisee agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within Nevada and within Las Vegas or the county closest to Las Vegas. Franchisor and Franchisee do hereby irrevocably consent to and waive any objection to the such jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, Franchisor and Franchisee agree that Franchisor, at Franchisor's election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking Franchisor's enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where either the Franchised Business was located or where Franchisee resides.

18.H. VARIANCES

FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS AND MAY AT DIFFERENT TIMES, IN FRANCHISOR'S ABSOLUTE AND SOLE DISCRETION, APPROVE EXCEPTIONS OR CHANGES FROM THE UNIFORM STANDARDS OF THE SYSTEM, WHICH FRANCHISOR DEEMS DESIRABLE OR NECESSARY UNDER PARTICULAR CIRCUMSTANCES. FRANCHISEE UNDERSTANDS THAT IT HAS NO RIGHT TO OBJECT TO OR AUTOMATICALLY OBTAIN SUCH VARIANCES, AND ANY EXCEPTION OR CHANGE MUST BE APPROVED IN ADVANCE BY FRANCHISOR IN WRITING. FRANCHISEE UNDERSTANDS THAT EXISTING FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND THAT THE RIGHTS AND OBLIGATIONS OF EXISTING FRANCHISEES MAY DIFFER MATERIALLY FROM THIS AGREEMENT.

18.I. LIMITATIONS OF CLAIMS

EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO FRANCHISEE'S OBLIGATIONS TO MAKE PAYMENTS TO FRANCHISOR PURSUANT TO THIS AGREEMENT, FRANCHISOR'S ENFORCEMENT OF THE RESTRICTIVE COVENANTS SET FORTH IN ARTICLE 6 OF THIS AGREEMENT, AND FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR IN ACCORDANCE WITH THIS AGREEMENT, ANY AND ALL CLAIMS AND/OR CAUSES OF ACTIONS ARISING OUT OF, OR RELATING TO, THIS AGREEMENT, OR THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR RESULTING FROM THIS AGREEMENT, SHALL BE BARRED UNLESS SUCH CLAIM AND/OR CAUSE OF ACTION IS COMMENCED WITHIN TWO YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED OR ONE YEAR FROM THE DATE ON WHICH FRANCHISEE OR FRANCHISOR KNEW, OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE

FACTS GIVING RISE TO SUCH CLAIM AND/OR CAUSE OF ACTION, WHICHEVER OCCURS FIRST IN TIME.

18.J. WAIVER OF PUNITIVE DAMAGES

FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, CONSEQUENTIAL OR SPECULATIVE DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EXCEPT AS OTHERWISE PROVIDED HEREIN, EACH SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT; PROVIDED THAT SUCH WAIVER SHALL NOT APPLY TO ANY CLAIM (A) ALLOWED BY FRANCHISOR OR FRANCHISEE FOR ATTORNEY'S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT; AND/OR (B) FOR LOST PROFITS BY FRANCHISOR OR FRANCHISEE AND THE OWNERS UPON OR ARISING OUT OF THE TERMINATION OF THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES SHALL CONTINUE IN FULL FORCE AND EFFECT.

18.K. WAIVER OF JURY TRIAL

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER A LEGAL ACTION, IN MEDIATION, OR IN ARBITRATION.

18.L. BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Franchisee and Franchisor.

18.M. COMPLETE AGREEMENT

This Agreement, the documents referred to in this Agreement and the Schedules and Exhibits to this Agreement, together with the Operations Manual, constitute the entire, full and complete Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement and supersedes all prior related agreements between Franchisor and Franchisee. Notwithstanding the foregoing, the disclosure document (as registered with certain states, required by federal law or otherwise and provided to Franchisee or its representative) shall not be deemed to constitute a part of this Agreement nor as a separate, binding agreement concerning the subject matter hereof. Nothing in the Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

18.N. ATTORNEY FEES AND EXPENSES

Franchisee agrees that in the event that an arbitrator in any arbitration proceeding and/or, a court of competent jurisdiction shall issue an award, judgment, decision and/or order finding, holding and/or declaring Franchisee's breach of this Agreement than Franchisor shall also be entitled to the recovery of all reasonable attorney fees, costs and expenses associated with and/or related to such arbitration and/or litigation. Said fees, costs and expenses shall include, but not be limited to, attorney fees, arbitration fees, arbitrator fees, deposition expenses, expert witness fees and filing fees.

**18.O. WAIVER OF CLASS-ACTION:
INDIVIDUAL DISPUTE RESOLUTION AND NO MULTI-PARTY ACTIONS**

FRANCHISOR AND FRANCHISEE AGREE THAT ALL PROCEEDINGS AND/OR LEGAL ACTIONS ARISING OUT OF OR RELATED TO THIS AGREEMENT AND/OR THE OFFER AND SALE OF THE TORO TAXES FRANCHISE FROM FRANCHISOR TO FRANCHISEE, WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND NOT A CLASS-WIDE BASIS, AND, THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S OWNERS, SPOUSES AND/OR GUARANTORS AND FRANCHISOR AND/OR FRANCHISOR'S AFFILIATES, OFFICERS, DIRECTORS AND/OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

18.P. ACCEPTANCE BY FRANCHISOR

This Agreement will not be binding on Franchisor unless and until an authorized officer of Franchisor has signed it.

18.Q. OPPORTUNITY FOR REVIEW BY FRANCHISEE'S ADVISORS

Franchisee acknowledges and represents that prior to the signing of this Agreement that Franchisor recommended for Franchisee to, and that Franchisee had the opportunity to, have this Agreement and the Franchise Disclosure Document reviewed by Franchisee's lawyer, accountant and other business advisors.

**18.R. NO PERSONAL LIABILITY BY FRANCHISOR'S
EMPLOYEES, OFFICERS AND/OR AUTHORIZED AGENTS**

Franchisee acknowledges and agrees that the fulfillment of any of Franchisor's obligations written in this Agreement or based on any oral communications ruled to be binding in a court of law shall be Franchisor's sole obligation and none of Franchisor's employees, officers and/or authorized agents shall be personally liable to Franchisee for any reason. In addition to the foregoing, Franchisor and Franchisee are not joint employers.

18.S. NON-UNIFORM AGREEMENTS

Franchisee acknowledges that Franchisor makes no representations or warranties that all other agreements with Toro Taxes Franchise, L.L.C franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisee acknowledges and agrees that Franchisor may waive or modify comparable provisions of other franchise agreements to other System franchisees in a non-uniform manner.

18.T NO RIGHT TO OFFSET.

Franchisee shall not, on grounds of the alleged nonperformance, material breach, or default by Franchisor of this Agreement, any other agreement between Franchisor and Franchisee, or for any other reason, withhold any payment, fee, or any other amount payable by Franchisee to Franchisor pursuant to this Agreement, including, without limitation, the payment of the Royalty Fee and Advertising Contributions, or any other payment obligation by Franchisee to Franchisor. Franchisee shall not have the right to offset or withhold any liquidated or unliquidated amount allegedly due to Franchisee from Franchisor against any payment, fee, or any other amount payable to Franchisor pursuant to this Agreement or any other payment obligation by Franchisee to Franchisor.

18.U. HEADINGS.

The headings and subheadings in this Agreement are strictly for convenience and reference only, and they shall not limit, expand, or otherwise affect the interpretation and construction of the terms and conditions of this Agreement.

18.V. AUTHORITY TO EXECUTE AND BIND.

Each party acknowledges, warrants and represents that it has all requisite power and authority to enter into this Agreement. The execution, delivery, and performance of this Agreement has been duly and lawfully authorized by all necessary actions of each party, and the signatory to this Agreement for each party has been duly and lawfully authorized to execute this Agreement for and on behalf of the party for whom each signatory has signed.

18.W. COUNTERPARTS; ELECTRONIC SIGNATURES; MULTIPLE COPIES.

This Agreement may be executed in counterparts, all of which counterparts shall be deemed originals and taken together shall constitute a single agreement, and the signature pages of which may be detached from the several counterparts and attached to a single copy of this Agreement to physically form a single document. This Agreement shall be executed in triplicate, each of which shall be deemed an original.

18.X. JOINT AND SEVERAL LIABILITY.

If Franchisee consists of more than one person or entity, then their liability under this Agreement shall be deemed joint and several.

18.Y. RECITALS AND REPRESENTATIONS.

The parties acknowledge and agree that the recitals and representations contained on the first page of this Agreement are true and accurate, shall constitute a material part of this Agreement, and are hereby fully incorporated into the terms and conditions of this Agreement.

ARTICLE 19
NOTICES

All written notices and reports permitted or required to be delivered by this Agreement or the Operations Manual shall be deemed so delivered, at the time delivered by hand, one (1) business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or 3 business days after placed in the U.S. mail by registered or certified Mail, postage prepaid, and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Reports requiring delivery shall be delivered by certified U.S. mail. The addresses for the parties set forth in the initial paragraph of this Agreement shall be used unless and until a different address has been designated by written notice to the other party. Any notice required under this Agreement shall not be deemed effective or given by Franchisee to Franchisor unless given in strict compliance with this Agreement.

In all cases where Franchisor’s prior approval is required and no other method or timing for obtaining such approval is prescribed, Franchisee shall request such approval in writing, and Franchisor shall respond within 10 business days after receiving Franchisee’s written request and all supporting documentation, provided if Franchisor does not respond, such request shall be deemed unapproved. Franchisor’s consent to, or approval of, any act or request by Franchisee shall be effective only to the extent specifically stated, and Franchisor’s consent or approval shall not be deemed to waive, or render unnecessary, consent or approval of any other subsequent similar act or request.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Agreement in duplicate on the Effective Date set forth in the first paragraph of this Agreement.

Franchisor:
Toro Taxes Franchise, L.L.C

Franchisee:

By: _____

Franchisee Signature

Title

Name (please print)

Franchisee Signature

Name (please print)



TORO TAXES FRANCHISE AGREEMENT
SCHEDULE 1
 FRANCHISE TYPE AND LOCATION ACKNOWLEDGMENT

Franchise Type – Franchisor and Franchisee agree that the “Franchised Business” and, thereby, Franchisee’s “Toro Taxes Business” is and shall be a:

[INSERT EITHER TORO TAXES STORE OR TORO TAXES KIOSK]

Franchise Location – Franchisor and Franchisee agree that the “Franchise Location”, as such term is identified and defined in the Franchise Agreement, including, but not limited to Articles 1 and 2.A of the Franchise Agreement, is identified, as follows:

[If left incomplete the Franchise Location shall be otherwise designated in accordance with the terms and conditions of the Franchise Agreement and Exhibit 5 of the Franchise Agreement]

Franchisee selected the proposed Franchise Location and, based on negotiations initiated by Franchisee and benefitting Franchisee, Franchisor has approved the foregoing as the Franchise Location of Franchisee.

Franchisor:
 Toro Taxes Franchise, L.L.C

Franchisee:

 Franchisee Signature

By: _____

 Title

 Name (please print)

 Franchisee Signature

 Name (please print)



TORO TAXES FRANCHISE AGREEMENT
SCHEDULE 2
 DESIGNATED TERRITORY ACKNOWLEDGMENT

Designated Territory - Franchisor and Franchisee agree that the “Designated Territory”, as such term is identified and defined in the Franchise Agreement, including, but not limited to Articles 1 and 2.A of the Franchise Agreement, is identified, as follows:

[For this Schedule to be Effective this Schedule Must be Completed and Signed by Franchisor]

Franchisee acknowledges and represents that the foregoing determination as to Franchisee’s Designated Territory was based on negotiations initiated by Franchisee and for Franchisee’s benefit.

By: _____

 Franchisee Signature

 Title

 Name (please print)

 Franchisee Signature

 Name (please print)



TORO TAXES FRANCHISE AGREEMENT
SCHEDULE 3
 STATEMENT OF FRANCHISEE’S OWNERS

If Franchisee is a Corporate Entity, Franchisee does hereby affirm and acknowledge that, as of the Effective Date:

1. The Following is a list of each Owner of Franchisee and, among other things, all shareholders, partners, members, and other investors in Franchisee, including all investors who own or hold a direct or indirect financial and/or equity interest in Franchisee:

Name	Address	Ownership Interest Percentage

2. The following Owner is hereby also designated by Franchisee as the “Managing Owner”:

Name

Franchisor:
 Toro Taxes Franchise, L.L.C

Franchisee: _____

By: _____

 Franchisee Signature

 Title

 Name (please print)

 Franchisee Signature

 Name (please print)



TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 1
FRANCHISE OWNER AND SPOUSE AGREEMENT AND GUARANTEE



FRANCHISE OWNER AND SPOUSE AGREEMENT AND GUARANTY

THIS FRANCHISE OWNER AND SPOUSE AGREEMENT AND INDIVIDUAL GUARANTY (the “Agreement”) is entered into by: (a) each of the undersigned owners of Franchisee (defined below); and (b) the spouse of each such owner, in favor of Toro Taxes Franchise, L.L.C, a Nevada limited liability company, and its successors and assigns (“us”, “our” or “we”), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as “you”.

Recitals and Representations

WHEREAS, Franchisee is [_____] (“Franchisee”);

WHEREAS, you acknowledge and agree that we have developed a distinctive and proprietary system (the “System”) for the establishment, development and operation of a business that provides services for the preparation and filing of income tax returns and related services and products under the Licensed Marks (defined below) (each, a “Toro Taxes Business”);

WHEREAS, Franchisee has entered into a Toro Taxes Franchise Agreement (the “Franchise Agreement”) for the ownership, development and operation of a Toro Taxes Business (the “Franchised Business”);

WHEREAS, you have received and have thoroughly reviewed the completed Franchise Agreement, including the completed Schedules and Exhibits attached thereto;

WHEREAS, we have recommended that you thoroughly review the Franchise Agreement, this Agreement and all exhibits and schedules to the Franchise Agreement with a lawyer selected and hired by you;

WHEREAS, you represent to us that you are either: (a) an Owner of Franchisee such that you own or control a legal, equitable or beneficial ownership or equity interest in Franchisee and/or otherwise meet the definition of an “Owner” as set forth in this Agreement; and/or (b) the “Spouse” of an Owner of Franchisee;

WHEREAS, you acknowledge that this Agreement will apply to you individually, jointly and severally with all others who sign this Agreement (including if this Agreement is signed in counterparts or electronically among other Owners and Spouses);

WHEREAS, you acknowledge that this Agreement, among other things, personally obligates you to guarantee Franchisee’s obligations to us and obligates you to brand protection, confidentiality and non-competition restrictions and covenants and that you enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee;

WHEREAS, you acknowledge that we are relying on this Agreement and that without this Agreement we would not have entered into and/or would not be simultaneously entering into the Franchise Agreement with Franchisee;

NOW THEREFORE, to induce us to enter into the Franchise Agreement and as consideration to us for entering into the Franchise Agreement with Franchisee and other consideration, the receipt and sufficiency of which you acknowledge, you agree as follows:

1. Recitals and Representations.

You agree that the foregoing Recitals and Representations are true and accurate and constitute a material part of this Agreement and are hereby incorporated into the main body of this Agreement.

2. Definitions.

Supplementing the terms and definitions contained in the Recitals and Representations:

“Business Management System” refers to and means the software, internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as same may be individually or collectively designated by us, in our Reasonable Business Judgment, as being required for use by the Franchised Business, including, but not limited to, the day to day sales, ordering, operations and management of the Franchised Business. We reserve the right to modify and designate alternative Business Management Systems as we determine in our Reasonable Business Judgment. Without limitation to the foregoing, the Business Management System may include: (a) multiple point of sale systems installed and maintained on-site at the Franchise Location; (b) web based, private server based, network based and/or cloud based customer ordering systems, processing systems, production systems and/or service delivery systems; and (c) customer membership and rewards systems. The Business Management System or systems may, in whole or in part, include and utilize internet, intra-net and cloud based and accessed applications, software, databases and/or systems that require Franchisee to access such systems and information through the internet or a private network and that stores the data and information relating to the Franchised Business on off-site servers through accounts and/or servers controlled by us. At all times we shall possess direct live access and storage-based access to the Business Management System for the Franchised Business and to Franchisee’s Business Management System Data.

“Business Management System Data” refers to and means the forms, data, tools, customer information, inventory and sales information that: (a) is pre-populated or entered into the Business Management System utilized by Franchisee; (b) is entered (whether by us or Franchisee) into the Business Management System utilized by Franchisee; (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of the Franchised Business.

“Competitive Business” refers to and means any business that is the same as or similar to a Toro Taxes Business including, but not limited to, any income tax preparation business and/or any other business that offers, sells and/or provides products and/or services similar to the System Products and Services, as, the System Products and Services are authorized and designated by Franchisor as of the Effective Date of this Agreement and, as Franchisor may designate from time to time in the future.

“Confidential Information” refers to and means all of our and/or our affiliates trade secrets, methods, standards, techniques, procedures, data and information, as same may exist as of the Effective Date and as same may be developed, modified and supplemented in the future, constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of Toro Taxes Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by Toro Taxes Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Toro Taxes Businesses; (d) customer lists and information related to Toro Taxes Businesses and the Franchised Business; (e) Business Management System Data; (f) current and future information contained in the Operations Manual; and (g) Know-

How.

“**Copyrights**” refers to and means all works and materials for which we or any affiliate of ours has secured common law or registered copyright protection and we utilize and/or allow Toro Taxes Business franchisees to use, sell or display in connection with the development, marketing and/or operation of a Toro Taxes Business, whether as of the Effective Date or any time in the future.

“**Corporate Entity**” refers to and means a corporation, limited liability company, partnership or other corporate legal entity that is not an individual person.

“**Digital Media**” refers to and means any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web (including, but not limited to websites), linked by the internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, YouTube, and Google+, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to Toro Taxes Businesses, the Franchised Business, the Licensed Marks, the System and/or us. Digital Media further includes the System Website, web pages and website subdomains (including those related to, associated with and/or a part of the System Website) associated with and/or related to the Franchised Business and all web pages, blog posts, videos, articles, social media accounts and pages, website directory pages, information, sub-domains and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

“**Effective Date**” refers to the “Effective Date” of the Franchise Agreement as the term “Effective Date” is set forth and defined in the Franchise Agreement. If, for any reason, the Effective Date cannot be determined by reference to the Franchise Agreement, the Effective Date shall be the date that you sign this Agreement.

“**Facility**” refers to and means the fixed commercial retail facilities including, the fixtures and improvements, from which Toro Taxes Businesses are established, operated and managed.

“**Franchised Business**” refers to and means the Toro Taxes Business to be developed, owned and operated by Franchisee pursuant to the terms of the Franchise Agreement.

“**Franchisee’s Designated Territory**” refers to and means the “Designated Territory” as such term is set forth and defined in the Franchise Agreement.

“**Franchisee’s Facility**” refers to and means the Facility from which Franchisee establishes, operates and manages the Franchised Business.

“**Franchise Location**” refers to and means the location of Franchisee’s Facility, from which Franchisee’s operates the Franchised Business.

“**Immediate Family**” refers to and means the spouse of a person and any other member of the household of such person, including, without limitation, children of such person.

“**Intellectual Property**” refers to and means, individually and collectively, our Licensed Marks, Copyrights, Know-How, and System.

“Know-How” refers to means our trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a Toro Taxes Business including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the Operations Manual and the Confidential Information.

“Licensed Marks” refers to and means the trademarks, service marks, emblems and indicia of origin, including the “Toro Taxes Business” trademark, the Toro Taxes Business logo, Trade Dress, and other trade names, service marks, trademarks, logos, slogans and designs authorized by us in connection with the identification of Toro Taxes Businesses and the System Products and Services, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by us in our Reasonable Business Judgment.

“Operations Manual” refers to and means, individually and collectively, the manual(s) designated by us and relating to the development and/or operations of Toro Taxes Businesses including, but not limited to, the policies, procedures and requirements for the development and operation of Toro Taxes Businesses. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, email, webinars and other materials as may be modified, added to, replaced or supplemented by us from time to time in our Reasonable Business Judgment, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to our modification from time to time and based on our Reasonable Business Judgment, the Operations Manual shall, among other things, designate the System Products and Services that must be offered and sold by the Franchised Business and the System Equipment, Supplies and Services that must be exclusively utilized by the Franchised Business. Only System Products and Services may be offered and sold by the Franchised Business. Only System Equipment, Supplies and Services may be utilized by Franchisee in the operations of the Franchised Business.

“Owner” refers to and means collectively, individually, jointly and, as of the Effective Date: (a) the officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) who hold an ownership interest in Franchisee; (b) the managing member or manager of Franchisee, if franchisee is a limited liability company, (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee and/or of any entity directly or indirectly controlling Franchisee; and (d) the Managing Owner(s).

“Prohibited Activities” refers to and means any or all of the following: (a) owning and/or having any legal or equitable interest (whether as an individual proprietor or as an owner, partner, member or shareholder of a Corporate Entity or, in any similar capacity) in a Competitive Business (other than owning an interest of 3% or less in a publicly traded company that is a Competitive Business); (b) operating, managing, funding and/or performing services (whether as an employee, officer, director, manager, consultant, representative, agent, and/or creditor or in any similar capacity) for a Competitive Business; (c) diverting or attempting to divert any business or customers from us (or one of our affiliates or franchisees); and/or (d) inducing any customer or client of ours (or of one of our affiliates or franchisees) or of Franchisee to any other person business that is not a Toro Taxes Business.

“Reasonable Business Judgment” refers to our business judgment and means and relates to any and all decisions, actions and choices made by us concerning or relating to this Agreement, the Franchise Agreement, the System, Toro Taxes Businesses, the Franchise Location, and/or the Franchised Business where we undertake or make such decision with the intention of benefitting or acting in a way that could benefit the System including, as examples and without limitation, enhancing the value of the Licensed

Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining designated territory markets, minimizing potential customer confusion as to the location of Toro Taxes Businesses, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. Franchisee agrees that when a decision, determination, action and/or choice is made by us in our Reasonable Business Judgment that such decision, determination, action or choice made by us shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. Franchisee agrees that in connection with any decision, determination, action and/or choice made by us in our Reasonable Business Judgment that: (a) we possess a legitimate interest in seeking to maximize our profits; (b) we shall not be required to consider Franchisee's individual economic or business interests as compared to the overall System; and (c) should we economically benefit from such decision, determination, action and/or choice that such economic benefit to us shall not be relevant to demonstrating that we did not exercise reasonable business judgment with regard to our obligations under the Franchise Agreement and/or with regard to the System. Franchisee agrees that neither Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute Franchisee's or such third party's judgment for our Reasonable Business Judgment. Franchisee further agrees that should Franchisee challenge our Reasonable Business Judgment in any legal proceeding that Franchisee shall possess the burden of demonstrating, by clear and convincing evidence, that we failed to exercise our Reasonable Business Judgment.

“Restricted Period” refers to and means the 3 year period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee, the date on which your Spouse ceases to be an Owner of Franchisee. Provided however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “Restricted Period” means the 2 year period after the earliest to occur of the following: (a) the expiration of the Franchise Agreement; (b) the termination of the Franchise Agreement; (c) the date on which Franchisee assigns the Franchise Agreement to another person (other than you or your Spouse or an Immediate Family Member) provided that you do not and your Spouse does not own or hold, in the assignee, any direct or indirect ownership and/or equity interest whether legal, equitable or otherwise; (d) if you are an Owner of Franchisee, the date on which you cease to be an Owner of Franchisee; or (e) if you are the Spouse of an Owner of Franchisee.

“Restricted Territory” refers to and means the geographic area within: (a) Franchisee's Designated Territory; (b) a 25 mile radius surrounding Franchisee's Designated Territory (or, if Franchisee is not granted a designated territory, then a 25 mile radius surrounding the Franchise Location); (c) a 25 mile radius surrounding the Toro Taxes Locations for all other Toro Taxes Businesses operating and/or under development as of the Effective Date; and (d) a 25 mile radius surrounding the Toro Taxes Locations for all other Toro Taxes Businesses that are in operation or under development during all or any part of the Post-Term Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “Restricted Territory” means the geographic area within Franchisee's Designated Territory plus a 25 mile radius surrounding Franchisee's Designated Territory (or, if Franchisee is not granted a designated territory, then a 25 mile radius surrounding the Franchise Location). If Franchisee is not granted a Designated Territory, then,

for the purpose of defining the Restricted Territory, Franchisee's Designated Territory shall be the

Franchise Location.

“**Spouse**” refers to and means, as of the Effective Date, the legal spouse of an Owner.

“**System**” shall have the meaning defined in the “Recitals” section of this Agreement and is further supplemented, as follows: without limitation to the Recitals section of this Agreement and supplementing the definition and meaning of the term “System”, System shall be defined to further include and mean: (a) the System Products and Services, System Equipment, Supplies and Services and the services, procedures and systems that are designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Toro Taxes Business; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights; (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by Franchisor, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Toro Taxes Business; (f) Operations Manual; (g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the system including components to the system and modifications and replacements thereto shall be determined by Franchisor in Franchisor’s Reasonable Business Judgment.

“**System Equipment, Supplies and Services**” Refers to and means the equipment, supplies, inventory, materials and services including, but not limited to, income tax preparation, filing and refund processing services and products, Bank Products, Income Tax Preparation Software, branded and unbranded uniforms, displays, merchandise, software systems, software subscriptions, the Business Management System designated by Franchisor in the Operations Manual and as may be modified and supplemented by Franchisor from time to time in Franchisor’s Reasonable Business Judgment. Without limitation to the foregoing, Franchisee agrees that the term System Equipment, Supplies and Services further includes all third-party services and products that Franchisor designates and requires to be offered by the Franchised Business including, but not limited to, those related to audit protect, road-side assurance, insurance and accounting.

“**System Products and Services**” shall refer to and mean those products and services that Franchisor authorizes for sale by Toro Taxes Businesses. Franchisor shall exclusively designate and determine the System Products and Services and Franchisor, in Franchisor’s Reasonable Business Judgment, may change, modify, reduce or supplement the System Products and Services that must be offered and sold by the Franchised Business and those products and services that may not be sold by the Franchised Business. The Operations Manual, subject to changes that Franchisor may make from time to time and Franchisor’s right to change and modify the System Products and Services, shall designate the System Products and Services that must be offered and sold by the Franchised Business. the Franchised Business may only offer and sell the System Products and Services.

“**System Website**” refers to and means the web page and/or pages located on the world wide web at the www.torotaxes.com URL (uniform resource locator) and shall further include all webpages and subdomains (including those that are franchisee and/or geography specific) that are a part of www.torotaxes.com, or as designated by us as being associated with the URL of www.torotaxes.com and/or Toro Taxes Businesses.

“**Tax Season**” refers to and means those days, weeks and months occurring from January 1st through April 30th of each and every year.

“**Toro Taxes Business(s)**” shall have the meaning defined in the Recitals and Representations section of this Agreement and, without limitation to the Recitals and Representations section of this Agreement,

the definition of “Toro Taxes Businesses”, shall further include, refer to and mean: every business and all businesses owned and/or operated by us, our affiliates and/or our authorized franchisee(s) that utilize and/or is/are required to utilize the System and/or Licensed Marks including, but not limited to, the Franchised Business.

“**Toro Taxes Location(s)**” refers to and means the location(s) from which Toro Taxes Businesses are established, operated and managed.

“**Trade Dress**” refers to and means the Toro Taxes Business designs, images, marketing materials, packaging, branding and/or branding images which we authorize and require Franchisee to use in connection with the operation of the Franchised Business and as may be revised and further developed by us from time to time.

“**Transfer**” refers to and means a transfer, sale and/or assignment whether legally, equitably or otherwise.

3. Additional Acknowledgments by You.

In addition to the representations and acknowledgments contained in the Recitals and Representations, above, and incorporated into this Agreement, you acknowledge and represent that:

- (a) as of the Effective Date you are an Owner and/or Spouse;
- (b) that you are signing this Agreement in your individual capacity and that you are bound to the terms and conditions of this Agreement and irrespective of any change in your status as an Owner and/or Spouse;
- (c) in your capacity as an Owner of Franchisee or as the Spouse of an Owner of Franchisee that you have and will be gaining access to, among other things, the System and Intellectual Property;
- (d) you acknowledge that all of the components and aspects of the System and Intellectual Property (both individually and as they relate to one another collectively) are critical to our success as the franchisor of the System and to the overall System;
- (e) you acknowledge that we need to protect the System and Intellectual property and that to do so we require that you, in your individual capacity, to agree to the brand protection, non-competition and other covenants and restrictions contained in this Agreement and that you personally guarantee the financial and other obligations of Franchisee to us; and
- (f) you acknowledge that the terms of this Agreement are fair and reasonable and that you have elected, based on your own decision, to enter into this Agreement to induce us to enter into the Franchise Agreement with Franchisee.

4. Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions.

- (a) **Know-How.** You agree that: (i) you will not use the Know-How in any business or capacity other than the Franchised Business; (ii) you will maintain the confidentiality of the Know-How at all times; (iii) you will not make unauthorized copies of documents containing any Know-How; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-How; and (v) you will stop using the Know-How

immediately if you are no longer an Owner of Franchisee or your Spouse is no longer an Owner of Franchisee, as applicable. You will not use the Intellectual Property for any purpose other than the development and operation of the Franchised Business pursuant to the terms of the Franchise Agreement and Operations Manual. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize, and sublicense the same.

(b) Non-Competition During Franchise Relationship. Subject to the terms and conditions of Article 5 of this Agreement, below, you represent, acknowledge and agree that while you are an Owner of Franchisee or while your Spouse is an Owner of Franchisee (as applicable) that you will not engage in any Prohibited Activities. You acknowledge and agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm us and the System.

(c) Non-Competition After Franchise Relationship. You represent, acknowledge and agree that during the Restricted Period you will not engage in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers/clients who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach). You acknowledge and agree that this restriction is fair and reasonable and that if you did engage in a Prohibited Activity that such actions would constitute acts of unfair competition and will irreparably harm us and the System.

(d) Confidentiality Restrictions. You represent, acknowledge and agree that, at all times you: (i) shall not use the Confidential Information in any business or capacity other than the Franchised Business; (ii) shall maintain the confidentiality of the Confidential Information; (iii) shall not make unauthorized copies of documents containing any Confidential Information; (iv) shall take such reasonable steps as we may ask of you and/or Franchisee from time to time to prevent unauthorized use or disclosure of the Confidential Information; (v) shall immediately and permanently stop using the Confidential Information upon the expiration or termination of the Franchise Agreement; (vi) shall immediately and permanently stop using the Confidential Information if you are no longer an Owner of Franchisee and/or the Spouse of an Owner; (vii) shall immediately and permanently stop using the Confidential Information upon Franchisee's Transfer of the Franchise Agreement; and (viii) shall not disclose the Confidential Information to any third party except in a legal proceeding pursuant to an order of a court of competent jurisdiction and after affording us no less than 15 business days prior notice and an opportunity for us, at our election, to appear in such action.

(e) Immediate Family Members. You acknowledge that should you circumvent the purpose and protections (due to us) of this Agreement by disclosing Know-How to an immediate family member (*i.e.*, parent, sibling, child, or grandchild) we will, and the System will be irreparably harmed. You acknowledge that if you did disclose the Know-How to an immediate family member and your immediate family member used the Know-How to engage in activities that, for you, qualify as Prohibited Activities as defined above, that we and the System will be irreparably harmed. You agree that as between you and us that you are in a better position to know if you permitted and/or provide an immediate family member with access to the Know-How. Therefore,

you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-How. However, you may rebut this presumption by providing evidence conclusively demonstrating that you did not disclose the Know-How nor permit disclosure of the Know-How to the family member.

(f) Reasonableness of Covenants and Restrictions. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.** Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of this Article 4 (Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions) by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Article 4 to ensure that the terms and covenants are enforceable under applicable law.

(g) Breach. You agree that failure to comply with these Article 4 Intellectual Property, Brand Protection and Non-Competition Covenants and Restrictions will cause irreparable harm to us and/or other Toro Taxes Business franchisees for which there are no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

5. Transfer Restrictions and Non-Competition Covenants and Restrictions.

Notwithstanding anything contained in this Agreement to the contrary, you expressly acknowledge and agree that if you are an Owner, and/or the Spouse of an Owner, that, prior to Transferring an Owner's equity and/or ownership interests in Franchisee that, among other things, Franchisee must notify us and obtain our written consent. Likewise, you acknowledge and agree that under the Franchise Agreement that prior to Franchisee's Transfer of the Franchise Agreement, among other things, Franchisee must notify us and obtain our written consent. For our protection and to prevent the subversion of the non-competition covenants contained in Article 4(b) of this Agreement and, to induce us to enter into the Franchise Agreement with Franchisee, you agree, that:

(a) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4(b) of this Agreement and irrespective of any purported and/or actual Transfer in violation of the

terms and conditions of the Franchise Agreement;

(b) if you are a Spouse, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee and/or should Franchisee, fail to obtain our consent to the proposed Transfer of your Spouse's equity and/or ownership interests in Franchisee (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4(b) of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement;

(c) if you are an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4(b) of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement; and

(d) if you are the Spouse of an Owner, should Franchisee fail to properly and timely notify us in writing of the proposed Transfer of the Franchise Agreement to a third party and/or should Franchisee, fail to obtain our consent to the proposed Transfer of the Franchise Agreement to a third party (which we may either reject or approve, in accordance with the terms and conditions of the Franchise Agreement), you shall remain subject to the non-competition covenants contained in Article 4(b) of this Agreement and irrespective of any purported and/or actual Transfer in violation of the terms and conditions of the Franchise Agreement.

6. Personal Guaranty of Franchise Agreement and Financial Obligations.

To secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an affiliate of ours (collectively the "Ancillary Agreements") you individually, jointly and severally, and personally and unconditionally:

(a) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Franchise Agreement;

(b) guarantee to us and our successor and assigns, that Franchisee shall punctually satisfy and pay all of Franchisee's payment and other obligations under the Ancillary Agreements;

(c) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us pursuant to the terms of the Franchise Agreement (including, but not limited to, the fee obligations of Article 5 of the Franchise

Agreement, the advertising obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement);

(d) agree, at all times, to be personally bound by and personally liable for each and every fee, payment and monetary obligation due from Franchisee to us and/or our affiliates under the Ancillary Agreements;

(e) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary

obligation due or that may become due from Franchisee to us pursuant to the terms of the Franchise Agreement including, but not limited to, the fee obligations of Article 5 of the Franchise Agreement, the advertising obligations of Article 9 of the Franchise Agreement, and the indemnification obligations of Article 10 of the Franchise Agreement; and

(f) do, at all times, hereby personally guarantee payment of each and every fee, payment and monetary obligation due or that may become due from Franchisee to us pursuant to the terms of the Ancillary Agreements.

You waive: (a) acceptance and notice of acceptance by us of the foregoing undertakings; (b) notice of demand for payment of any indebtedness guaranteed; (c) protest and notice of default to any party with respect to the indebtedness guaranteed; (d) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

You agree that: (a) your direct and immediate liability under this guaranty shall be joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Franchise Agreement and the Ancillary Agreements upon demand if Franchisee fails or refuses punctually to do so; (c) your liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (d) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including 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 guarantee, which shall be continuing and irrevocable during the term of each of the Franchise Agreement and the Ancillary Agreements and following the termination, expiration or Transfer of each of the Franchise Agreement and the Ancillary Agreements to the extent any financial obligations under any such Franchise Agreement and Ancillary Agreements survive such termination, expiration or Transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Franchise Agreement and/or Ancillary Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

7. Arbitration, Consent to Jurisdiction and Venue, and Cross-Default

Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution procedures set forth in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures set forth in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement shall prevail. Without limitation to the foregoing, you agree that:

(a) Arbitration – Except, at our option, as to any claims or disputes related to or concerning a breach of this Agreement by you that may entitle us to the award of injunctive relief, you agree that any and all disputes, controversies, and claims, arising from and/or related to this Agreement, shall be submitted to the American Arbitration Association for binding arbitration. Arbitration shall be conducted by one (1) arbitrator in accordance with the American Arbitration Association’s then current rules for commercial disputes, except as may be otherwise required in this Agreement. All arbitration proceedings shall be conducted in Las Vegas, Nevada or, if suitable American Arbitration Association facilities are not available in Las Vegas, Nevada then at a suitable American Arbitration Association location selected by the arbitrator that is located closest to Las Vegas, Nevada.

In connection with binding arbitration, you agree that:

- (i) All matters relating to arbitration, will be governed by the United States Federal Arbitration Act, except as expressly or otherwise set forth in this Agreement;
- (ii) The arbitration hearing shall be conducted within 180 days of the demand for arbitration;
- (iii) The arbitrator shall render written findings of fact and conclusions of law;
- (iv) Except as may be otherwise required and/or prohibited by this Agreement, the arbitrator has the right to award or include in his or her award any relief that he or she determines to be proper, including monetary damages, interest on unpaid sums, specific performance, injunctive relief, attorneys' fees, and costs and expenses as allowable under this Agreement. Notwithstanding the foregoing, under no circumstance shall the Arbitrator be authorized to award or declare the Licensed Marks to be generic or invalid; and
- (iv) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(b) **Consent to Jurisdiction and Venue – You agree that any judicial action or legal proceeding must be brought in a court of competent jurisdiction located within Nevada and within Las Vegas or the county closest to Las Vegas. You do hereby irrevocably consent to and waive any objection to the such jurisdiction or venue. Without limitation to the foregoing and notwithstanding same, you agree that we, at our election, may bring any legal action or proceeding seeking a temporary restraining order, preliminary injunction, or any action seeking our enforcement of an arbitration award or any judicial decision in the federal or state court located in the county and state where you reside.**

(c) Acknowledgment as to Cross-Default - You acknowledge and agree that a breach of this Agreement by you shall constitute a material event of default under the Franchise Agreement, permitting us, among other things, to terminate the Franchise Agreement in accordance with the terms thereof.

8. Miscellaneous.

- (a) If either party hires an attorney or files suit against the other party in relating to and alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.
- (b) This Agreement will be governed by, construed and enforced under the laws of Nevada and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.
- (c) Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.
- (d) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary

to make such terms reasonable in scope, duration and geographic area.

(e) You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

Owner / Spouse:

Owner / Spouse:

Signature of Owner / Spouse

Signature of Owner / Spouse

Name (please print)

Name (please print)

Date _____

Date _____

Signature of Owner / Spouse

Signature of Owner / Spouse

Name (please print)

Name (please print)

Dated _____

Dated _____



TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 2
JOINDER AGREEMENT



JOINDER AGREEMENT

Without limitation to the “Franchise Owner and Spouse Agreement and Guaranty” executed simultaneously hereto, and to induce Toro Taxes Franchise, LLC to enter into the Toro Taxes Franchise Agreement with _____, as Franchisee (the “Franchise Agreement”), the undersigned individuals do hereby agree to be individually, jointly and severally bound by and to each and every term, provision, covenant and obligation set forth in the Franchise Agreement.

In the event of any conflict between the terms of this Joinder agreement and the “Franchise Owner and Spouse Agreement and Guaranty” agreement, the terms of the “Franchise Owner and Spouse Agreement and Guaranty” agreement shall take precedence and govern.

Signature

Signature

Name (please print)

Name (please print)

Dated _____

Dated _____



TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 3
FRANCHISEE DISCLOSURE QUESTIONNAIRE AND
REPRESENTATIONS STATEMENT



FRANCHISEE DISCLOSURE QUESTIONNAIRE AND REPRESENTATIONS - In connection with the Toro Taxes Franchise Agreement (the “Franchise Agreement”) and franchise relationship that you are about to enter into with Toro Taxes Franchise, L.L.C (hereinafter referred to as “we” or “us”), we require that you complete this Franchisee Disclosure Questionnaire and Representations Statement (the “Questionnaire”). This Questionnaire must be thoroughly reviewed by you, completed by you and signed by you at the time of signing the Franchise Agreement. The responses that you provide will be relied upon by us and are intended to clarify and demonstrate whether or not certain statements or promises were made to you and to confirm your understanding and as to some of the limitations that have been imposed on your ability to make certain claims in the future about your purchase of a Toro Taxes Business franchise and your operation of a Toro Taxes Business. **Please review this Questionnaire carefully, answer all yes and no questions below. If you answer “No” to any particular question we require that you provide an explanation as to the facts and information as to why you have answered “No”.**

- Yes/No _____ 1. Have you received and personally reviewed the Franchise Agreement and each schedule and exhibit attached to it?

- Yes/No _____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

- Yes/No _____ 3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

- Yes/No _____ 4. Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?

- Yes/No _____ 5. Did you receive the Franchise Disclosure Document at least 14 calendar days before signing any agreement relating to the franchise or paying any money?

- Yes/No _____ 6. Do you understand the risks of developing and operating a Toro Taxes Business franchise?

- Yes/No _____ 7. Do you understand that the success or failure of your Toro Taxes Business will depend, in large measure, on your skills, abilities and efforts and those of the persons you employ as well as many other factors beyond your control such as competition, cash flow, interest rates, the economy, inflation, labor and supply costs and other relevant factors?

- Yes/No _____ 8. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must first be mediated in non-binding mediation and then arbitrated before the American Arbitration Association in an arbitration proceeding conducted in the State of Nevada as designated in the Franchise Agreement?

- Yes/No _____ 9. Do you understand that you must satisfactorily complete the initial training before we will allow you to open your Toro Taxes Business?

- Yes/No _____ 10. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Toro Taxes Business that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes/No _____ 11. Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes/No _____ 12. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Toro Taxes Business will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
- Yes/No _____ 13. Do you understand that the Franchise Agreement and the schedules and exhibits attached to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for your Toro Taxes Business and that under no circumstance shall any prior oral or written statements not contained in the Franchise Agreement or the schedules and exhibits to the Franchise Agreement will not be binding?

YOU UNDERSTAND THAT WE ARE RELYING ON YOUR ANSWERS TO THIS QUESTIONNAIRE AND YOU REPRESENT THAT YOU HAVE CAREFULLY REVIEWED AND HAVE TRUTHFULLY RESPONDED TO EACH QUESTION.

Signature of Franchise

Signature of Franchise

Name (please print)

Name (please print)

Dated _____

Dated _____



TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 4
CONFIDENTIALITY AGREEMENT

TOROtaxes
CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (the “Agreement”) is entered into by the undersigned (“you”) in favor of Toro Taxes Franchise, L.L.C, a Nevada limited liability company, and its successors and assigns (“us”, “our”, or “we”), upon the terms and conditions set forth below. Each signatory to this Agreement is referred to as “you”.

Recitals and Representations

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a Toro Taxes Business that is owned and operated by one of our franchisees (the “Franchisee”);

WHEREAS, this Agreement is not an employment agreement;

WHEREAS, in the course of your employment and/or association with our Franchisee and your participation and/or access to the Toro Taxes Business of our franchisee, you may gain access to our Intellectual Property, Know-How and System (terms that are defined below in this Agreement) and you understand that it is necessary for us to protect our Intellectual Property, Know-How and System;

WHEREAS, you understand that Intellectual Property, our System and Know-How are critical to the success of our franchise and to the success of Toro Taxes Business, including the Toro Taxes Business owned by the Franchisee.

NOW THEREFORE, you acknowledge and agree as follows:

1. Recitals and Representations. You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

2. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“**Business Management System**” refers to and means the internet, web based and/or cloud based system or systems, point of sale system or systems and customer relationship management system or systems as being required for use by Franchisee’s Toro Taxes Business, including, but not limited to, the day to day sales, orders, operations and management of Franchisee’s Toro Taxes Business. Without limitation to the foregoing, the Business Management System may include: (a) multiple point of sale systems or systems installed and maintained on-site at the location of Franchisee’s Toro Taxes Business; (b) web, intra-net or cloud based customer ordering, processing systems, production and service delivery systems; and (c) customer membership and rewards systems.

“**Business Management System Data**” refers to and means the forms, data, tools, customer information, inventory and sales information that: (a) is pre-populated or entered into the Business Management System utilized by Franchisee; (b) is entered by us or Franchisee (including Franchisee’s employees), into the Business Management System utilized by Franchisee; (c) is recorded, stored and/or maintained by the Business Management System in connection with the management and operations of Franchisee’s Toro Taxes Business.

“Confidential Information” refers to and means all of our trade secrets, methods, standards, techniques, procedures, data and information (as same may exist as of the Effective Date of this Agreement and as may be developed, modified and supplemented in the future) constituting and comprising: (a) methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of Toro Taxes Businesses; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by, and specifications for and knowledge of suppliers of certain materials, equipment, products, supplies and procedures used or sold by Toro Taxes Businesses; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Toro Taxes Businesses; (d) customer lists and information related to Toro Taxes Businesses and Franchisee’s Toro Taxes Business; (e) Business Management System Data; (f) current and future information contained in the Operations Manual; and (g) Know-How.

“Copyrights” refers to and means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow Toro Taxes Business franchisees to use, sell or display in connection with the development, marketing and/or operation of a Toro Taxes Business, whether now in existence or created in the future.

“Digital Media” refers to and means any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web (including, but not limited to websites), linked by the internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, YouTube, and Google+, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to a Toro Taxes Business, Toro Taxes Businesses, Franchisee’s Toro Taxes Business, the Licensed Marks, the System and/or us. Digital Media further includes the System Website, web pages and website subdomains (including those related to, associated with and/or a part of the System website) associated with and/or related to Franchisee’s Toro Taxes Business and all web pages, blog posts, videos, articles, social media accounts and pages, website directory pages, information, sub-domains and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

“Franchisee” means the Toro Taxes Business franchisee for whom you are an employee, independent contractor, officer and/or director or you are about to be an employee, independent contractor, officer and/or director.

“Intellectual Property” means, individually and collectively, our Licensed Marks, Copyrights, Know-How and System.

“Know-How” refers to means Franchisor’s trade secrets and proprietary information relating to the development, establishment, marketing, promotion and/or operation of a Toro Taxes Business including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information reflected in, included in, comprising and/or constituting a part of the System. Without limitation to the foregoing, Know-How shall further include information contained in the Operations Manual and the Confidential Information.

“Licensed Marks” refers to and means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a Toro Taxes Business, including, but not limited to, the “Toro

Taxes Business” trademark, the Toro Taxes Business logo and related logos, and any other trademarks, service marks or trade names that we designate for use in a Toro Taxes Business.

“Operations Manual” means our confidential operations manual for the development and operation of Toro Taxes Businesses and containing our policies, procedures and requirements for the development and operation of Toro Taxes Businesses, which may consist of one or more volumes, handbooks, manuals, written materials, videos, electronic media files, cloud/internet based list-service, intranet, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced or supplemented by us from time to time in our sole discretion, whether by way of supplements, replacement pages, franchise bulletins, or other official pronouncements or means. Subject to our modification from time to time, and based on our reasonable business judgment, the Operations Manual shall, among other things, designate the System Products and Services that must be offered and provided by Franchisee’s Toro Taxes Business. Only System Products and Services may be offered and sold by Franchisee’s Toro Taxes Business. Only those System Equipment, Supplies and Services as designated in the Operations Manual may be utilized by Franchisee in the operations of Franchisee’s Toro Taxes Business.

“Reasonable Business Judgment” refers to our business judgment and means and relates to any and all decisions, actions and choices made by us concerning or relating to the Franchise Agreement, the System, Toro Taxes Businesses and Franchisee’s Toro Taxes Business where we undertake or make such decision with the intention of benefitting or acting in a way that could benefit the System including, as examples and without limitation, enhancing the value of the Licensed Marks, increasing customer satisfaction, minimizing potential customer confusion as to the Licensed Marks, determining designated territory markets, minimizing potential customer confusion as to the location of Toro Taxes Businesses, expanding brand awareness of the Licensed Marks, implementing marketing and accounting control systems, approving products, services, supplies and equipment. You agree that when a decision, determination, action and/or choice is made by us in our Reasonable Business Judgment that such decision, determination, action or choice made by us shall take precedence and prevail, even if other alternatives, determinations, actions and/or choices are reasonable or arguably available and/or preferable. You agree that in connection with any decision, determination, action and/or choice made by us in our Franchisor’s Reasonable Business Judgment that: (a) we possess a legitimate interest in seeking to maximize our profits; (b) We shall not be required to consider your individual economic or business interests as compared to the overall System; and (c) should we economically benefit from such decision, determination, action and/or choice that such economic benefit to us shall not be relevant to demonstrating that we did not exercise reasonable business judgment with regard to our obligations under this Agreement, the Franchise Agreement and/or with regard to the System. You agree that neither you, Franchisee and/or any third party, including, but not limited to, any third party acting as a trier of fact, shall substitute yours, Franchisee’s or such third party’s judgment for our Reasonable Business Judgment. You further agree that should either you or Franchisee challenge our Reasonable Business Judgment in any legal proceeding that you and Franchisee shall possess the burden of demonstrating, by clear and convincing evidence, that we failed to exercise our Reasonable Business Judgment.

“System” refers to and means our system for the development, establishment and operation of Toro Taxes Businesses including, but not limited to, (a) the System Products and Services, System Equipment, Supplies and Services and services, procedures and systems that are designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Toro Taxes Business; (b) the Licensed Marks; (c) the Trade Dress; (d) Copyrights; (e) other trade names, service marks, signs, and logos, copyrights and trade dress that is designated by us, whether presently or in the future, for use in connection with the development, establishment, marketing, promotion and operation of a Toro Taxes Business; (f) Operations Manual;

(g) Business Management System Data; (h) Know-How; (i) Confidential Information; and (j) Digital Media. All determinations as to the System including components to the system and modifications and replacements thereto, shall be determined by us, in our Reasonable Business Judgment.

“**System Products and Services**” refers to and means those products and services that we authorize for sale by Toro Taxes Businesses. We exclusively designate and determine the System Products and Services and we, in our Reasonable Business Judgment, may change, modify, reduce or supplement the System Products and Services that must be offered and sold from Franchisee’s Toro Taxes Business and those products and services that may not be sold from Franchisee’s Toro Taxes Business. The Operations Manual, subject to changes that we may make from time to time and our right to change and modify the System Products and Services, shall designate the System Products and Services that must be offered and sold by Franchisee’s Toro Taxes Business. Franchisee’s Toro Taxes Business may only offer and sell the System Products and Services.

“**System Website**” refers to and means the web page and/or pages located on the world wide web at the www.torotaxes.com URL (uniform resource locator) and shall further include all webpages and subdomains (including those that are franchisee and/or geography specific) that are a part of www.torotaxes.com, or as designated by us as being associated with the URL of www.torotaxes.com and/or Toro Taxes Businesses.

“**Trade Dress**” refers to and means the Toro Taxes Business designs, images, marketing materials, packaging, branding and/or branding images that we authorizes and require Franchisee to use in connection with the operation of Franchisee’s Toro Taxes Business and as may be revised and further developed by us from time to time.

3. Additional Acknowledgments by You.

In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that we need to protect the System and Intellectual property and that to do so we require that you, in your individual capacity, agree to the brand protection, non-competition and other covenants and restrictions contained in this Agreement. You acknowledge that the terms of this Agreement are fair and reasonable.

4. Know-How and Intellectual Property Protection.

You agree that:

- (a) you will not use the Know-How and/or Intellectual Property in any business or capacity other than the Toro Taxes Business operated by Franchisee;
- (b) you will maintain the confidentiality of the Know-How and Intellectual Property at all times;
- (c) you will not make unauthorized copies of documents containing any Know-How and/or the Intellectual Property;
- (d) you will take such reasonable steps as Franchisee may ask of you from time to time to prevent unauthorized use or disclosure of the Know-How and/or Intellectual Property; and
- (e) you will stop using the Know-How and Intellectual Property immediately if you are no longer an employee, independent contractor, officer and/or director of Franchisee. You will not use the Know-How and/or Intellectual Property for any purpose other than for the performance of your

duties on behalf of Franchisee and in accordance with the scope of your engagement and/or employment with Franchisee.

5. Reasonableness of Covenants and Restrictions.

You acknowledge and agree that the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

6. Breach.

You agree that failure to comply with the terms of this Agreement will cause irreparable harm us, Franchisee and other Toro Taxes Business franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

7. Miscellaneous.

(a) If we hire an attorney or files suit against you because you have breached this Agreement and if we prevail in such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

(b) This Agreement will be governed by, construed and enforced under the laws of Nevada and the courts in that state shall have exclusive jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(d) **YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT AND THAT THERE IS NOT AND SHALL NEVER BE AN EMPLOYER – EMPLOYEE RELATIONSHIP BETWEEN YOU AND US (TORO TAXES FRANCHISE, LLC). YOUR RELATIONSHIP WITH FRANCHISEE (INCLUDING YOUR EMPLOYMENT RELATIONSHIP, THE TERMS OF YOUR EMPLOYMENT AND THE CREATION AND/OR TERMINATION OF SUCH EMPLOYMENT RELATIONSHIP) IS AND SHALL BE EXCLUSIVELY CONTROLLED BETWEEN YOU AND FRANCHISEE. WE ARE NOT A JOINT EMPLOYER AND THERE IS NO EMPLOYMENT RELATIONSHIP BETWEEN YOU AND US. THIS AGREEMENT RELATES, EXCLUSIVELY, TO BRAND PROTECTION.**

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

Dated: _____

Restricted Party:

Signature

Name (please print)

WITNESS ONLY: The Undersigned Affirms that he/she witnessed the person named above (the “Restricted Party”) sign and execute this Agreement:

Signature of Witness

Name of Witness

Dated _____



TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 5
FRANCHISE LOCATION AND DESIGNATED TERRITORY
ACKNOWLEDGMENT



FRANCHISEE’S TORO TAXES FRANCHISE LOCATION
AND DESIGNATED TERRITORY ACKNOWLEDGMENT

Pursuant to the terms of the Franchise Agreement dated _____ by and between Toro Taxes Franchise, L.L.C, as Franchisor, and _____, as Franchisee, Franchisee has selected the following proposed Franchise Location and Franchisor, pursuant to the terms and conditions of the Franchise Agreement, approves the following as the Franchise Location:

[To be Effective this Schedule Must be Completed and Signed by Franchisor]

Franchisor and Franchisee agree that the location set forth above constitutes the Franchise Location as such term is defined in the Franchise Agreement. Franchisor, in Franchisor’s sole discretion, does hereby designate Franchisee’s “Designated Territory”, as such term is defined in the Franchise Agreement, including, but not limited to Articles 1 and 2.A of the Franchise Agreement, as follows:

[To be Effective this Schedule Must be Completed and Signed by Franchisor]

In the event of any conflict between this Franchisee’s Toro Taxes Franchise Location and Designated Territory Acknowledgment and the Franchise Agreement, the terms and provisions of the Franchise Agreement shall take precedence and govern.

Franchisor:
Toro Taxes Franchise, L.L.C

Franchisee:

Franchisee Signature

By: _____

Title

Name (please print)



TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 6
SITE SELECTION ACKNOWLEDGMENT



TORO TAXES BUSINESS SITE SELECTION ACKNOWLEDGMENT

(THIS DOCUMENT DOES NOT CONSTITUTE THE APPROVAL OF A FRANCHISE LOCATION, DOES NOT GRANT OR DESIGNATE AN OPERATING TERRITORY AND DOES NOT GRANT ANY TERRITORIAL RIGHTS)

Date of this Acknowledgment: _____ (the "Site Selection Acknowledgment Date")

Pursuant to and subject to the terms of the Franchise Agreement dated _____ by and between Toro Taxes Franchise, L.L.C, as Franchisor, and _____, as Franchisee (the "Franchise Agreement"), Franchisee has identified a potential area in which Franchisee may seek to identify a potential retail franchise location for Franchisee’s Toro Taxes Business. Based on Franchisee’s request, Franchisor agrees that during the limited period of time that commences on the Site Selection Acknowledgment Date and automatically expires 60 calendar days after the Site Selection Acknowledgment Date, that Franchisor shall not grant to any third-party the license or right to establish a Toro Taxes Franchise Location within the following geographic area constituting the Site Selection Area, as such term is defined in the Franchise Agreement:

Site Selection Area: [Must be completed by Franchisor]
--

The terms contained in this Site Selection Acknowledgment shall have the meaning set forth in the Franchise Agreement including, but not limited to Article 1 and Article 2 of the Franchise Agreement. In the event of any inconsistency or conflict between this Site Selection Acknowledgment and the terms of the Franchise Agreement, the terms of the Franchise Agreement shall take precedence and govern. If Franchisor does not complete the Site Selection Acknowledgment Date and sign this Site Selection Acknowledgment then this Site Select Addendum shall not be effective and there shall be no Site Selection Area. As set forth in the Franchise Agreement, among other things, A SITE SELECTION AREA IS NOT AN OPERATING TERRITORY, DOES NOT CONSTITUTE THE APPROVAL AS TO ANY FRANCHISE LOCATION AND DOES NOT AFFORD FRANCHISEE ANY TERRITORIAL RIGHTS.

Franchisor:
Toro Taxes Franchise, L.L.C

By: _____

Title



TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 7
LEASE AGREEMENT RIDER



TORO TAXES LEASE AGREEMENT RIDER
(for the benefit of Toro Taxes Franchise, L.L.C and its assigns)

THIS RIDER TO LEASE (“Rider”) does hereby supplement, modify and amend the terms of the lease agreement (the “Lease”) dated _____ by and between _____, a _____ with a principal place of business located at _____ (the “Landlord”) and _____, a _____ with a principal place of business located at _____ (the “Tenant”).

WHEREAS, the lease relates to the following commercial premises (the “Leased Premises”):

WHEREAS, Toro Taxes Franchise, L.L.C (the “Franchisor”) is the franchisor of the Toro Taxes Business franchise system (the “Toro Taxes Business Franchise System”);

WHEREAS, Franchisor’s mailing and notice address (the “Notice Address”) is 6130 Elton Avenue Las Vegas, Nevada 89107.

WHEREAS, The Toro Taxes Business Franchise System relates to an income tax preparation business under the “Toro Taxes Business” name and marks (the “Intended Use”);

WHEREAS, Tenant is a franchisee of Franchisor and the Leased Premises is to be used and operated by Tenant for the purpose of developing, establishing and operating a Toro Taxes Business in accordance with the Toro Taxes Business franchise system;

WHEREAS, Franchisor and Franchisor’s successors and assigns (collectively referred to as “Franchisor”) is/are an intended third-party beneficiaries of this Rider.

NOW THEREFORE, Landlord and Tenant acknowledge and agree to the following:

1. This Rider supplements and amends the Lease. In the event of any inconsistency or conflict between the terms of this Rider and the Lease, the terms of this Rider shall prevail. Landlord and Tenant acknowledge that the rights set forth in this Rider may not be reduced, modified or altered without the express written consent of Franchisor.

2. Landlord and Tenant both agree that Tenant shall not be permitted to transfer, sublease, encumber and/or otherwise assign Tenant’s interests in the Lease and/or the Leased Premises without the prior written consent of Franchisor. Without limitation to the foregoing, among other things, Tenant acknowledges and agrees that if Tenant wishes to transfer any interests in the Lease or the Leased Premises that Tenant must request the written consent of Franchisor. If Tenant requests Landlord’s consent to Tenant’s transfer and/or assignment of Tenant’s interests in the Lease and/or the Leased Premises and if Landlord is inclined to approve of such transfer and/or assignment that Landlord shall condition Landlord’s approval upon Tenant also obtaining written consent from Franchisor.

3. Upon the occurrence of (a) The termination, for any reason, of the Franchise Agreement between Franchisor and Tenant, (b) The expiration, without renewal, of the Franchise Agreement between

Franchisor and Tenant; (c) Franchisor's exercise of Franchisor's Right of First Refusal granted to Franchisor in the Franchise Agreement, and/or (d) Tenants default under the terms of the Lease Tenant and Landlord, acknowledge and agree, that:

Franchisor will have the option, but not the obligation, to assume or renew the Lease and the occupancy of the Leased Premises, including the right to sublease to another Franchisee of the Toro Taxes Business Franchise System, for all or any part of the remaining term of the Lease and, in connection with said assumption Franchisor will not be obligated to pay to Landlord more than two months past due rent and common area maintenance charges.

4. Subject to the rights set forth in Section 3 of this Rider, Landlord agrees to notify Franchisor by certified mail at the Notice Address of any default by Tenant under the Lease. Landlord agrees that such notice shall afford Franchisor the option for Franchisor to invoke a cure period whereby Franchisor, upon Franchisor's sole election, shall be granted a 15-day period to cure any monetary default by Tenant under the Lease and a 30-day period to cure any non-monetary default by Tenant under the Lease.

5. Landlord and Tenant acknowledge and agree that Franchisor is an intended third-party beneficiary of this Rider and that Franchisor may bring an action to enforce Franchisor's rights under this Rider and in and to the Lease and the Leased Premises.

Landlord:

Tenant:

Signature

Signature

Name and Title (please print)

Name and Title (please print)

Dated _____

Dated _____



TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 8
COLLATERAL ASSIGNMENT OF LEASE



COLLATERAL ASSIGNMENT OF LEASE

(for the benefit of Toro Taxes Franchise, L.L.C and its assigns)

FOR VALUE RECEIVED, The undersigned (“Assignor”) hereby assigns and transfers to Toro Taxes Franchise, L.L.C (“Assignee”), all of Assignor’s right, title and interest as tenant in, to and under a certain lease, a copy of which is attached hereto as Exhibit “A” (the “Lease”) for the following premises (the “Leased Premises”):

This Assignment is for collateral purposes only and except as may be otherwise expressly stated and specified herein under no circumstance shall Assignee have any liability or obligation under the Lease and/or Leased Premises, unless: (a) Assignee provides an express written statement that is addressed to Assignor and the landlord for the Leased Premises, is delivered by Assignee to Assignor and the landlord for the Leased Premises, is signed by an officer of Assignee, and that expressly states that Assignee is assuming all rights and interests in and to the Lease pursuant to this Assignment; and (b) Assignee takes possession of the Leased Premises pursuant to the terms hereof, and Assignee assumes the obligations of Assignor under the Lease.

Assignor represents that Assignor possesses full power and authority to enter into this Assignment and that at no time prior to executing this Assignment has Assignor assigned and/or transferred Assignor’s interests and/or rights in or to the Lease and/or the Leased Premises.

Assignee has the right and possesses full power and authority to take possession of the Leased Premises, to eject and expel Assignor from possession and occupancy of the Leased Premises and to terminate Assignor’s right, title and interest in and to the Lease in the event of: (a) a default by Assignor under the terms of the Lease and Assignor’s failure to timely cure such default, assuming that such default is capable of curing; (b) a default by Assignor (in Assignor’s capacity as a Toro Taxes Business franchisee) under the terms and conditions of the Toro Taxes Franchise Agreement between Assignor, as franchisee, and Assignee, as franchisor (the “Franchise Agreement”), and Assignor’s failure to timely cure such default, assuming that such default is capable of curing; (c) upon default of any agreement supporting or guaranteeing the Franchise Agreement; or (d) the expiration or termination of the Franchise Agreement.

Assignor acknowledges and agrees that Assignor will not and shall not permit, grant or suffer any termination, surrender or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement, Assignor shall elect and exercise all options to extend the terms of the or renewal of the Lease not less than 120 days prior to the last day that the option must be exercised unless Assignee otherwise agrees in writing. Should Assignor fail to comply with the foregoing,

Assignor does hereby appoint Assignee (subject to Assignees acceptance and invocation of such right) to act on behalf of Assignor for the purpose of effectuating extensions and renewals of the Lease.

Releasor:

Signature

Name (please print)

Date _____

NOTARY SIGNATURE, SEAL AND INFORMATION: On _____ before me, the undersigned, personally appeared _____ personally known to me or proven to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities, and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Signature and Seal



TORO TAXES FRANCHISE AGREEMENT

EXHIBIT 9

ASSIGNMENT OF TELEPHONE NUMBERS
AND DIGITAL MEDIA ACCOUNTS



ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS
(for the benefit of Toro Taxes Franchise, L.L.C and its assigns)

THIS ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS ASSIGNMENT (“Assignment”) is entered into between _____ (the “Assignor”) and Toro Taxes Franchise, L.L.C and its successors and assigns (the “Assignee”).

WHEREAS, Assignee is the franchisor of the Toro Taxes Business franchise system (the “Toro Taxes Business Franchise System”);

WHEREAS, Assignor, as franchisee, and Assignee, as franchisor, are parties to a Toro Taxes Franchise Agreement (the “Franchise Agreement”)

WHEREAS, the term “Digital Media” shall refer to and mean “any interactive or static electronic document, application or media that is connected to and/or in a network of computers, servers and/or other devices linked by communications software, part of the world wide web (including, but not limited to websites), linked by the internet or part of a web based application, software application, smart phone based application or social media platform including, but not limited to social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, YouTube, and Google+, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to a Toro Taxes Business, Toro Taxes Businesses, Assignor’s Toro Taxes Business and/or trademarks associated with the Toro Taxes Business Franchise System and/or Assignee. Digital Media further includes the Toro Taxes Business website, web pages and website subdomains (including those related to, associated with and/or a part of the Toro Taxes Business Franchise System) associated with and/or related to Assignor’s Toro Taxes Business and all web pages, blog posts, videos, articles, information, sub-domains, and all other media and/or publications relating to the Toro Taxes Business Franchise System that is displayed and/or transmitted digitally;” and

WHEREAS, In connection with Assignor’s establishment and operation of a Toro Taxes Business, Assignor will be utilizing accounts, information, phone numbers and Digital Media subject to strict requirements set forth in the Franchise Agreement.

NOW THEREFORE, Assignor, in exchange for good and valuable consideration provided and paid by Assignee (receipt of which is hereby acknowledged), agrees:

1. That Assignor does hereby assign to assignee all telephone numbers, facsimile numbers, listings, domain names and Digital Media that is associated with Assignor’s Toro Taxes Business including, the following (all collectively referred to as the “Media”):

- (a) All phone numbers, facsimile numbers and listings that are currently, or in the future, associated with Assignor’s Toro Taxes Business;
- (b) The following telephone and facsimile numbers:

_____ ; and
- (c) All Digital Media, all Digital Media accounts and all Digital Media log-in information.

The foregoing shall not be construed and/or interpreted as Assignees acknowledgment and/or agreement that Assignor owns and/or possesses any ownership interests in the foregoing telephone numbers, accounts and/or Digital Media. Any and all rights of Assignor in and to same exist subject to a limited license pursuant to the Toro Taxes Franchise Agreement which shall take precedence and govern. However, this Assignment is intended by Assignor and Assignee to be an instrument that may be relied upon by all third parties to authorize and permit the assignments and transfers set forth in this Assignment and to facilitate the transfer of accounts and media to within the control of Assignee. Nothing contained in this Assignment shall be used to construe nor imply that Assignor possesses any ownership interests or rights in the Digital Media and in the event of any inconsistency or conflict between this Assignment and the Franchise Agreement, the Franchise Agreement shall take precedence and govern.

2. This Assignment will become effective automatically upon the termination or expiration of the Franchise Agreement for any reason. As to all third parties, proof of the expiration or termination of the Franchise Agreement shall exist exclusively upon the written declaration of Assignee and Assignee's declaration shall be dispositive and not subject to challenge. Assignor acknowledges that all third parties may rely on this Assignment for the purpose of taking any and all actions to ensure that access to and control of the Media is maintained by Assignee.

UTILIZATION OF THIS ASSIGNMENT SHALL EXIST AT THE SOLE DISCRETION OF ASSIGNEE AND FOR THE SOLE BENEFIT OF ASSIGNEE

Assignor:

Assignee: Toro Taxes Franchise, L.L.C

Signature

Signature

Name and Title (please print)

Name and Title (please print)

Dated _____

Dated _____



TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 10
GENERAL RELEASE

GENERAL RELEASE

TO ALL TO WHOM THESE PRESENTS SHALL COME OR MAY CONCERN, KNOW THAT:

_____, as RELEASOR, in consideration of good and valuable consideration received from:

Toro Taxes Franchise, L.L.C., as RELEASEE, receipt of which is hereby acknowledged, releases and discharges the RELEASEE, RELEASEE'S heirs, officers, members, agents, executors, administrators, successors and assigns, from all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, contracts, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity which against the RELEASEE, the RELEASOR, RELEASORS', heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may, have for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE. The words "RELEASOR" and "RELEASEE" include all releasors and releasees under this Release. This Release may not be changed orally.

IN WITNESS WHEREOF, the **RELEASOR** has hereunto set RELEASORS' had and seal on the date set forth below.

Releasor:

Signature

Name (please print)

Date _____

NOTARY SIGNATURE, SEAL AND INFORMATION: On _____ before me, the undersigned, personally appeared _____ personally known to me or proven to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities, and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Signature and Seal



TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 11
ACH AUTHORIZATION



**AUTOMATED CLEARING HOUSE PAYMENT
AUTHORIZATION FORM**

Franchisee Information:

Franchisee Name Business No.

Franchisee Mailing Address (street) Franchisee Phone No.

Franchisee Mailing Address (city, state, zip)

Contact Name, Address and Phone Number (if different from above)

Franchisee Fax No. Franchisee Email Address

Bank Account Information:

Bank Name

Bank Mailing Address (street, city, state, zip)

Checking Savings

Bank Account No. (check one) Bank Routing No.

Bank Phone No.

Authorization:

Franchisee hereby authorizes Toro Taxes Franchise, L.L.C (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____

Date: _____

Name: _____

Federal Tax TD No.: _____

Its: _____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT



TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 12
CONVERSION PROGRAM ADDENDUM

**ADDENDUM TO TORO TAXES FRANCHISE AGREEMENT
CONVERSION PROGRAM**

BETWEEN TORO TAXES FRANCHISE, L.L.C AND _____

THIS ADDENDUM TO TORO TAXES FRANCHISE, L.L.C FRANCHISE AGREEMENT (this “Addendum”) is attached to and incorporated into the Toro Taxes Franchise Agreement dated _____ by and between Toro Taxes Franchise, L.L.C, a Nevada limited liability company with a principal place of business located at 6130 Elton Avenue Las Vegas, Nevada 89107 (the “Franchisor”) and _____, a _____ [State of Formation] _____ [entity type] with a principal place of business located at _____ (hereinafter collectively referred to as “Franchisee”).

RECITALS

WHEREAS, simultaneous to the execution of this Addendum, Franchisee and Franchisor have entered into a Toro Tax Franchise Agreement, dated _____ (individually and collectively referred to as the “Franchise Agreement”);

WHEREAS, Franchisee represents that it is eligible for the Conversion Program;

WHEREAS, Franchisor shall permit Franchisee to pay a refundable downpayment for the Initial Franchise Fee, subject to Franchisee executing the promissory note attached hereto as Exhibit 1 (“Conversion Promissory Note”);

WHEREAS, Franchisor is willing to offer forgiveness of the Conversion Promissory Note and a rebate of the modified Initial Franchise Fee, subject to the terms and conditions of this Addendum; and

NOW THEREFORE Franchisor and Franchisee agree as follows:

1. **Addendum Governs.** Except as expressly provided herein, the terms and conditions of the Franchise Agreement will govern the relationship of the parties to this Addendum. To the extent that the terms of this Addendum are inconsistent with any of the terms or conditions of the Franchise Agreement, the terms of this Addendum shall take precedence and govern. Franchisee and Franchisor agree that the recitals and representations contained on the first page of this Agreement constitute a material part of this Agreement and are hereby fully incorporated into the terms and conditions of this Agreement.

2. **Capitalized Terms.** Capitalized terms used in this Addendum but not defined in this Addendum shall have the meaning(s) given such term(s) in the Franchise Agreement. The parties agree that the recitals and representations contained on the first page of this Agreement constitute a material part of this Agreement and are hereby fully incorporated into the terms and conditions of this Agreement.

3. **Assignment of Existing Business Clients.** Franchisee represents that Franchisee has operated a tax preparation business for at least two years prior to the execution of this Franchise Agreement (an “Existing Business”) and that such clients are clients of the Existing Business which Franchisee has the right to assign to its Franchised Business. Franchisee transfers to Franchisor all of its right, title, and interest in client data, client lists, and client files relating to tax return preparation, bookkeeping, and payroll, services of the Existing Business.

4. **Initial Franchise Fee.** Modifying Article 5.A of the Franchise Agreement, Franchisor and

Franchisee acknowledge and agree that Franchisee’s payment of \$5,000 (the “Initial Payment”) and execution of the Conversion Promissory Note for the full \$20,000 balance of the Initial Franchise Fee (the “IFF Balance”) shall constitute consideration for the Franchise Agreement. Franchisor acknowledges and agrees that if Franchisee meets the requirements set forth in this Addendum , Franchisor shall return the Initial Payment to Franchisee (the “Rebate”) and forgive the IFF Balance (the “Balance Forgiveness”). Franchisee acknowledges and agrees that the proposed Rebate and Balance Forgiveness set forth herein is contingent upon Franchisee’s execution of this Addendum and Franchisee’s obtaining at least 100customers with tax files for the Franchised Business prior to the tax filing date of the first tax season following the Actual Business Commencement Date (i.e., April 15th or if the filing date is extended, the date the extension expires) . Franchisee further acknowledges that if Franchisee has been found to have made a material misrepresentation regarding the number of clients to be assigned or otherwise fails to convert one hundred client files from the Existing Business to the Franchised Business, Franchisor shall retain the Initial Payment, and Franchisee shall begin making payments on the Conversion Promissory Note starting in the first calendar month following the tax filing date. For the avoidance of doubt, if Franchisee has less than 100 clients as of the then-current year’s tax filing deadline (e.g. April 15th of the first tax season following the Actual Business Commencement Date), Franchisee shall not qualify for any Rebate or IFF Forgiveness.

If Franchisee fails to make payments in accordance with the Conversion Promissory Note, Franchisee shall be in default of the Franchise Agreement and such default shall constitute grounds for termination of the Franchise Agreement if not cured within 30 days of notice from Franchisor.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Addendum effective as of the day and year first above written.

Franchisor:
Toro Taxes Franchise, L.L.C

Franchisee:

By: _____

Franchisee Signature

Title

Name (please print)

Exhibit 1
Conversion Promissory Note

**FRANCHISE FEE CONVERSION PROMISSORY NOTE FOR
INITIAL FRANCHISE FEES**

1. THE PARTIES.

On [Date] _____, 20_____ (Borrower Name) _____
_____ of (Borrower Address) _____
_____ referred to as the "Borrower",

HAS RECEIVED AND PROMISES TO PAY: Toro Taxes Franchise LLC, (or its successors or assigns) of 6130 Elton Ave, Las Vegas, Nevada, 89107, referred to as the "Lender", the sum of \$ _____ US Dollars (Print amount) _____ US Dollars, referred to as the "Borrowed Money", plus a processing fee of \$ 995.00 US Dollars (Nine Hundred Ninety Five) US Dollars (the Processing Fee"), for a TOTAL AMOUNT DUE of \$ _____ US DOLLARS (Print amount) _____ US Dollars with interest accruing on the unpaid balance at a rate of Nine and Nine-Tenths percent (9.9%) per annum, referred to as the "Interest Rate", beginning on [One month before first payment due] _____, 20_____ under the following terms and conditions:

2. PAYMENTS. The full balance of this Note, including any accrued interest and late fees, is due and payable on (Final Payment Date) _____, _____ referred to as the "Due Date". The Borrowed Money shall be repaid via installments every month in the following schedule: The Borrowed Money shall be repaid via installments on the first of every month beginning on (Date of first payment) _____ with any remaining balance payable on the Due Date.

If the Lender does not receive payment on-time for any installment there shall be a late payment fee of \$50 (US Dollars) every day payment is late.

In addition, money that is not paid on-time for any installment will be charged an Interest Rate equal to the lesser of Nine and Nine-Tenths percent (9.9%) per annum or the highest rate permitted by applicable law beginning the day payment was due and ending when the payment is made. The parties acknowledge and agree that the Borrowed Money and Processing Fee shall be forgiven if Borrower complies with the obligation to convert or otherwise obtain 100 individual tax filing clients on or before the first annual tax filing date following the opening of the Franchised Business.

3. SECURITY. This note shall be secured under the following:

The Borrower agrees to provide their Toro Taxes Franchise rights, the purpose for which this loan was issued, and all related business assets including but not limited to office equipment, lease, phone numbers and customer base., referred to as the "Security", which shall transfer to the possession and ownership of the Lender IMMEDIATELY if this Note should be in default. The Security may not be sold or transferred without the Lender's consent during the course of this Note. If the Borrower breaches this provision, Lender may declare all sums due under this Note immediately due and payable, unless prohibited by applicable law.

If the Borrower defaults under this Note the Lender shall have the right to obtain ownership and possession of the Security. The Lender shall have the sole-option to accept it as full payment for the Borrowed Money without further liabilities or obligations. If the market value of the Security does not exceed the Borrowed Money, the Borrower shall remain liable for the balance due while accruing interest at the maximum rate allowed by law.

4. INTEREST DUE IN THE EVENT OF DEFAULT. In the event the Borrower fails to pay the note in

full on the Due Date, the unpaid principal shall accrue interest at a rate equal to the lesser of Nine and Nine-Tenths percent (9.9%) or at the maximum rate allowed by law until the Borrower is no longer in default.

5. ALLOCATION OF PAYMENTS. Payments shall be first credited to any late fees due, then to interest due and any remainder will be credited to principal.

6. PREPAYMENT. Borrower may prepay this Note without penalty.

7. ACCELERATION. If the Borrower is in default under this Note or is in default under another provision of this Note, and such default is not cured within the minimum allotted time by law after written notice of such default, then Lender may, at its option, declare all outstanding sums owed on this Note to be immediately due and payable.

This includes rights of possession to the Security mentioned in Section 3.

8. ATTORNEYS' FEES AND COSTS. Borrower shall pay all costs incurred by Lender in collecting sums due under this Note after a default, including reasonable attorneys' fees. If Lender or Borrower sues to enforce this Note or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.

9. WAIVER OF PRESENTMENTS. Borrower waives presentment for payment, notice of dishonor, protest and notice of protest.

10. NON-WAIVER. No failure or delay by Lender in exercising Lender's rights under this Note shall be considered a waiver of such rights.

11. SEVERABILITY. In the event that any provision herein is determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other provision, all of which shall remain in full force and effect.

12. INTEGRATION. There are no verbal or other agreements which modify or affect the terms of this Note. This Note may not be modified or amended except by a written agreement signed by Borrower and Lender.

13. CONFLICTING TERMS. The terms of this Note shall have authority and precedence over any conflicting terms in any referenced agreement or document.

14. NOTICE. Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be made to the parties at the addresses listed below.

15. GUARANTORS. If the borrower is a business entity, the owners of said entity must personally guarantee this loan.

The names of the owners and personal guarantors are:
(add additional sheet if more room is needed)

_____,

referred to as the "Guarantors", agrees to the liabilities and obligations on behalf of the Borrower under the terms of this Note. If the Borrower does not make payment, the Guarantors shall be personally responsible and is guaranteeing the payment of the principal, late fees, and all accrued interest under the terms of this Note.

16. EXECUTION. The Borrower executes this Note as a principal and not as a surety. If there is a Co-Signer, the Borrower and Co-Signer shall be jointly and severally liable under this Note.

17. GOVERNING LAW. This note shall be governed under the laws in the State of Nevada.

IN WITNESS WHEREOF, the undersigned Borrower and Guarantors(s) have signed this Note as of the date first set forth above.

WITNESS:

Borrower: _____

Witness Signature

By:

Name:

Title:

Print Witness Name and Home Address

WITNESS:

Guarantor: _____

Witness Signature

By:

Name

Print Witness Name and Home Address



**TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 13
PROMISSORY NOTE – STANDARD FRANCHISE
FEE**

**[IF EXECUTED, THE ORIGINAL SIGNED AND WITNESSED
DOCUMENT MUST BE SENT TO FRANCHISOR'S
HEADQUARTERS]**

**FRANCHISE FEE STANDARD PROMISSORY NOTE FOR
INITIAL FRANCHISE FEES**

1. THE PARTIES.

On [Date] _____, 20_____ (Borrower Name) _____
_____ of (Borrower Address) _____
_____ referred to as the "Borrower",

HAS RECEIVED AND PROMISES TO PAY: Toro Taxes Franchise LLC, (or its successors or assigns) of 6130 Elton Ave, Las Vegas, Nevada, 89107, referred to as the "Lender", the sum of \$ _____ US Dollars (Print amount) _____ US Dollars, referred to as the "Borrowed Money", plus a processing fee of \$ 995.00 US Dollars (Nine Hundred Ninety Five) US Dollars, for a TOTAL AMOUNT DUE of \$ _____ US DOLLARS (Print amount) _____ US Dollars with interest accruing on the unpaid balance at a rate of Nine and Nine-Tenths percent (9.9%) per annum, referred to as the "Interest Rate", beginning on [One month before first payment due] _____, 20_____ under the following terms and conditions:

2. PAYMENTS. The full balance of this Note, including any accrued interest and late fees, is due and payable on (Final Payment Date) _____, _____ referred to as the "Due Date". The Borrowed Money shall be repaid via installments every month in the following schedule: The Borrowed Money shall be repaid via installments on the first of every month beginning on (Date of first payment) _____ with any remaining balance payable on the Due Date.

If the Lender does not receive payment on-time for any installment there shall be a late payment fee of \$50 (US Dollars) every day payment is late. If this

In addition, money that is not paid on-time for any installment will be charged an Interest Rate equal to the lesser of Nine and Nine-Tenths percent (9.9%) per annum or the highest rate permitted by applicable law beginning the day payment was due and ending when the payment is made.

3. SECURITY. This note shall be secured under the following:

The Borrower agrees to provide their Toro Taxes Franchise rights, the purpose for which this loan was issued, and all related business assets including but not limited to office equipment, lease, phone numbers and customer base., referred to as the "Security", which shall transfer to the possession and ownership of the Lender IMMEDIATELY if this Note should be in default. The Security may not be sold or transferred without the Lender's consent during the course of this Note. If the Borrower breaches this provision, Lender may declare all sums due under this Note immediately due and payable, unless prohibited by applicable law.

If the Borrower defaults under this Note the Lender shall have the right to obtain ownership and possession of the Security. The Lender shall have the sole-option to accept it as full payment for the Borrowed Money without further liabilities or obligations. If the market value of the Security does not exceed the Borrowed Money, the Borrower shall remain liable for the balance due while accruing interest at the maximum rate allowed by law.

4. INTEREST DUE IN THE EVENT OF DEFAULT. In the event the Borrower fails to pay the note in full on the Due Date, the unpaid principal shall accrue interest at a rate equal to the lesser of Nine and Nine-Tenths percent (9.9%) or at the maximum rate allowed by law until the Borrower is no longer in default.

5. ALLOCATION OF PAYMENTS. Payments shall be first credited to any late fees due, then to interest due and any remainder will be credited to principal.

6. PREPAYMENT. Borrower may prepay this Note without penalty.

7. ACCELERATION. If the Borrower is in default under this Note or is in default under another provision of this Note, and such default is not cured within the minimum allotted time by law after written notice of such default, then Lender may, at its option, declare all outstanding sums owed on this Note to be immediately due and payable.

This includes rights of possession to the Security mentioned in Section 3.

8. ATTORNEYS' FEES AND COSTS. Borrower shall pay all costs incurred by Lender in collecting sums due under this Note after a default, including reasonable attorneys' fees. If Lender or Borrower sues to enforce this Note or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.

9. WAIVER OF PRESENTMENTS. Borrower waives presentment for payment, notice of dishonor, protest and notice of protest.

10. NON-WAIVER. No failure or delay by Lender in exercising Lender's rights under this Note shall be considered a waiver of such rights.

11. SEVERABILITY. In the event that any provision herein is determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other provision, all of which shall remain in full force and effect.

12. INTEGRATION. There are no verbal or other agreements which modify or affect the terms of this Note. This Note may not be modified or amended except by a written agreement signed by Borrower and Lender.

13. CONFLICTING TERMS. The terms of this Note shall have authority and precedence over any conflicting terms in any referenced agreement or document.

14. NOTICE. Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be made to the parties at the addresses listed below.

15. GUARANTORS. If the borrower is a business entity, the owners of said entity must personally guarantee this loan.

The names of the owners and personal guarantors are:
(add additional sheet if more room is needed)

_____,

referred to as the "Guarantors", agrees to the liabilities and obligations on behalf of the Borrower under the terms of this Note. If the Borrower does not make payment, the Guarantors shall be personally responsible

and is guaranteeing the payment of the principal, late fees, and all accrued interest under the terms of this Note.

16. EXECUTION. The Borrower executes this Note as a principal and not as a surety. If there is a Co-Signer, the Borrower and Co-Signer shall be jointly and severally liable under this Note.

17. GOVERNING LAW. This note shall be governed under the laws in the State of Nevada.

IN WITNESS WHEREOF, the undersigned Borrower and Guarantors(s) have signed this Note as of the date first set forth above.

WITNESS:

Borrower: _____

Witness Signature

By:

Name:

Title:

Print Witness Name and Home Address

WITNESS:

Guarantor: _____

Witness Signature

By:

Name

Print Witness Name and Home Address



**TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 14
PROMISSORY NOTE – STANDARD FRANCHISE
FEE WITH CAPITAL FUNDING**

**[IF EXECUTED, THE ORIGINAL SIGNED AND WITNESSED
DOCUMENT MUST BE SENT TO FRANCHISOR'S
HEADQUARTERS]**

**FRANCHISE FEE STANDARD PROMISSORY NOTE FOR
INITIAL FRANCHISE FEES AND CAPITAL FUNDING**

1. THE PARTIES.

On [Date] _____, 20_____ (Borrower Name)
_____ of (Borrower Address)
_____ referred to as the "Borrower",

HAS RECEIVED AND PROMISES TO PAY: Toro Taxes Franchise LLC, (or its successors or assigns) of 6130 Elton Ave, Las Vegas, Nevada, 89107, referred to as the "Lender", the sum of \$ _____ US Dollars (Print amount) _____ US Dollars, referred to as the "Borrowed Money", plus a processing fee of \$1,990.00 (One Thousand Nine Hundred and Ninety Dollars) US Dollars, for a TOTAL AMOUNT DUE of \$ _____ US DOLLARS (Print amount) _____ US Dollars with interest accruing on the unpaid balance at a rate of Eleven and Nine-Tenths Percent (11.9%) per annum, referred to as the "Interest Rate", beginning on (One month before first payment due) _____, 20_____ under the following terms and conditions:

2. PAYMENTS. The full balance of this Note, including any accrued interest and late fees, is due and payable on (Final Payment Date) _____, _____ referred to as the "Due Date". The Borrowed Money shall be repaid via installments every month in the following schedule:

The Borrowed Money shall be repaid via installments on the first of every month beginning on (Date of first payment) _____ with any remaining balance payable on the Due Date.

If the Lender does not receive payment on-time for any installment there shall be a late payment fee of \$50 (US Dollars) every day payment is late.

In addition, money that is not paid on-time for any installment will be charged an Interest Rate of Eleven and Nine-Tenths Percent (11.9%) per annum beginning the day payment was due and ending when the payment is made.

3. SECURITY. This note shall be secured under the following:

The Borrower agrees to provide their Toro Taxes Franchise rights, the purpose for which this loan was issued, and all related business assets including but not limited to office equipment, lease, phone numbers and customer base., referred to as the "Security", which shall transfer to the possession and ownership of the Lender IMMEDIATELY if this Note should be in default. The Security may not be sold or transferred without the Lender's consent during the course of this Note. If the Borrower breaches this provision, Lender may declare all sums due under this Note immediately due and payable, unless prohibited by applicable law.

If the Borrower defaults under this Note the Lender shall have the right to obtain ownership and possession of the Security. The Lender shall have the sole-option to accept it as full payment for the Borrowed Money without further liabilities or obligations. If the market value of the Security does not exceed the Borrowed Money, the Borrower shall remain liable for the balance due while accruing interest at the maximum rate allowed by law.

4. INTEREST DUE IN THE EVENT OF DEFAULT. In the event the Borrower fails to pay the note in full on the Due Date, the unpaid principal shall accrue interest at a rate equal to the lesser of Eleven and Nine-Tenths Percent (11.9%) or at the maximum rate allowed by law until the Borrower is no longer in default.

5. ALLOCATION OF PAYMENTS. Payments shall be first credited to any late fees due, then to interest due and any remainder will be credited to principal.

6. PREPAYMENT. Borrower may prepay this Note without penalty.

7. ACCELERATION. If the Borrower is in default under this Note or is in default under another provision of this Note, and such default is not cured within the minimum allotted time by law after written notice of

such default, then Lender may, at its option, declare all outstanding sums owed on this Note to be immediately due and payable.

This includes rights of possession to the Security mentioned in Section 3.

8. ATTORNEYS' FEES AND COSTS. Borrower shall pay all costs incurred by Lender in collecting sums due under this Note after a default, including reasonable attorneys' fees. If Lender or Borrower sues to enforce this Note or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.

9. WAIVER OF PRESENTMENTS. Borrower waives presentment for payment, notice of dishonor, protest and notice of protest.

10. NON-WAIVER. No failure or delay by Lender in exercising Lender's rights under this Note shall be considered a waiver of such rights.

11. SEVERABILITY. In the event that any provision herein is determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other provision, all of which shall remain in full force and effect.

12. INTEGRATION. There are no verbal or other agreements which modify or affect the terms of this Note. This Note may not be modified or amended except by a written agreement signed by Borrower and Lender.

13. CONFLICTING TERMS. The terms of this Note shall have authority and precedence over any conflicting terms in any referenced agreement or document.

14. NOTICE. Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be made to the parties at the addresses listed below.

15. GUARANTORS. If the borrower is a business entity, the owners of said entity must personally guarantee this loan.

The names of the owners and personal guarantors are:
(add additional sheet if more room is needed)

_____,

referred to as the "Guarantors", agrees to the liabilities and obligations on behalf of the Borrower under the terms of this Note. If the Borrower does not make payment, the Guarantors shall be personally responsible and is guaranteeing the payment of the principal, late fees, and all accrued interest under the terms of this Note.

16. EXECUTION. The Borrower executes this Note as a principal and not as a surety. If there is a Co-Signer, the Borrower and Co-Signer shall be jointly and severally liable under this Note.

17. GOVERNING LAW. This note shall be governed under the laws in the State of Nevada.

IN WITNESS WHEREOF, the undersigned Borrower and Guarantors(s) have signed this Note as of the date first set forth above.

WITNESS:

Borrower: _____

Witness Signature

By:

Name:

Title:

Print Witness Name and Home Address

WITNESS:

Guarantor: _____

Witness Signature

By:

Name

Print Witness Name and Home Address



**TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 15
SECURITY AGREEMENT**

SECURITY AGREEMENT

This Security Agreement (“Security Agreement”) is made as of _____, between _____ (“Debtor”), and Toro Taxes Franchise, L.L.C (“Secured Party”).

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Debtor grants to Secured Party a security interest including inventory, accounts, supplies, contracts, and proceeds and products of all those assets and any and all amendments thereto to which Debtor and/or any Co-Debtors may be entitled pursuant to any franchise agreement entered into with Secured Party, together with all such rights and property hereafter acquired by Debtor and Co-Debtors; and all general intangibles (collectively, the “Collateral”) as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto). The Collateral described herein falls within the scope of the Uniform Commercial Code enacted in Nevada. The foregoing Collateral is granted to Secured Party as security for (i) the prompt payment of any promissory notes executed by Debtor in favor of Secured Party, and any renewals, compromises, extensions, modifications, accelerations or other changes in the time for performance or other terms (the “Notes”), and (ii) performance under any franchise agreements between Debtor and Secured Party, as the same may be amended (the “Franchise Agreements”), and (iii) all other agreements between Debtor and Secured Party.

SECTION 1 -- DEBTOR’S OBLIGATIONS. Debtor agrees to the following:

(a) Debtor will properly maintain and care for the Collateral and will not remove the Collateral from the Franchised Business (as defined in the Franchise Agreements).

(b) Debtor will notify Secured Party in writing prior to any change in the location of Debtor’s Franchised Business;

(c) Debtor has not executed and will not execute as Debtor any security agreement or financing statement covering any of the Collateral except with Secured Party, nor will Debtor pledge or encumber the Collateral, or allow any lien to be placed against the Collateral, whether voluntary or involuntary;

(d) Debtor represents and warrants to Secured Party that the Collateral shall not become collateral for any other obligations previously incurred, nor collateral under any other security agreement(s) previously executed by Debtor; and

(e) Debtor will not sell, contract for sale or otherwise dispose of any of the Collateral except in the ordinary course of business.

SECTION 2 -- DEFAULTS. Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events or conditions (an “Event of Default”):

(a) The failure by Debtor to pay any amount when due under the terms and provisions of the Notes (after applicable grace periods, if any); or

(b) Debtor's breach of any term, provision, warranty or representation set forth in this Security Agreement or in the Franchise Agreements, or in any other agreement between Debtor and Secured Party; or

(c) The making of any levy on, or seizure or attachment of, any of the Collateral, if such levy, seizure or attachment is not set aside within 15 days; or

(d) The dissolution, termination of existence or insolvency of Debtor; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor; or

(e) Any guarantor, surety or endorser for Debtor defaulting in any obligation or material liability to Secured Party, if Debtor does not cure the default within 5 days of receiving written notice.

SECTION 3 -- REMEDIES AFTER DEFAULT.

(a) If an Event of Default occurs, in addition to all other rights and remedies given Secured Party under any and all agreements by and among Secured Party, Debtor and/or Debtor's guarantors, or otherwise by law, may do one or more of the following, without notice to or demand upon Debtor:

1) Declare all obligations secured by this Security Agreement immediately due and payable;

2) Enforce the security interest given under this Security Agreement and otherwise exercise the rights of a secured creditor provided under the laws of the state in which the Store or Kiosk is located;

3) Require Debtor to assemble the Collateral and make it available to Secured Party;
and/or

4) Enter any office or offices of Debtor and take possession of the Collateral and of the records pertaining to the Collateral.

(b) Secured Party may apply the proceeds of any disposition of Collateral available for satisfaction of Debtor's indebtedness, which shall include the reasonable expenses of such sale, in any order of preference that Secured Party, chooses in its sole discretion. Debtor shall remain liable for any deficiency.

SECTION 4 -- INSURANCE PROCEEDS. So long as no default exists under this Security Agreement, the proceeds of fire and casualty insurance covering the Collateral may be used by Debtor for the repair and restoration of the Office or Kiosk location (as such terms are defined in the Franchise Agreements).

SECTION 5 -- DUTIES OF SECURED PARTY. Secured Party's duties or responsibilities with reference to the Collateral shall be limited solely to the duties and responsibilities in this Security Agreement and Secured Party shall not be responsible in any way for the condition, depreciation or maintenance of the Collateral other than as described in this Security Agreement. Debtor shall pay when due all taxes, charges, liens and assessments against the Collateral.

SECTION 6 -- MISCELLANEOUS.

(a) Waiver. Any express or implied waiver of any provision of this Security Agreement and any delay or failure by Secured Party to enforce any provision of this Security Agreement shall not preclude Secured Party from later enforcing any such provision.

(b) Governing Law. This Security Agreement shall be governed by and construed according to the laws of the State of Nevada.

(c) Remedies. All rights and remedies provided in this Security Agreement are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude its further exercise or the exercise of any other right or remedy.

(d) Financing Statement. At the same time this Security Agreement is signed, Secured Party will file a UCC-1 Financing Statement with the Secretary of State in the state of formation (or residence if a sole proprietor) of the Debtor or other appropriate governmental authority to perfect the security interest created by this Security Agreement. Debtor will sign such other documents as Secured Party may reasonably require to perfect its security interest in the Collateral.

(e) Notices. In the event either party desires to give notice to the other with regard to this Security Agreement, the notice shall be in writing and may be hand delivered, express mailed, or sent by certified or registered mail. Mailed notices as provided under this Security Agreement shall be deemed to be given two (2) days after they are sent. Such notices shall be sent to the address provided for such party in the Franchise Agreements, unless a party gives notice of a change of its address.

(f) Successors in Interest. This Security Agreement shall inure to the benefit of, and be binding upon, the successors in interest of the parties hereto.

(g) Amendments. This Security Agreement may only be amended by a writing signed by both parties.

(h) Entire Agreement. This Security Agreement constitutes the entire agreement between the parties regarding the matters discussed in this Security Agreement, all representations or understandings, whether oral or written, having been incorporated or otherwise superseded by this Security Agreement.

(i) Facsimiles. Facsimile or electronic copies of this Security Agreement shall be deemed to have the same force and effect as the original and shall be fully binding on all parties.

THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE DEBTOR REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE DEBTOR TO THE TERMS OF THIS SECURITY AGREEMENT.

WHEREFORE, the parties have signed this Security Agreement effective as of the date set forth above.

DEBTOR:

By: _____

Name: _____

Title: _____

Date: _____

SECURED PARTY:

By: _____

Name: _____

Title: _____

Date: _____



**TORO TAXES FRANCHISE AGREEMENT
EXHIBIT 16
BUSINESS DIVISION SERVICES ADDENDUM**

Toro Taxes Business Division Services Addendum

BETWEEN TORO TAXES FRANCHISE, L.L.C AND _____

THIS ADDENDUM TO TORO TAXES FRANCHISE, L.L.C FRANCHISE AGREEMENT (this “Addendum”) is attached to and incorporated into the Toro Taxes Franchise Agreement dated _____ by and between Toro Taxes Franchise, L.L.C, a Nevada limited liability company with a principal place of business located at 6130 Elton Avenue Las Vegas, Nevada 89107 (the “Franchisor”) and _____, a _____ [State of Formation] _____ [entity type] with a principal place of business located at _____ (hereinafter collectively referred to as “Franchisee”).

RECITALS

WHEREAS, on or about [date of Franchise Agreement], Franchisee and Franchisor have entered into a Toro Tax Franchise Agreement, (individually and collectively referred to as the “Franchise Agreement”);

WHEREAS, Franchisee has requested, for the benefit of Franchisee, certain modifications to the Franchise Agreement, as set forth in this Addendum.

NOW THEREFORE Franchisor and Franchisee agree as follows:

1. **Addendum Governs.** Except as expressly provided herein, the terms and conditions of the Franchise Agreement will govern the relationship of the parties to this Addendum. To the extent that the terms of this Addendum are inconsistent with any of the terms or conditions of the Franchise Agreement, the terms of this Addendum shall take precedence and govern.
2. **Capitalized Terms.** Capitalized terms used in this Addendum but not defined in this Addendum shall have the meaning(s) given such term(s) in the Franchise Agreement.
3. **Business Division Services.** Franchisee has requested to offer Business Division Services and Franchisor has approved such request, in consideration of Franchisee’s payment of a \$999 (the “Initial Business Division Services Software Fee”) prior to the offering of the Business Division Services. Franchisee shall have the right to offer Business Division Services under the Franchise Agreement until the expiration or termination of the Franchise Agreement or this Addendum. Within 10 days of the receipt of the Initial Business Division Services Software Fee, Franchisor shall provide Franchisee with access to the Business Division Software Fee. Franchisor reserves the right to change, remove or otherwise modify the nature of Business Division Services and or the software provided for the Business Division Services (the “Business Division Services Software”). Franchisee acknowledges that the Royalty Fees and Advertising Contributions for Business Division Services set forth in the Franchise Agreement shall be due throughout the term of the Franchise Agreement on any Business Division Services products and services sold by Franchisee.
4. **Annual Business Division Services Fee.** Franchisee agrees that Franchisee’s right to offer the Business Division Services is contingent upon Franchisee’s use of the Business Division Services Software. Franchisee shall pay the then-current software fee by March 10 of each year of the Term of the Franchise Agreement following its execution of this Addendum unless the rights granted under this addendum are terminated prior to the termination or expiration of the Franchise Agreement. The Annual Business Division Services Fee is non-refundable. The Annual Business Division Services Fee shall be due on March 10 regardless of the date of the Initial Business Division Services Fee and represents payment for then-current version of the Business Division Services Software.

4. **Termination of Business Division Services.** Franchisor may terminate Franchisee’s right to offer the Business Division Services under this Addendum upon 30 days’ notice if Franchisee fails to pay the Annual Business Division Services or its Business Division Services Royalty or other fees relating to the Business Division Services and fails to cure such non-payment within the 30 day cure period. Franchisee may terminate its right to offer the Business Division Services upon 30 day notice to Franchisee.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Addendum effective as of the day and year first above written.

Franchisor:
Toro Taxes Franchise, L.L.C

Franchisee:

By: _____

Franchisee Signature

Title

Name (please print)



FRANCHISE DISCLOSURE DOCUMENT

**EXHIBIT F
LIST OF FRANCHISEES**

Franchisees			
State	Business Address	Franchisee	Phone Number
Arizona	5039 W. Olive Avenue Glendale, AZ 85302	J Rod Enterprises	512-589-9470
	7414 N 51 ST. Glendale, AZ 85301	J Rod Enterprises	512-589-9469
	5832 W San Miguel Avenue, Ste 4 Glendale, AZ 85301	LP Servicios Comunitarios	801-828-2745
	1616 E Main Street, Suite 105 Mesa, AZ 85203	Mandi Miranda	602-570-5499
	6402 S Central Avenue Phoenix, AZ 85042	Arizona Expansion Investments, LLC	602-397-5329
	7611 W Thomas Road, Suite 8003 Phoenix, AZ 85042	Toro Tax Services, LLC	623-850-0029
	2747 W McDowell Road Phoenix, AZ 85009	Toro Tax Services LLC AZ2	602-903-0044
	10640 N 28 th Drive, Suite C103 Phoenix, AZ 85029	Delfin Taxes LLC	623-206-1228
	3602 W Bethany Home Road Phoenix, AZ Z 85019	Yanet Perchez	623-498-0886
	508 B Archibald St. San Luis, AZ 85349	Arizona Expansion Investments, LLC	702-816-0181
	1215 West 8 th Street Yuma, AZ 85364	Arizona Expansion Investments, LLC	702-728-0294
	2990 N Litchfield Rd, Unit 18 Goodyear, AZ 85395	Blanca Lomeli	623-792-0015
	California	6810 Eastern Avenue, Suite K Bell Gardens, CA 90201	Maria Lares
5623 Whitter Blvd Commerce CA 90022		Victor Manuel Loyola Verduzco	323-230-7707
510 Main Street El Centro, CA 942243		Diana Lugo	760-679-7677
2400 E Florence Avenue Huntington Park, CA 90255		Madrid's Family	323-879-6490
4373 South Vermont Avenue Los Angeles, CA 90037		Terrazas, LLC	213-600-9391
1457 E Florence Avenue Avenue #115 Los Angeles, CA 90001		Jessica Toro	702-984-8033
1890 S Western Avenue Los Angeles, CA 90006		Jessica Toro	702-984-8033
2417 E Cesar E Chavez Avenue Los Angeles CA 90033		Jessica Toro	702-984-8033
24525 Alessandro Blvd #C Moreno Valley CA 92553		Kevin Ramos	951-200-3416
12773 Van Nuys Blvd Pacoima, CA 91331		Downer LLC	818-455-2474
2560 N Perris Blvd Perris CA 92571		Madrid's Family	951-916-4744

	1503 South Garey Avenue Pomona, CA 91766	Madrid's Family	909-212-0411
	1788 University Avenue Suite 116 Riverside CA 92507	Juan Cazares	951-200-3490
	459 S Capitol Avenue San Jose, CA 95127	Mayra's Services Inc	408-784-2555
	8116 Long Beach Blvd South Gate CA, 90280	Maria Lares	323-879-6476
	315 Lincoln Blvd Venice, CA 90291	Victor Manuel Loyola Verduzco	310-504-1838
	890 Sunset Drive, #D1B Hollister, CA 95023	Silvia Paloma Perez Delgado	408-889-6209
Colorado	5047 W 64 TH Avenue Arvada, CO 80003	Celsa Arbaiza / Joyce Flores	720-242-9831
	5068 Federal Blvd. Arvada, CO 80003	Multiservices Yami	720-379-8130
	13470 E Mississippi Avenue Aurora, CO 80012	Doris Chanta	720-548-2692
	1555 S Havana St. Unit S Aurora, CO 80012	Tax Amigos, LLC	720-629-7001
	1345 Jamaica Aurora, CO 80010	Maribel Estrada	720-439—7786
	1701 Chambers Rd. Unit 1 Aurora, CO 80011	Maribel Estrada And Celsa Arbajza	720-296-0584
	1350 Chamber Rd, Unit 2016 Aurora, CO 80011	Mario Chanta	720-633-1832
	201 S Wilcox Street Castle Rock, CO 80104	Miriam Rodriguez	720-317-6877
	6755 E 72 nd Avenue Commerce City, CO 80022	Adela De La Vega	719-602-7759
	2730 S Wadsworth Unit A Denver CO, 80221	Mario Chanta	720-633-1831
	2200 S Federal Blvd. Unit 6 Denver, CO 80219	Sparkle, LLC	720-363-6791
	1407-B3 W 84 th Street, Avenue Denver, CO 80260	Cruz Tax Services	303-875-9141
	3090 S Federal Blvd, Denver, CO 80219	Rosa Sosa	720-459-8497
	3049 W Arkansas Avenue Denver, CO 80219	Rosa Sosa	305-507-4539
	4003 Morrison Road Denver, CO 80219	Treby's Taxes	303-934-2867
	4701 Peoria Street, Suite 102 Denver CO, 80239	Jazzy's Multiservices	303-574-0568
	1595 W 48 th Avenue Denver, CO 80012	Joana Cecilia Rivera	704-746-9230
	435 14 th Avenue Greeley, CO 80631	Belky Enriquez	970-518-5508

	1360 W Littleton Blvd. Unit H Littleton, CO 80210	Adrian Solis	720-239-1161
	81 W 84 th Avenue Unit 160 Thornton, CO 80260	Jaqueline Sosa	603-756-6344
	3019 W 74 th Avenue Westminster, CO 80030	Alonso Rascon & Celsa Arbaiza	803-666-8571
	1295 E Brighton St Green Acres, CO80601	Guadalupe Angelica Juarez Ruiz	720-387-8250
	2544 Sheridan Blvd Lakewood, CO 80214	Carlos Alexander Gonzalez Leon	720-242-6775
Delaware	2205 N Dupont Hwy New Castle, DE 19720	Elsi Melo	347-923-1103
	110 N. Dupont Hwy New Castle, DE 19720	Ana Naranjo	214-717-4157
	2610 Eastburn Center Newark, DE 19711	Ana Naranjo	301-683-5450
	704 N Adams St. Wilmington DE 19801	Ana Naranjo	855-950-2495
Florida	5880 W 20 th Avenue Hialeah, FL 33016	Aats Of Florida	786-488-8405
	154 Hialeah Dr. Hialeah, FL 33010	Latintax Solutions LLC	786-558-9044
	7191 Taft Street Hollywood, FL 33024	Maria Pimiento	954-319-2553
	103400 Overseas Hwy Key Largo, FL 33037	Jacqueline Avila	786-200-0102
	9256 SW 40 TH Street Miami, FL 33015	Aats Of Florida	786-634-5860
	18600 NW 87 th Avenue #1085 Miami, FL 33015	Maria Pimiento	786-634-5859
	6276 Miramar Pkwy Miramar FL 33024	Toro Business Services Inc	305-842-0151
	404 Cypress Gardens Blvd Winter Haven, FL 33880	Mobile Taxes Express & Financial Services, LLC	863-268-4466
	8200 NW 41 St., Suite 315 Dorial, FL 33166	Victor Parra	786-201-8304
	18220 West Dixie Hwy North Miami Beach, FL 33160	Carolina Castro & Perla Marina Zabala Santos	786-327-8606
Georgia	425 Atlanta Hwy Gainesville, GA 30501	Tondandy, LLC	770-772-0060
	2003 Riverside Pkwy Lawrenceville, GA 30043	Tondandy, LLC	770-772-0060
	809 Rosewell St. Marietta, GA 30060	Tondandy, LLC	770-772-0060
	5720 Buford Hwy, Suite 309 Norcross, GA 30071	Tondandy LLC	770-772-0060
Illinois	4017 W 26 th St. Chicago, IL 60623	Celsa Arbaiza & Carla Gartner	844-707-9631
	4220 S Archer Avenue	Jazzis Multiservices	844-211-9034

	Chicago, IL 60632		
	1712 Ashland Avenue Chicago, IL 60608	Bidkar Camacho	817-587-9848
Kentucky	6900 Houston Road, Suite 42 Florence KY 41042	Aguilar Enterprises	855-852-0582
Maryland	1908 Forest Drive, Suite 2G Annapolis, MD 21401	Angel Hernandez	714-594-5389
	22010 Stone Pier Ln. Boys, MD 20841	Marina Rodriguez	301-481-9878
	130 B Comet Drive Centreville, MD 21617	Daniel Jeffers	817-952-6246
	5 Willowdale Dr. Suite B06 Frederick, MD 21702	Ana Gomez	301-378-8201
	17 North Summit Suite D Gaithersburg, MD 20877	Ana Gomez	801-217-9209
	790 Ashford Blvd Laurel, MD 20707	Pablo Buitrago	818-532-5883
	6103 Baltimore Avenue Suite 205 Riverdale, MD 20737	Rubymir Romero	855-622-8298
	6218 Rhode Island, Avenue Riverdale, MD 20737	Angel Hernandez	844-298-8972
	11230 Triangle Ln Silver Spring, MD 20902	Maria Jose Solis	801-559-7432
	6103 Baltimore Ave, Suite 2015 Riverdale, MD 20737	Romero, Rubymir	202-751-6602
Minnesota	4032 W County Rd W Savage, MN 55378	Mario Chanta	855-737-5639
Nevada	3220 Hwy 50 East Unit 5 Carson City, NV 89701	Toro Taxes Reno LLC	775-235-0497
	3300 S Decatur Blvd, Suite 12 Las Vegas, Nevada 89102	Cristina Firestone	702-981-8888
	840 N. Rainbow Blvd Las Vegas, Nevada 89107	Niocon Investments, LLC	702-675-8238
	4532 W Charleston Blvd Las Vegas, Nevada 89107	Maria Galindo	702-208-9976
	1221 N Decatur Suite A Las Vegas, Nevada 89145	Eulises Martinez & Karina Marcos	855-938-0967
	4250 S Rainbow Blvd #1007 Las Vegas, Nevada 89103	Maidelyn De La Paz	847-320-9063
	314 Vassar Street Reno, NV 89502	Toro Taxes Reno, LLC	847-737-4737
	2136 Prate Way Sparks, NV 89431	Felipe Garcia Mendez	775-600-9991
New Jersey	31D West Blackwell Avenue Dover, NJ 7801	Claudia Toro	866-781-0182
	169 Somerset Suite N Plainfield, NJ 7060	Heidy Herrera	844-673-2260
	328 Armore Avenue Trenton, NJ 8629	Yalira Castaneda	844-311-7253

	2300 Bergenline Avenue Union City, NJ 7087	Alba Villalobos	888-211-5807
	169 Somerset, Ste N Plainfield, NJ 07060	Heidy Herrera	929-278-8969
	31D West Blackwell Ave Dover, NJ 07801	Claudia Toro	862-258-6850
New York	2812 Fulton Street Brooklyn, NY 11207	Javier Solis	425-385-0449
	214 Cleveland Street Brooklyn NY 11208	Ivan Rosario	877-927-5213
	3249 Fulton Street Brooklyn, NY 11208	Javier Solis	844-263-6094
	3451 Fulton Street Brooklyn, NY 11208	Dorca Bello	480-526-9331
	3811 33 rd Street Long Island City, NY 11101	Nelly Sosa	929-396-0180
	7514 Jamaica Avenue Woodhaven, NY 11421	Iban Rosario & Emma Melendez	347-985-1400
	58 Sherman Avenue New York, NY 10040	Josue Nurse	803-272-4572
	94-21 Astoria Blvd Queens, NY 11369	Santa Antonio	844-922-0849
	852 Cypress Avenue Ridgewood, NY 11385	Ada Ruiz	253-204-3241
North Carolina	3017 West English Rd., Suite B High Point, NC 27262	Maryann Adams	310-909-8214
	1105 East Windover Avenue, Suite D Greensboro, NC 27405	Maryann Adams	703-596-1549
Oklahoma	3448 SW 29th St, Unit A Oklahoma City, OK 73119	Felipe Garcia Mendez	405-746-0825
Pennsylvania	2430 W Union Street Allentown, PA 18104	Jeremias Nivar	866-357-2281
	600 W Cypress Street Kennett Square, PA 19348	Elssy Melo	210-871-1274
	2904 N 5 th Street Philadelphia, PA 19133	Damian Luna	803-525-1281
	541 W. Butler Street Philadelphia, PA 19140	Vivian Camacho	919-759-5465
	4200 N American Street Philadelphia, PA 19140	Milagros Ortiz	832-702-3189
	5235 N. 5 th Street Philadelphia, PA 19120	Milagros Ortiz	623-777-2478
	157 E Lehigh Avenue Philadelphia, PA 19125	Luis Cordero	888-805-7377
	3334 N Front Street Philadelphia, PA 19140	Alberto Santos	844-486-6405
	5114 F Street Philadelphia, PA 19124	Irma Robles	805-395-4169

	3349 L Street Philadelphia, PA 19134	Vivian Camacho	844-936-1159
	1401 E Bristol St. Store #2 Philadelphia, PA 19124	Vivian Camacho	818- 960-1454
	6951 Roosevelt Blvd Philadelphia, PA 19149	Damian Luna	512-402-6162
	4252 Whitaker Avenue Philadelphia, PA 19124	Alberto Santos	267-368-9966
Texas	1829 Montana Avenue El Paso, TX 79902	El Paso Expansion Group, LLC	915-316-4226
	424 Yarbrough Drive, Suite A El Paso, TX 79915	El Paso Expansion Group, LLC	915-205-1117
	5640 Montana Avenue El Paso, TX 79925	Miriam Marrufo	915-307-6143
	105 E Father Rahm Avenue El Paso, TX 79901	El Paso Expansión	915-206-2663
	1201 N Zaragoza Rd #129 El Paso, TX 79907	El Paso Expansión	915-288-2003
	6277 Bissonnet Street Houston, TX 77081	Luis Cruz	610-463-0991
	6128 Gulfton Street Houston, TX 77081	Luis Cruz	713-489-5897
	140 N Kenazo, Ste E Horizon, TX 79928	Miriam Marrufo	915-307-6143
	1817 W 22nd & N County W Odessa, TX 79764	Miriam Marrufo	915-307-6143
	7100 Doniphan, Ste H Anuttilo, TX 79835	Miriam Marrufo	915-307-6143
	3705 Ryan Ave Forth Worth, TX 76110	Anand Kumar	817-988-8331
Utah	757 West Telegraph Street, Suite #128 Washington, UT 84780	Mariah Leyva	702-940-9662
Virginia	901 S Highland St., Suite 335 Arlington, VA 22204	Pablo Rivera	866-784-0079
	10 Rodman Road Richmond, VA 23234	Atf Tax LLC	818-975-3760
Washington	6325 Evergreen Way, Suite #3 Everette, WA 98203	Washington Expansion Group	844-332-1921
	409 3 rd Avenue S Kent, WA 98032	Jazzis Multi Services	859-903-0855
	13607 Ambaum Blvd SW Seattle, WA 98166	Jazzis Multi Services	206-693-4856
	4619 Pacific Avenue, Suite B Tacoma, WA 98408	Washington Expansion Group	951-476-1827
	907 ½ S 1 ST Avenue Yakima, WA 98902	Washington Expansion Group	303-574-0568
Wisconsin	7447 W Greenfield Avenue West Allis, WI 53214	Yesenia Carillo	920-542-6194



FRANCHISE DISCLOSURE DOCUMENT

**EXHIBIT G
LIST OF FRANCHISEES THAT HAVE LEFT THE
SYSTEM**

Franchisees That Have Left The System			
State	Business Address	Franchisee	Phone Number
Colorado	2959 W 72nd Ave Westminister, CO 80030	Rosa Sosa	702-385-5509
Nevada	4700 Meadows Lane Suite 130 Las Vegas, Nevada 89107	Jennie Inguanzo	702-822-6244
	5514 Camino Al Norte Suite A4 North Las Vegas, Nevada 89031	Jennie Inguanzo	702-960-4515
	2501 East Lake Mead Blvd. North Las Vegas, Nevada 89030	Adolfo Barrios	702-919-7965
New Mexico	4530 Montana Avenue, Suite A, El Paso, Texas 79903	Julio Gonzalez	n/a
Texas	12135 Montwood Drive El Paso, Texas 79936	El Paso Expansion Group, LLC	915-205-1135
	4700 Montana Avenue El Paso, Texas 79903	El Paso Expansion Group, LLC	915-205-1115
	5070 Doniphan Drive, Suite C El Paso, Texas 79932	El Paso Expansion Group, LLC	915-205-1086
	8825 North Loop #129 El Paso, Texas 79907	El Paso Expansion Group, LLC	915-307-2969
	8838 Viscount Blvd. Suite J El Paso, Texas 79925	El Paso Expansion Group, LLC	915-205-1027
	5140 Fairbanks Drive El Paso, Texas 79924	El Paso Expansi3n	915-267-3428
Washington	14235 Ambaum Blvd. SW Burien, Washington 98166	Jazzy's Multiservices	206-241-0304
	4314 e Portland Ave Ste 3 Tacoma, Washington 98404	Jazzy's Multiservices	253-235-4019
Wisconsin	2074 South Muskegog Avenue Milwaukee, Wisconsin 53204	Jazzy's Multiservices	414-484-1189



FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT H
STATE SPECIFIC ADDENDUM

CALIFORNIA DISCLOSURE
CALIFORNIA ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

- a. 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 DISCLOSURE DOCUMENT.
- b. The franchisor, any person or franchise broker in Item 2 of the FDD is not 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 such persons from membership in such association or exchange.
- c. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
- d. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 *et seq.*).
- e. The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
- f. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- g. The franchise agreement requires binding arbitration. The arbitration will occur in Nevada with the costs being borne by the franchisee and franchisor. Prospective franchisees 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.
- h. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professional 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.
- i. The franchise agreement requires application of the laws of the State of Nevada. This provision may not be enforceable under California law.
- j. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
- k. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 Through 31516).

Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043.

- l. ITEM 6: The highest interest rate allowed by law in the State of California is 10% percent. We will not charge higher than an interest rate above 10% percent.
- m. ITEM 17: California Business and Professions Code Sections 2000 to 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
- n. The following URL address is for the franchisor's website: www.torotaxes.com.
- o. Non-competes are void in the State of California.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPL.CA.GOV.

CONNECTICUT DISCLOSURE
CONNECTICUT ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES:

Item 3, "Litigation", Item 3 is hereby supplemented by the addition of the following statements incorporated at the beginning of the Item 3:

- a. Neither the Franchisor nor any person identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.
- b. Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the 10 year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.
- c. Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or

deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

d. Neither Company nor any person identified in ITEM 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange.

Item 4, “Bankruptcy”. Item 4 is hereby supplemented by the addition of the following statements incorporated at the beginning of the Item 4:

No entity or person listed in Items 1 and 2 of this Disclosure Document has, at any time during the previous 10 fiscal years (a) filed for bankruptcy protection, (b) been adjudged bankrupt, (c) been reorganized due to insolvency, or (d) been a principal, director, executive officer or partner of any other person that has so filed or was adjudged or reorganized, during or within one year after the period that the person held a position with the other person.

HAWAII DISCLOSURE
HAWAII ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

ADDITION TO EXHIBIT “I” FDD RECEIPT

The Receipt for this Disclosure Document (Exhibit “I”) is supplemented to add the following:

1. THIS FRANCHISE 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.
2. 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 DAYS BEFORE THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.
3. THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND 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.

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ILLINOIS DISCLOSURE
ILLINOIS ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

Illinois law governs the agreements between the parties to this franchise.

In conformance with Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any other law of Illinois is void.

INDIANA DISCLOSURE
INDIANA ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES:

a. Item 8, “Restrictions on Sources of Products and Services”, Item 8 is hereby amended and supplemented by the addition of the following disclosure:

Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

b. Item 6, “Other Fees” and Item 9, “Franchisee’s Obligations”, are hereby amended and supplemented, as follows:

The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee’s reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

c. Item 17, “Renewal, Termination, Transfer and Dispute Resolution.” Item 17 is hereby amended and supplemented, as follows:

Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

- Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

- ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.
- ITEM 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.
- ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

MARYLAND DISCLOSURE
MARYLAND ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES:

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17 is hereby amended and supplemented, as follows:

- (a) The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- (b) A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- (c) Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- (d) In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.
- (e) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

MICHIGAN DISCLOSURE
MICHIGAN ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES:

- a. 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.
 - i) A prohibition of your right to join an association of Franchisees.

ii) A requirement that you assent to a release, assignment, novation, waiver or estoppel that deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

iii) A provision that permits us to terminate a franchise before the expiration of this term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure.

iv) A provision that permits us to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than 5 years, and (b) you are prohibited by the franchise agreement 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 you do not receive at least 6 months advance notice of our intent not to renew the franchise.

v) A provision that permits us 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.

- A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.
 - The fact that the proposed transferee is our or Sub-franchisor's competitor.
 - The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - Your or proposed transferee's failure to pay us any sums or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
 - A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us 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 us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in ITEM 17 (g).

- A provision that permits us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to you unless a provision has been made for providing the required contractual services.

b. If our most recent financial statements are unaudited and show a net worth of less than \$100,000.00, you may request that we arrange for the escrow of initial investment and other funds you paid until our obligations, if any, to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At our option, a surety bond may be provided in place of escrow.

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

d. Any questions regarding this notice should be directed to: State of Michigan, Consumer Protection Division, Attention: Franchise Bureau, 670 Law Building, Lansing, MI 48913; telephone number (517) 373-3800.

MINNESOTA DISCLOSURE
MINNESOTA ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

ADDITIONAL RISK FACTORS:

1. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

2. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

AMENDMENT OF FDD DISCLOSURES:

a. Item 13, “Trademarks”, Item 13 is hereby supplemented and amended by the inclusion of the following:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the marks in the manner authorized by us, and so long as we are timely

notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

b. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17 is hereby amended and supplemented, as follows:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 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) and 180 days’ notice of non-renewal of the Agreement.

- ITEM 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
- Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise 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.

**NEW YORK DISCLOSURE
NEW YORK ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document**

ADDITIONAL RISK FACTORS

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. 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 FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 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, antifraud, or securities law;

fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the 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; or 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 is subject to a currently effective injunctive 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 a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-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 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend**,” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by franchisor**”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA DISCLOSURE
NORTH DAKOTA ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES:

a. Item 5, “Initial fees”, is hereby amended and supplemented, as follows:

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

b. Item 6, “Other Fees”, is hereby amended and supplemented, as follows:

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

c. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17 is hereby amended and supplemented, as follows:

- Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
- Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
- Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
- Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee’s business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee’s place of business.
- Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.
- Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.
- Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
- Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

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RHODE ISLAND DISCLOSURE
RHODE ISLAND ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES:

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17 is hereby amended and supplemented, as follows:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.
- Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

VIRGINIA DISCLOSURE
VIRGINIA ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17.h. is hereby amended and supplemented, as follows:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in Toro Taxes Franchise Agreement do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON STATE DISCLOSURE
WASHINGTON ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

AMENDMENT OF FDD DISCLOSURES:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or

proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

WISCONSIN DISCLOSURE
WISCONSIN ADDENDUM
Toro Taxes Franchise, L.L.C Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is hereby amended and supplemented, as follows:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

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STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT



**HAWAII
FRANCHISE AGREEMENT AMENDMENT
TO TORO TAXES FRANCHISE AGREEMENT**

In recognition of the requirements of the Hawaii Franchise Investment Law, the parties to the attached Toro Taxes Franchise, L.L.C Franchise Agreement (the "Agreement") agree as follows:

1. Under Article 14.C of the Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 14.C(6) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

(6) The transferor and its owners and Owners must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, Franchisor's affiliates and past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on or before the effective date of the Transfer; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this subarticle contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

2. Under Article 15.D of the Agreement, under the heading "Conditions for Renewal," the subarticle 15.D(5) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

(5) Franchisee and the Owners must execute the general release, attached hereto as Exhibit 10 releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders - If precluded by law from giving a general release, Franchisee shall execute an estoppel statement -; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this subarticle contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

3. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Hawaii State amendment to the Toro Taxes Franchise, L.L.C Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:

Toro Taxes Franchise, L.L.C

Franchisee:

By: _____

Title

Franchisee Signature

Name (please print)

Franchisee Signature

Name (please print)



**ILLINOIS
FRANCHISE AGREEMENT AMENDMENT
TO TORO TAXES FRANCHISE AGREEMENT**

Illinois law governs the agreements between the parties to this franchise.

In conformance with Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any other law of Illinois is void.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Illinois amendment to the Toro Taxes Franchise, L.L.C Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:
Toro Taxes Franchise, L.L.C

Franchisee:

By: _____

Franchisee Signature

Title

Name (please print)

Franchisee Signature

Name (please print)



**MARYLAND
FRANCHISE AGREEMENT AMENDMENT
TO TORO TAXES FRANCHISE AGREEMENT**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Toro Taxes Franchise, L.L.C Franchise Agreement (the "Agreement") agree as follows:

1. Under Article 14.C of the Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 14.C(6) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

(6) The transferor and its owners and Owners must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, Franchisor's affiliates and past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on or before the effective date of the Transfer; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of the Maryland Franchise Registration and Disclosure Law and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Maryland Franchise Registration and Disclosure Law be satisfied.

2. Under Article 15.D of the Agreement, under the heading "Conditions for Renewal," the subarticle 15.D(5) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

(5) Franchisee and the Owners must execute the general release, attached hereto as Exhibit 10 releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders - If precluded by law from giving a general release, Franchisee shall execute an estoppel statement -; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of the Maryland Franchise Registration and Disclosure Law and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Maryland Franchise Registration and Disclosure Law be satisfied.

3. Article 18.G. of the Agreement, under the heading "Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction," shall be amended by the addition of the following statement added to Article 18.G.:

; except to the extent otherwise prohibited by Maryland Law.

4. Article 18.I. of the Agreement, under the heading "Limitations of Claims," shall be amended by the addition of the following statement added to Article 18.I.:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. Article 18 of the Agreement, under the heading "Enforcement and Construction," shall be supplemented by the addition of the following new subarticle 18.T.:

18.T Nothing in this Agreement should be considered a waiver of any right conferred upon franchisee by the Maryland Franchise Registration and Disclosure Law.

All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

A general release required as a condition of renewal, sale and/or assignment or transfer of a Franchise Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

8 Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Maryland amendment to the Toro Taxes Franchise, L.L.C Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:
Toro Taxes Franchise, L.L.C

Franchisee:

By: _____

Franchisee Signature

Title

Name (please print)



MINNESOTA
FRANCHISE AGREEMENT AMENDMENT
TO TORO TAXES FRANCHISE AGREEMENT

In recognition of the requirements of the Minnesota Statutes, Chapter 80C. and Minnesota Franchise Rules, Chapter 2860, the parties to the attached Toro Taxes Franchise, L.L.C Franchise Agreement (the "Agreement") agree as follows:

1. Under Article 14.C of the Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 14.C(6) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

(6) The transferor and its owners and Owners must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, Franchisor's affiliates and past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on or before the effective date of the Transfer; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days' notice of nonrenewal of this Agreement by Franchisor.

2. Under Article 15.D of the Agreement, under the heading "Conditions for Renewal," the subarticle 15.D(5) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

(5) Franchisee and the Owners must execute the general release, attached hereto as Exhibit 10 releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders - If precluded by law from giving a general release, Franchisee shall execute an estoppel statement -; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 180 days' notice of nonrenewal of this Agreement by Franchisor.

3. Under Article 11 of the Agreement, under the heading “Notice of Infringement and Claims,” the subarticle 11.C. shall be supplemented by the addition of the following:
Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee’s use of the Licensed Marks when, in the opinion of Franchisor’s counsel, Franchisee’s rights warrant protection pursuant to Article 11.E. of this Agreement.
4. Under Article 14 of the Agreement, under the heading “Conditions for Approval of Transfer,” the subarticle 14.C. shall be supplemented by the addition of the following:
Franchisor shall not unreasonably withhold consent to transfer the franchise agreement.
5. Under Article 16 of the Agreement, under the heading “Termination Upon Written Notice,” the subarticle 16.A(2). shall be supplemented by the addition of the following:
Article 16.A(2) will not be enforced to the extent prohibited by applicable law.
6. Under Article 16 of the Agreement, under the heading “Termination After Cure Period,” the subarticle 16.A(3)(d), shall be supplemented by the addition of the following:
Subarticle 16.A(3)(d) will not be enforced to the extent prohibited by applicable law.
7. Under Article 16 of the Agreement, under the heading “Termination After Cure Period,” the subarticle 16.A(3) is hereby amended to replace the “30” day cure period with “60” days and the following is added:
Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days’ notice of termination (with sixty days to cure) of this Agreement.
8. Article 18.F. of the Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.F.:
; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.
9. Article 18.G. of the Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.G.:
; except the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.
10. Article 18.K of the Agreement, under the heading “Waiver of Jury Trial”, shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 18.K.:
; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act.
11. Article 18.I. of the Agreement, under the heading “Limitations of Claims,” shall be supplemented by the addition of the following statement:
Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.
12. Article 18 of the Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.T.:
18.T Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Minnesota Franchise Act.

13. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Minnesota State amendment to the Toro Taxes Franchise, L.L.C Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:
Toro Taxes Franchise, L.L.C

Franchisee:

By: _____

Franchisee Signature

Title

Name (please print)

Franchisee Signature

Name (please print)



NEW YORK
FRANCHISE AGREEMENT AMENDMENT
TO TORO TAXES FRANCHISE AGREEMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Toro Taxes Franchise, L.L.C Franchise Agreement (the “Agreement”) agree as follows:

1. Under Article 14.C of the Agreement, under the heading “Conditions for Approval of Transfer,” the subarticle 14.C(6) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

(6) The transferor and its owners and Owners must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, Franchisor’s affiliates and past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, of any and all claims against Franchisor for matters arising on or before the effective date of the Transfer; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

2. Under Article 15.D of the Agreement, under the heading “Conditions for Renewal,” the subarticle 15.D(5) shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

(5) Franchisee and the Owners must execute the general release, attached hereto as Exhibit 10 releasing Franchisor, its affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, including, without limitation, claims arising under this Agreement under federal, state or local laws, rules, regulations, or orders - If precluded by law from giving a general release, Franchisee shall execute an estoppel statement; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

3. Article 18 of the Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.T.:

18.T Nothing in this Agreement should be considered a waiver of any right conferred upon franchisee by New York General Business Law, Sections 680-695.

4. There are circumstances in which an offering made by Toro Taxes Franchise, L.L.C would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if you are domiciled in New York or the Outlet will be opening in New York. Toro Taxes

Franchise, L.L.C is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York General Business Law, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this New York amendment to the Toro Taxes Franchise, L.L.C Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:
Toro Taxes Franchise, L.L.C

Franchisee:

By: _____

Franchisee Signature

Title

Name (please print)

Franchisee Signature

Name (please print)



**NORTH DAKOTA
FRANCHISE AGREEMENT AMENDMENT
TO TORO TAXES FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Toro Taxes Franchise Agreement (the “Agreement”), the following provisions shall supersede any inconsistent provisions and apply to Toro Tax Offices offered and sold in the state of North Dakota:

The North Dakota Addendum is only applicable if you are a resident of North Dakota or if your Toro Taxes outlet will be located within the State of North Dakota.

1. Article 14 of the Agreement is hereby amended by the addition of the following language:

Provisions requiring North Dakota franchisees to sign a general release upon renewal of the franchise agreement are not enforceable in North Dakota.
2. Article 16 of the Agreement is hereby amended by the addition of the following language:
Provisions requiring North Dakota Franchisees to consent to termination or liquidated damages are not enforceable in North Dakota.
3. Articles 6 and 17 of the Agreement is hereby amended by the addition of the following language:
Covenants not to compete such as those mentioned above are generally considered unenforceable in the state of North Dakota.
4. Article 18 of the Agreement is hereby amended by the addition of the following language:
Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota.
5. Article 18 of the Agreement is hereby amended by the addition of the following language:
For North Dakota Franchisees, North Dakota law shall apply.
6. Article 18 of the Agreement is hereby amended by the addition of the following language:
Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.
7. Article 18 of the Agreement is hereby amended by the addition of the following language:
Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.
8. Article 18 of the Agreement is hereby amended by the addition of the following language:
Provisions requiring a franchisee to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply.

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of North Dakota Law are met independently without reference to this amendment.

Franchisor:

Toro Taxes Franchise, L.L.C

Franchisee:

By: _____

Title

Franchisee Signature

Name (please print)

Franchisee Signature

Name (please print)



WASHINGTON STATE
FRANCHISE AGREEMENT AMENDMENT
TO TORO TAXES FRANCHISE AGREEMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Washington State amendment to the Toro Taxes Franchise, L.L.C Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:
Toro Taxes Franchise, L.L.C

Franchisee:

By: _____

Franchisee Signature

Title

Name (please print)

Franchisee Signature

Name (please print)



FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT I
STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<u>Effective Dates</u>	
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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FRANCHISE DISCLOSURE DOCUMENT

**EXHIBIT I
RECEIPTS**



TORO TAXES FRANCHISE, L.L.C
RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all the agreements carefully.

If Toro Taxes Franchise, L.L.C offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state administrator identified Exhibit A of this Disclosure Document. We authorize the respective state agencies identified in Exhibit B of this Disclosure Document to receive service of process for us in the particular state.

Issuance Date of this Disclosure Document: July 22, 2021

Our sales agents for this offering are:

Name(s): Nick Maldonado, Javier Solis and Oscar Toro
Address: 6130 Elton Avenue Las Vegas, Nevada 89107
Telephone Number: (702) 741-4444

The following individual and/or individuals are also sales agents for this offering:

[Other:] _____

I have received a disclosure document dated July 22, 2021 that contained the following Exhibits:

A. List of State Administrators	E. Franchise Agreement
B. List of Agents for Service of Process	F. List of Franchisees
C. Operations Manual Table of Contents	G. List of Franchisees Who Have Left the System
D. Financial Statements	H. State Effective Dates
E. Franchise Agreement	I. Receipts

PROSPECTIVE FRANCHISEE:

DATE RECEIVED (Must be Completed)

Authorized Signature

Name and Title (please print)



TORO TAXES FRANCHISE, L.L.C
RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all the agreements carefully.

If Toro Taxes Franchise, L.L.C offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate of ours in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the signing of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state administrator identified Exhibit A of this Disclosure Document. We authorize the respective state agencies identified in Exhibit B of this Disclosure Document to receive service of process for us in the particular state.

Issuance Date of this Disclosure Document: July 22, 2021

Our sales agents for this offering are:

Name(s): Nick Maldonado, Javier Solis and Oscar Toro

Address: 6130 Elton Avenue Las Vegas, Nevada 89107

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D. Financial Statements	H. State Effective Dates
E. Franchise Agreement	I. Receipts

PROSPECTIVE FRANCHISEE:

DATE RECEIVED (Must be Completed)

Authorized Signature

Name and Title (please print)