



FRANCHISE DISCLOSURE DOCUMENT

Toro Taxes Franchise, LLC
A Nevada limited liability company
6130 Elton Avenue
Las Vegas, Nevada 89107
Tel: (800) 867-6829
ContactUs@torotaxes.com
www.torotaxes.com

The franchise that we offer is for Toro Taxes, a business that provides services for the preparation and filing of income tax returns, and other products and services (each, a “Franchised Business” or “Office”). We offer individual unit Office franchises and area development franchises for the development of multiple Offices within a designated territory.

The total investment necessary to begin operation of a Toro Taxes Office under a franchise agreement is \$17,835 to ~~\$74,791,150~~. This includes \$5,000 to ~~\$35,400,000~~ that must be paid to the franchisor or its affiliates.

~~The total investment necessary to begin operation of a Toro Taxes Office under a multi-unit development agreement is \$37,835 to \$114,150. This includes \$5,000 to \$35,000 that must be paid to the franchisor or its affiliates, along with a \$10,000 development fee for each additional Office established under the multi-unit development agreement.~~

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 form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Nick Maldonado, Toro Taxes Franchise, LLC, 6130 Elton Avenue, Las Vegas, Nevada 89107, (800) 867-6829.

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, D.C. 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: ~~May 31, 2023~~ April 22, 2024

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 G and H. |
| 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 G and H 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 and multi-unit development~~ 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 spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Financial Condition.** The franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the franchisor's financial ability to provide services and support to you.
4. ~~**Unopened Franchises.** The Franchisor has signed a significant number of Franchise Agreements with franchisees who has not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.~~
5. ~~**Turnover rate.** During the last year, 16 outlets were terminated, not renewed, reacquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.~~
- 6.4. ~~**Unopened Franchises.**~~ The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also ~~may~~ experience delays in opening your own outlet.

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 five 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 six 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 Street
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

Toro Taxes®
Franchise Disclosure Document

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EXHIBITS

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- B. LIST OF AGENTS FOR SERVICE OF PROCESS
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- D. FINANCIAL STATEMENTS
- E. FRANCHISE AGREEMENT
- F. ~~MULTI-UNIT DEVELOPMENT AGREEMENT~~
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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Toro Taxes Franchise, LLC, the franchisor of the Toro Taxes franchise, 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 principal place of business is 6130 Elton Avenue, Las Vegas, Nevada 89107. We conduct business under our corporate name Toro Taxes Franchise, LLC and under Toro Taxes trade name. Our business is operating the Toro Taxes franchise system and granting franchises to third parties like you to develop and operate an Office. We began offering franchises as of July 22, 2021. 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, we do not conduct or operate a Franchised Business of the type to be operated by a franchisee, and we have not offered or sold franchises in any other line of business. We do not have a 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. Prior to October 2014, our prior predecessor, Toro Tax Services, Inc., 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, 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.

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 Disclosure Document, all outlets previously operating pursuant to a Los Taxes Franchise Corp. agreement (each a “Former Los Taxes Franchisee”) 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 Los Taxes Franchisee converting to the Toro Tax System, you will not conduct business directly with this affiliate.

The Franchised Business

We license a system (the “System”) for the operation of a Toro Taxes Office, a business that provides individual income tax preparation and filing services, financial and other value-added products and services for individuals including, but not limited to, bank products, audit protection, roadside assistance, and those products and services that we designate and require Toro Taxes businesses to exclusively offer (“Approved Services and Products”) provided on-site from a single fixed location (the “Office Location”) within a designated territory. If you participate in our business division service program (the “Business Division”) the Approved Services and Products for your Office will also include income tax preparation services,

bookkeeping, and related administrative services for businesses (the “Business Division Services”). If you participate in our insurance services program (the “Insurance Division”) the Approved Services and Products for your Office will also include life insurance services and related services for businesses (the “Insurance Division Services”). If you elect to participate in our Insurance Division and are approved by us, you may be required to complete supplemental services training. If you participate in our real estate services program (the “Real Estate Division”) the Approved Services and Products for your Office will also include real estate brokerage services (the “Real Estate Division Services”). If you elect to participate in our Real Estate Division and are approved by us, you may be required to complete supplemental services training. You may be required to conduct business with our affiliates, Toro Life, LLC and/or Toro Realty LLC, if the Approved Services and Products for your Office include Insurance Division Services and/or Real Estate Division Services.

The System is presently identified by the Toro Taxes trademark, Toro Taxes logo and other trademarks, service-marks, logotypes, 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”). The System features the prominent display of the Licensed Marks and our trade dress.

We refer to Offices in our System as “Offices” and we refer to the Office that you will develop and operate as either “your Office” or the “Franchised Business”. You may enter into a Franchise Agreement in the form attached to this Disclosure Document as Exhibit E (the “Franchise Agreement”) to develop and operate an Office from a single Office Location. Under the Franchise Agreement you will develop and operate your Office in conformity with the requirements of our System. The System includes Approved Services and Products that we currently designate and that we may modify, add to or discontinue from time to time, and our specifications, methods and procedures for marketing, selling, offering, and providing the Approved Services and Products. The System also features and requires, as designated by us, your exclusive purchase, use, and maintenance of certain inventory, products, supplies, and goods constituting or comprising the Approved Services and Products offered for sale and/or the services provided and further includes displays, equipment, furniture, and fixtures designated by us (collectively, the “System Supplies”). Among other things, the System Supplies also include bank products that your Office must offer and provide to customers related to the processing and payment of fees due to your Office 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 Office in conformity with the specifications, procedures, criteria and requirements that we designate in our confidential operations manual and other proprietary manuals that we may designate and loan to you and, as we may from time to time supplement and modify other manuals and communications (collectively, the “Manuals”).

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 Program Addendum to the Franchise Agreement (~~Exhibit 9 of the Franchise Agreement~~, Exhibit 9).

Franchise Agreement

You may enter into a Franchise Agreement in the form attached to this Disclosure Document as Exhibit E to develop and operate one Office from a single Office Location within a designated territory. If you sign a Franchise Agreement, you will be required to develop and operate the Franchised Business in conformity with the requirements of our System and at an Office Location that we approve in writing. An Office 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 Office Location you must select a site in accordance with the Franchise Agreement and obtain our written approval of the Office Location. Your rights in the System will be limited to the establishment and operation of a single Office offering, selling, and/or

providing only our Approved Services and Products from your approved Office Location and using only our System Supplies. Your Office must conform to the requirements of our System.

Multi-Unit Development Agreement

~~If we approve your request, you may have the option, in addition to signing a Franchise Agreement in the form attached as Exhibit E, to sign the Multi-Unit Development Agreement attached to this Disclosure Document as Exhibit F, to develop and operate multiple Offices. The total number of Offices that you will be required to develop and operate under a Multi-Unit Development Agreement will vary from three to five Offices, as negotiated at the time of signing the Multi-Unit Development Agreement. Each Office must be developed by you within a designated geographic area (the “Development Area”) and each Office must be developed and operated under the terms of our then current individual unit Franchise Agreement which may be materially different from the Franchise Agreement included with this Disclosure Document. Your Multi-Unit Development Agreement will include a development schedule (the “Development Schedule”) containing a deadline by which you must have each Office open and operating. Your Development Schedule may vary depending on your Development Area and the number of Offices that you are required to develop.~~

~~Unless otherwise specified, the information contained in this Disclosure Document applies to single unit development under a Franchise Agreement and multi-unit development under a Multi-Unit Development Agreement. If you are not contracting for the right to develop multiple Offices, you will not be signing a Multi-Unit Development Agreement. Even if you sign a Multi-Unit Development Agreement, you will also be signing individual Office Franchise Agreements with the first Office Franchise Agreement being the Franchise Agreement attached to this Disclosure Document as Exhibit E and signed simultaneous with the signing of the Multi-Unit Development Agreement.~~

Area Representative

Although not a franchise, we may offer area representative rights pursuant to area representative agreements, granting the non-exclusive right to act as Toro Taxes authorized area representative for sales and development within the territory granted under the area representative agreement. If we elect to award additional area representative rights, we will do so under a separate franchise disclosure document. As of December 31, ~~2023~~~~2022~~, we have ~~1922~~ Area Representatives. (See Item 2 for additional information about our Area Representatives).

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.

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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. You may be required to conduct business with this affiliate if the Approved Services and Products for your Office include Insurance Division Services. 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.

Toro Realty LLC

Our affiliate, Toro Realty LLC, is a Nevada limited liability company established on March 4, 2020. Toro Realty LLC's principal business address 6130 Elton Avenue, Las Vegas, Nevada 89107. You may be required to conduct business with this affiliate if the Approved Services and Products for your Office include Real Estate Division Services. Toro Realty LLC has not in the past and does not now offer franchises in any lines of business.

Franchise Funding Co LLC

Our affiliate, Franchise Funding Co LLC, is a Nevada limited liability company established on December 1, 2022. Franchise Funding Co LLC's principal business address is 6130 Elton Avenue, Las Vegas, Nevada 89107. This affiliate may provide financing to franchisees. Franchise Funding Co LLC has not in past and does not now offer franchises in any lines of business.

Market and Competition

The general market for the services and products offered by your ~~franchised business~~ Franchised Business typically includes the general public. The services and products offered by a franchised business are not seasonal in nature. The ~~market~~ markets for tax, real estate, and insurance agencies and brokerages ~~is~~ are extremely competitive. Your franchised business will directly compete with other businesses that offer tax services and products, real estate brokerage services, life insurance services, and/or property casualty insurance services. Your competitors will include locally owned independent businesses, regional and national companies and franchise systems that offer and provide tax services and products.

Industry Specific Laws

Your Office 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 Office, including the Supplemental Services that your Office may be authorized to offer. You 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 Office. The preparation and electronic filing of tax returns is critical to the operations of your Office. 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 Office (which can be you, any owner or non-owner of your Office) unless you are already a Certified Public Accountant 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 Office 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. 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.

In the event you elect to and are approved to provide Insurance Division Services, many states and local jurisdictions have laws, rules, and regulations that may apply to your Office, including rules and regulations related to the sale of insurance services. You must acquire and maintain the licenses required by your state. You may be required to designate us as the agent of record for your Office and comply with laws and regulations regarding the deposit of fees, premiums, and other amounts collected. You must complete any continuing education requirements specified by local laws and regulations to maintain your license, if your license is terminated, suspended or restricted, you must notify us and we will have the right to terminate your Franchise Agreement.

In the event you elect to and are approved to provide Real Estate Division, there are specific local, state and federal laws, rules, and standards that regulate the real estate industry. All states have laws that regulate real estate operations and that require real estate brokers and their salespersons or sales agents to hold state licenses. These laws and standards vary from state to state and could affect your Office.

Additionally, federal laws and many states and local jurisdictions have enacted laws, rules, and regulations that may apply to your Office, rules and regulations related to the zoning, construction, design and maintenance of your Office 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 Disabilities Act of 1990 and numerous state equivalent laws that may affect your Office, 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 Mr. Maldonado has been our predecessor, Toro Tax Franchising LLC's, Chief Executive Officer. 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, Mr. Toro has been the Chief Operating Officer of Toro Taxes Franchising, LLC. Since 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.

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Javier N. Solis, Certified Franchise Executive

Javier N. Solis is our co-founder and Certified Franchise Executive and has served in this role since September 2022 after completing the Certified Franchise Executive program at the International Franchise Association and Georgetown University School of Business. From June 2022 to March 2023, Mr. Solis served as our Chief Financial Officer. Since our formation in April 2019 until Mr. Solis' change in position to Chief Financial Officer, Mr. Solis served as our East Coast Chief Operating Officer as well as our Interim Chief Financial Officer. Since May 2007 and continuing to date, Mr. Solis has served as President and Chief Executive Officer of Los Taxes Franchise Corp. located in Brooklyn, New York. Since December 1999 and continuing to date, Mr. Solis has also been President of E-File Tax Group, Inc. d/b/a Los Taxes located in Brooklyn, New York. Since 2005 and continuing to date, Mr. Solis has served as President and co-founder of Negocios. Tax based out of Maryland and New York.

Antonia Andrade, Vice President and Certified Franchise Executive

Antonia Andrade has served as our Vice President of Franchise Operations since 2019. Since July 2014 and continuing to date, Ms. Andrade has served as our predecessor's, Toro Taxes Franchising, LLC, Executive Administrator. Both of Ms. Andrade's positions have been based out of Las Vegas, Nevada. Since October 2022 and continuing to date, Ms. Andrade has served as a Certified Franchise Executive after completing the Certified Franchise Executive program at the International Franchise Association and University of Louisville.

Area Representatives

Celsa N. Arbaiza, Area Representative

Since 2021 and continuing to date, Celsa Arbaiza has served as a Toro Taxes Area Representative for the state of Colorado. From December 2012 to April 2018, Celsa served as an Exclusive Territory Developer at Toro Taxes, Inc. in Colorado.

Jennifer Moralde, Area Representative

Since 2021 and continuing to date, Jennifer Moralde has served as a Toro Taxes Area Representative for the state of Ohio. From January 1990 to April 2022, Jennifer was an Insurance Agent at Farmers Insurance located in Ohio.

Felipe Diaz De La Pena, Area Representative

Since 2021 and continuing to date, Felipe Diaz De La Pena has served as a Toro Taxes Area Representative for the Oklahoma City, Oklahoma region. Since April 2022 and, continuing to date, Felipe has served as CEO of 20D SA DE CV. From April 2004 to April 2022, Felipe was CEO at Nancy Estrada Castro. From October 2011 to April 2022, Felipe was a main shareholder at COINFI SA DE CV. From June 2002 to April 2022, Felipe was an advisor at ICG DE GUADALAJARA SA DE CV.

Sara Martinez, Area Representative

Since 2021 and continuing to date, Sara Martinez has served as a Toro Taxes Area Representative for the Houston, Texas region. Since September 2019 and, continuing to date, Sara has served as Branch Manager at Toro Taxes NV 840 located in Nevada. From January 2016 to September 2019, Sara was Manager at Toro Taxes located in Nevada.

~~Mario Chanta, Area Representative~~

~~Since 2021 and continuing to date, Mario Chanta has served as a Toro Taxes Area Representative for the Dallas, Texas region.~~

Luz Dayana Estrada Medina, Area Representative

Since 2021 and continuing to date, Luz Dayana Estrada Medina has served as a Toro Taxes Area Representative for the Arlington, Texas and Fort Worth, Texas regions.

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Ramon Edgardo Mendoza, Area Representative

Since 2021 and continuing to date, Ramon Edgardo Mendoza has served as a Toro Taxes Area Representative for the Houston, Texas region. From January 2017 to April 2022, Ramon was Owner of RL Solutions located in Texas.

Juan Antonio Villalobos, Area Representative

Since November 2021 and continuing to date, Juan Antonio Villalobos has served as a Toro Taxes Area Representative for the Union City, New Jersey region.

Liz Karine Serna, Area Representative

Since November 2021 and continuing to date, Liz Serna has served as a Toro Taxes Area Representative for the Houston, Texas region. Since 2009 and continuing to date, Liz Serna has served as President and Chief Executive Officer for RL Insurance Solutions.

Eugina Gomez, Area Representative

Since December 2021 and continuing to date, Eugina Gomez has served as a Toro Taxes Area Representative for a region in Ohio.

Maribel Estrada, Area Representative

Since December 2021 and continuing to date, Maribel Estrada has served as a Toro Taxes Area Representative for a region in Ohio.

Miladys Perez, Area Representative

Since ~~December 2022~~ January 2023 and continuing to date, Miladys Perez has served as a Toro Taxes Area Representative for a region in Ohio.

Mayra Perez, Area Representative

Since January 2022 and continuing to date, Mayra Perez has served as a Toro Taxes Area Representative for the San Jose, California region.

Darleen Areli Porras, Area Representative

Since February 2022 and continuing to date, Darleen Areli Porras has served as a Toro Taxes Area Representative for the Chicago, Illinois region.

Enrique Cardenas, Area Representative

Since February 2022 and continuing to date, ~~Darleen Areli Porras~~ Enrique Cardenas has served as a Toro Taxes Area Representative for the State of Arizona.

Blanca Estela Aguilar, Area Representative

Since September 2022 and continuing to date, Blanca Estela Aguilar has served as a Toro Taxes Area Representative for regions in ~~Kentucky~~ Texas and Ohio. Since 2000 and continuing to date, Blanca Estela Aguilar has served as President and Chief Executive Officer for Oasis Tax and Translation Services. Since 2008 and continuing to date, Blanca Estela Aguilar has served as a State of Kentucky Certified Court Interpreter and Translator.

Duvan Montoya, Area Representative

Since April 2022 and continuing to date, Duvan Montoya has served as a Toro Taxes Area Representative for a region in Utah.

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Jose Azua, Area Representative

Since April 2022 and continuing to date, Jose Azua has served as a Toro Taxes Area Representative for a region in Colorado.

Edgar D. Montalvo, Area Representative

Since August 2022 and continuing to date, Edgar D. Montalvo has served as a Toro Taxes Area Representative for a region in Texas.

Luz Angela Ocampo Santamaria, Area Representative

Since September 2022 and continuing to date, Luz Angela Ocampo Santamaria has served as a Toro Taxes Area Representative for a region in Minnesota. From 2019 to 2021, Luz Angela Ocampo Santamaria served as an Accounting manager for Cortec Global Services.

Manuel Salvador Rodriguez Navarrete, Area Representative

Since November 2022 and continuing to date, Manuel Salvador Rodriguez Navarrete has served as a Toro Taxes Area Representative for the San Antonio, Texas region.

Brayan Venzor Orona, Area Representative

Since November 2022 and continuing to date, Brayan Venzor Orona has served as a Toro Taxes Area Representative for the San Antonio, Texas region.

Pedro Ramirez Gracia, Area Representative

Since November 2022 and continuing to date, Pedro Ramirez Gracia has served as a Toro Taxes Area Representative for the San Antonio, Texas region.

Carlos Alberto Ramirez Gracia, Area Representative

Since November 2022 and continuing to date, Carlos Alberto Ramirez Gracia has served as a Toro Taxes Area Representative for the San Antonio, Texas region.

Sostenes Baez Castellanos, Area Representative

Since November 2023 and continuing to date, Sostenes Baez Castellanos has served as a Toro Taxes Area Representative for the Tampa, Florida, Myrtle Beach, South Carolina, and Raleigh, South Carolina regions.

Zuleika Romo, Area Representative

Since December 2023 and continuing to date, Zuleika Romo has served as a Toro Taxes Area Representative for the Orlando, FL region.

Pedro Pinilla, Area Representative

Since December 2023 and continuing to date, Pedro Pinilla has served as a Toro Taxes Area Representative for the Orlando, FL region.

Adriana Mercado, Area Representative

Since December 2023 and continuing to date, Adriana Mercado has served as a Toro Taxes Area Representative for the Orlando, FL region.

Walter Parraga, Area Representative

Since December 2023 and continuing to date, Walter Parraga has served as a Toro Taxes Area Representative for the Orlando, FL region.

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Ricardo Peralta, Area Representative

Since September 2023 and continuing to date, Ricardo Peralta has served as a Toro Taxes Area Representative for the Houston, TX region.

**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**

No bankruptcy information 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 in the amount of ~~\$3540~~,000 (the "Initial Franchise Fee"). The Initial Franchise Fee is fully earned by us upon payment. You may finance the Initial Franchise Fee under the terms disclosed in Item 10 of this Disclosure Document wherein, you would be required to make an initial deposit towards your Initial Franchise Fee of \$5,000 and finance the balance of ~~\$3035~~,000. 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:

a) Immediate Payment Discount

If you pay the Initial Franchise Fee in full upon executing the Franchise Agreement or prior to the Discount End Date, we will discount your Initial Franchise Fee to \$25,000. The discount either must be requested at the time of signing the Franchise Agreement or paid in full prior to the Discount End Date and represents

a one-time discount applicable to only the Initial Franchise Fee. This discount is subject to our approval of franchisee entering into our franchise system. This discount cannot be combined with other discounts of the Initial Franchise Fee. For purposes of this Disclosure Document, the term “Discount End Date” shall mean the later date of either: (i) the opening of the Franchised Business; or (ii) six months from the date the Franchise Agreement is signed.

b) In Term Additional Territory Discount Franchise Agreement

~~If during the term of your initial Franchise Agreement you are approved by us and enter into an additional Toro Taxes Franchise Agreements, the initial franchise fee for each subsequent Toro Taxes Franchise Agreement will be \$20,000.~~ If you pay the initial franchise fee at the time of signing the subsequent Toro Taxes Franchise Agreement, we will discount the initial franchise fee to \$15,000. 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. To qualify for this discount, you must maintain majority ownership under your initial Toro Taxes Franchise Agreement and not sell the additional Toro Taxes Business for a minimum of two years. In the event you transfer ownership or sell the Franchised Business during this two year period, you shall not receive the discount and be required to pay the difference between the then current Initial Franchise Fee at the time of signing the subsequent Toro Taxes Franchise Agreement and the discounted initial franchise fee. This discount is subject to our approval and the franchisee’s satisfaction of our qualifications for this discount, including, but not limited to, appropriate financial statements. This discount cannot be combined with other discounts of the Initial Franchise Fee.

c) Conversion Program Discount

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 the following conditions, we will forgive any balance owed under the Conversion Promissory Note (the “Balance Forgiveness”): (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, you must begin making payments 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 the Conversion Program Addendum (Franchise Agreement Exhibit 9) at the time you sign the Franchise Agreement. This rebate cannot be combined with other rebates of the Initial Franchise Fee. 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.

In the fiscal year ending December 31, ~~2023~~2022, our initial franchise fee ranged from \$0 to \$35,000.

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Multi-Unit Development Agreement

~~If you sign a Multi-Unit Development Agreement, you must pay a fixed non-refundable development area fee of \$10,000 for each Office (the “Development Area Fee”), over and above the first Office authorized~~

~~by the Franchise Agreement, that you will be authorized to develop under the Multi-Unit Development Agreement. The minimum number of Offices that you may agree to develop is three and the maximum is five. The Development Area Fee that you must pay to us is in addition to the Initial Franchise Fee of \$35,000 (or as discounted) that you must pay to us at the time of signing the Franchise Agreement for your first Office. At the time of signing the Franchise Agreement for each additional Office authorized by the Multi-Unit Development Agreement, over and above your first Office, you will be required to pay us an additional \$10,000 as the Initial Franchise Fee for that location. The Development Area Fee is fully earned by us upon payment, represents consideration for a designated development area as referenced in Item 12 of this Disclosure Document, and is used to defray our costs for providing pre-opening assistance and to offset certain franchise recruitment expenses. The method we use to calculate the Initial Franchise Fee is uniform for all franchises that we offer through this Disclosure Document.~~

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**ITEM 6
OTHER FEES**

| Type of Fee (Note 1) | Amount | Due Date | Remarks |
|---|--|---|---|
| Individual Tax Preparation Royalty (Note 2) | 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 (Note 3) | (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. |
| Business Division Services Royalty Fees (Note 2) | You will pay the following Business Division Services Royalty for each Business Division Service you provide 10% 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. |
| Global 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 | (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 | 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 |
|---|--|---|---|
| | monthly accounting period | 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 | |
| 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 |
| Local and Regional Advertising Cooperatives (Note 6) | Set by a majority of the advertising cooperative members but not more than 2% of Gross Sales unless all cooperative members agree | As determined by cooperative members | Established by cooperative members, not exceeding 2% of Gross Sales. |
| Technology Fee (Note 7) | Up to \$250 per month, currently not charged | 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 8) | 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. |

| Type of Fee (Note 1) | Amount | Due Date | Remarks |
|--|--|---|---|
| Non-Bank Product Fee (Note 8) | Currently \$5 fee per tax return not using a Bank Product, if permitted by law and subject to change | Pre-deducted or on demand | This fee is when Bank Products are not utilized on behalf of your customers. This fee is subject to change. |
| Transmitter and Variable Software Fees (Note 8) | 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 9) | 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 Office. |
| Additional Employee Initial Training | <p>\$175 per person for 1040 training if paid up in advance \$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 | <p>Under our <u>There is no initial</u> pre-opening <u>initial training program</u>; <u>we will train</u> <u>fee for</u> you or your Managing Owner <u>and</u>, one designated manager. <u>When you and one tax preparer</u>. <u>This fee applies to additional individuals that we authorize to attend our in-person training sessions</u> the <u>initial training fee is \$175 per person if you pay the applicable fee in advance</u>. <u>If you defer payment so that we deduct the fees during Tax Season, a fee of \$250 per person will apply</u>. 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.</p> |

| Type of Fee (Note 1) | Amount | Due Date | Remarks |
|--|---|--|--|
| 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 Office, 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. |
| CLE Continuing Education Training Program | Our then current daily rate, currently \$1,000 250 per additional person per 20-hour online course | On demand | 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 is currently \$1,000 per person .250 per additional person per day for any individual over and above the first three designated personnel authorized to participate in the annual continuing education training program. This annual training is in addition to all local, state or federal continuing education requirements to which you and your personnel may be subject to. |
| Annual Conference Noncompliance Fee (Note 10) | \$3,500 if you fail to attend the annual conference | On demand | Will be debited automatically from your bank account by ACH or other means designated by us. |
| Annual Conference Attendance Fee (Note 10) | 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 | Will be debited automatically from your bank account by ACH or other means designated by us. |
| Management Service | If implemented, 10% of your Gross Sales, plus actual costs incurred by us, | If incurred, payable monthly on the first of each month | We have the right to step in and operate your Toro Taxes Business in certain circumstances, including upon a default by you |

| Type of Fee (Note 1) | Amount | Due Date | Remarks |
|--------------------------------|--|--|---|
| | including any travel, lodging and meal expenses for our personnel engaged in operating your business | | under the Franchise Agreement. If we elect to do so, you must pay our then current management fees and reimburse our related expenses incurred including travel and accommodations for our representatives. |
| Reporting Non-Compliance | \$150 per occurrence | 14 days of invoice | Payable for failure to timely submit Royalty and Activity Reports, and other reports and financial statements as required under Franchise Agreement. |
| Operations Non-Compliance | \$450 to \$1,000 per occurrence | 14 days of invoice | Payable for failure to comply with operational standards as required and specified under Franchise Agreement, plus inspection and re-inspection costs incurred by us. |
| Payment Non-Compliance | \$150 per occurrence | 14 days of invoice | Payable for failure to comply with operational standards as required and specified under Franchise Agreement, plus inspection and re-inspection costs incurred by 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. 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 | On demand | Payable if we approve your transfer request, but prior to execution of final transfer agreements and authorization. |
| Renewal | \$2,500 | On signing renewal Franchise Agreement | Payable if we approve your renewal request and upon signing our then current Franchise Agreement. |

| Type of Fee (Note 1) | Amount | Due Date | Remarks |
|---|---|-------------------------------|---|
| 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 11) | 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. |
| 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 that have not previously been authorized by us in writing. |

| Type of Fee (Note 1) | Amount | Due Date | Remarks |
|---------------------------------------|---|--|--|
| 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 th | The continuing Annual Dues are a general continuing fee that we may use in our discretion. <u>The Annual Dues shall be waived for the first Tax Season. If, after the first Tax Season at any time during the term of your Franchise Agreement you fail to open and operate your Toro Taxes Business for a Tax Season subsequent to a Tax Season that your Toro Taxes Business was open and operational, you shall still be required to pay us the continuing Annual Dues.</u> |
| Annual Business Software Fee | \$999 per year | Payable annually on March 10 th | If you request to offer Business Division Services pursuant to our Business Division Services addendum (Franchise Agreement, <u>Exhibit 12</u>), you will enter into our Business Division Services Addendum and pay the Annual Business Software Fee upon signature and on March 10 th of each year of your Term. |
| Annual Fee for Toro Taxes Email | \$65 per year per user | Payable annually on March 10 th | This fee is for access to your Toro Taxes email address and is charged per user on an annual basis. |
| Annual Fee for Remote Computer Access | \$65 per year per user | Payable annually on March 10 th | This fee is for remote access to our databases and is charged per user on monthly basis. |

Explanatory Notes 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 Franchised 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 Office 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 7) 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 Office 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 Office 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.

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 | 10% of Gross Sales |
| Business Service VIP Package | 10% of Gross Sales |
| Business Entity Tax Return Preparation | 10% of Gross Sales |
| Business Minority Certification | 10% of Gross Sales |
| Financial Statements Package | 10% of Gross Sales |
| Not-For-Profit Certification Package | 10% of Gross Sales |
| CPA Financial Statements Package | 10% of Gross Sales |
| Audit Representation | 10% of Gross Sales |

If you elect to refer customers seeking Business Division Services to us and our affiliates, we will a 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 Office 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 Office 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 Office 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: Global Brand Development Fund – Throughout the term of the Franchise Agreement you must pay to us a continuing Global Brand Development Fund Fee in an amount equal to: (i) 2% of Gross Sales for Gross Sales derived from a tax filings containing a Bank Product and any Business Division Services; and (ii) a flat fee of \$2 per Non-Bank Product Transaction. Global 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 Office. We will utilize the DMA marketing fund for the marketing and promotion of your Office and other Toro Taxes business located within your DMA.

Note 6: 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 25% of the designated cooperative members. Contributions to a local or regional cooperative that we designate shall not exceed 2% of your Gross Sales.

Note 7: 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 8: 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. If a Bank Product is not used, a fee of \$5 per tax return that does not utilize a Bank Product will be assessed. These fees 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 9: Customer Service and Refunds – You your services to your customers. If we believe we must respond to a complaint by a customer of your Office 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 Office, we may reimburse your customer directly and you must reimburse us for the amounts that we reimburse your customer.

Note 10: Annual Conference Attendance Fees and Annual Conference Non-Compliance 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 \$3,500. 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 11: NSF – Minnesota – Not sufficient funds are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

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 Supplies. The Annual Dues are subject to change, but we will not increase the Annual Dues by more than \$100 in one calendar year. Except for franchisees that enter our System under our Conversion Program, the Annual Dues shall be waived for the first Tax Season. If, after the first Tax Season at any time during the term of your Franchise Agreement you fail to open and operate your Toro Taxes Business for a Tax Season subsequent to a Tax Season that your Toro Taxes Business was open and operational, you shall still be required to pay us the continuing Annual Dues.

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In addition to the fees set forth above, if you elect to participate in and offer the Real Estate Division Services, the following fees apply:

| Type of Fee (Note 1) | Amount | Due Date | Remarks |
|--|---|---|--|
| Real Estate Division Services Royalty Fee (Notes 2 and 3) | 10% of Real Estate Commissions for all Real Estate Division Services provided directly by your business | Monthly on or before the 10 th day of each month for the preceding month | This fee will be debited automatically from your business bank through ACH or other means designated by us. Subject to additional third party registration fees, membership fees, and local, state, etc. licensing fees to be paid as incurred. There may be additional fees payable to your local broker. |
| Global Brand Development Fund (Note 4) | 1% of Real Estate Commissions for all Real Estate Division Services provided directly by your business | Monthly on or before the 10 th day of each month for the preceding month | This fee will be debited automatically from your business bank through ACH or other means designated by us. |

| | | | |
|--|--|---|---|
| DMA Marketing Fund ^(Note 5) | 4% of monthly Real Estate Commissions for all Real Estate Division Services provided directly by your business | Monthly on or before the 10 th day of each month for the preceding month | This fee will be debited automatically from your business bank through ACH or other means designated by us. |
|--|--|---|---|

Explanatory Notes 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 Real Estate Commissions processed on behalf of the Franchised Business.

You will be required to sign an ACH Authorization Form at the term you enter into your Franchise Agreement (Franchise Agreement Exhibit 7) 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 Real Estate Commissions from the operation of your Office 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 Office 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: Real Estate Division Services Royalty Fee – Throughout the term of the Franchise Agreement, if you elect to participate in our Real Estate Division program and the Approved Services and Products of your Office are supplemented to also include Real Estate Division Services, you will pay to us a continuing Royalty Fee of 10% of Real Estate Commissions for all Real Estate Division Services provided directly by your Franchised Business (the “Real Estate Division Services Royalty Fee”).

Note 3: Real Estate Commissions – The term “Real Estate Commissions” as used in this Disclosure Document and the Franchise Agreement means the total dollar sales from all business and customers of the Real Estate Division Services provided by your Office and includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, 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 non-money consideration (whether or not payment is received at the time of the sale), without deducting your costs or expenses, multiple listing fees, commissions, salaries overrides or bonuses payable to your salespersons or employees, from or derived by you or any person or Corporate Entity from business conducted or which started in, on, from or through your Office and/or your Office Location, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Real Estate Commissions include 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 Real Estate Division Services business conducted within and/or outside your designated territory that is related to your Office and/or a competitive business located and/or operated at your Office Location, within your designated territory, outside your designated territory, and/or otherwise.

Real Estate Sales Commissions do not include (a) sales taxes that you collect and remit to the proper taxing authority; (b) authorized promotional discounts that you provide to customers; and (c) total gross amounts of revenues and sales for residential property management services.

Note 4: Global Brand Development Fund – Throughout the term of the Franchise Agreement, if you elect to participate in our Real Estate Division program and the Approved Services and Products for your Office are supplemented to also include Real Estate Division Services, you must pay to us a continuing Global Brand Development Fund Fee in an amount equal to 1% of Real Estate Commissions (the “Real Estate Division Services Global Brand Development Fund Fee”).

Note 5: DMA Marketing Fund – Throughout the term of the Franchise Agreement, if you elect to participate in our Real Estate Division program and the Approved Services and Products for your Office are supplemented to also include Real Estate Division Services, you will pay to us on a monthly and on-going basis an advertising contribution towards the DMA Marketing Fund in an amount equal to 4% of your monthly Real Estate Commissions (the “Real Estate Division Services DMA Marketing Fund Fee”).

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

| Type of Expenditure (Note 1) | Amount | Method of Payment | When Due | To Whom Payment is Made |
|--|----------------------------------|-------------------|--------------------------------------|---|
| Initial Franchise Fee (Note 2) | \$5,000 – \$3540 ,000 | Lump sum | When signing the Franchise Agreement | Us |
| Construction and Leasehold Improvements (Note 3) | \$0 – \$7,000 | Varies | Before opening | Approved Third party suppliers and vendors, subject to our specifications |
| Furniture, Fixtures, Office Supplies and Equipment (Note 4) | \$1,500 – \$3,500 | As billed | As incurred | Approved Third party suppliers and vendors, subject to our specifications |

| Type of Expenditure (Note 1) | Amount | Method of Payment | When Due | To Whom Payment is Made |
|--|----------------------|-------------------|--------------------------------------|--|
| 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) | \$2,500 – \$4,500 | As billed | As incurred | Approved Third party suppliers and vendors, subject to our specifications |
| Prepaid Rent and Lease Deposits (Note 8) | \$1,000 – \$3,000 | Lump sum | Varies | Third party landlord |
| Utility Deposits (Note 9) | \$225 – \$500 | As billed | Before opening | Utility companies |
| Insurance Deposits (Note 10) | \$300 – \$800 | As billed | Varies | Insurance companies |
| Travel and Lodging for Initial Training (Note 11) | \$0 – \$2,000 | As incurred | Before opening | Third parties |
| 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 Three 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 Office. |
| Total Estimate | \$17,835 – \$747,150 | | | |

Explanatory Notes 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 full Initial Franchise Fee for your Office is \$~~3540~~,000. The low estimate assumes that you are financing this amount pursuant to our offered financing as described in Item 10 of this Disclosure Document and that you are making a down payment of \$5,000. If you are paying the Initial Franchise Fee in full upon signing the Franchise Agreement, your Initial Franchise Fee will be discounted to \$25,000. 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. We finance a portion of the initial fees (See Item 10).

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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. 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. 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.

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 Office.

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 Office and interior signage. Additionally, these figures include various other elements of brand identification within the Franchise Location such as wall graphics and window graphics.

Note 7: Computer and Software – Currently, you are required to purchase and utilize a minimum of four new computers for your 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 Office. 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 Office.

Note 8: Lease Deposits and Real Property – You will be required to operate your Office 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 Office. 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 Office.

Note 9: Utility Deposits – To secure the appropriate utilities required for the operation of your Office, 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 Office 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 Office, you must complete our pre-opening training programs which are offered at the training center that we designate in Las Vegas, Nevada. When you attend our in-person training program, ~~in addition you will be required to paying pay:~~ (i) our then current additional employee initial training fee ~~of: (i) \$175, currently \$250~~ per additional person ~~(per day after the first two three designated trainees)~~ attending our in-person ~~standard tax preparation training (or \$250 per person if you elect to defer payment until Tax Season);~~ program; 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: as well as be influenced by the number of participants authorized to participate in our initial training program. 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 – We recommend that you spend at least \$1,000 prior to the opening your Office for the purpose of promoting your grand opening. Prior to the opening of your Office, 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 Office Location 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. 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 – This is an estimate of the minimum recommended levels of additional funds that may be required to cover operating expenses such as employee salaries, inventory, rent, and utilities only for the initial three month period following the opening of your Franchised Business. This estimate does not include compensation to you or your owners and does not include interest, finance charges, or payments that may be incurred by you if you financed the development of your Franchised Business. In making this estimate, we have relied on the experiences of our affiliate in developing and operating a Franchised Business.

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B. Multi-Unit Development Agreement

YOUR ESTIMATED INITIAL INVESTMENT

| <u>Type of Expenditure</u> | <u>Amount</u> | <u>When Due</u> | | |
|----------------------------|---------------|-----------------|--|--|
| | | | | |

| | | Method of Payment | | To Whom Payment is Made |
|---|--------------------|---|--|-------------------------|
| Development Area Fee ^(Note 1) | \$20,000—\$40,000 | Lump sum | When Franchise Agreement and Multi-Unit Development Agreement are signed | Us |
| Estimated Initial Investment to Open One Office ^(Note 2) | \$17,835—\$74,150 | Estimated Initial Investment is based on estimate contained in Table A, above, of this <u>Item 7</u> , for a Franchise Agreement. See, Table A. | | |
| Total Estimate ^(Note 3) | \$37,835—\$114,150 | | | |

Explanatory Notes to Item 7

For a Franchise Agreement and a Multi-Unit Development Agreement

Note 1: Development Area Fee and Franchise Fees—When you sign a Multi-Unit Development Agreement you must also sign a Franchise Agreement for the first Office that you will be required to develop under your Multi-Unit Development Agreement. At the time of signing your Multi-Unit Development Agreement, in addition to paying us the Franchise Fee for your first Office, you will pay to us a Development Area Fee. The amount of the Development Area Fee varies depending on the number of additional Offices, over and above the first Office authorized by the Franchise Agreement that you will sign with the Multi-Unit Development Agreement, that you will be authorized to develop within the Development Area.

The minimum number of Offices that you may be authorized to develop under a Multi-Unit Development Agreement is three and the maximum number is five. The Development Area Fee is \$10,000 for each Office, over and above the first Office authorized by the Franchise Agreement that you will sign with your Multi-Unit Development Agreement. You will be required to pay to us an Initial Franchise Fee of \$10,000 at the time of signing the Franchise Agreement for each additional Office, over and above the Initial Franchise Fee of \$35,000 that you will pay at the time of signing the Franchise Agreement for the first Office in your Development Area and the Development Area Fee that you will pay to us at the time of signing the Multi-Unit Development Agreement.

Note 2: Estimated Initial Investment—This is the estimated initial investment for the development of one Toro Taxes Office as reflected in Table A “Franchise Agreement” of this Item 7. It is important to review Table A of this Item 7 and the Explanatory Notes to Table A in detail.

Note 3: Total Estimate—This is the total estimated investment to enter into a single unit Office Franchise Agreement and a Multi-Unit Development Agreement. Under the Multi-Unit Development Agreement, you will be granted the right to, potentially, develop and operate between three to five Offices. This estimate is only for the development of one Toro Taxes Office. This estimate does not include the estimated initial investment that you will incur each and every time you develop an Office under your Multi-Unit Development Agreement, except for your first Office.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may only offer and sell the Approved Services and Products. You may only use those products, supplies, equipment, technology systems, and services that we authorize and designate in writing. To ensure that our standards and specifications of quality, service and System development are maintained, you must operate your Office in strict conformity with the Franchise Agreement and the methods, standards, specifications and sources of supply that we designate and prescribe in the 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 Office. Source restricted goods and services are goods and services that must meet our specifications and/or that must be purchased from an approved or designated supplier that may include us or our affiliates. We may designate a supplier, including ourselves or our affiliates, as the exclusive supplier for the System. Currently we are not the only designated suppliers for the System. Our specifications and list of approved and designated suppliers is contained in our 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 our Manuals, and other forms of communication. If we have previously approved a supplier, and their standards fall below our designated standards, we will revoke our approval. We will notify you in writing of us revoking our approval. We formulate and modify our standards and specifications for products and services based on our industry experience 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 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, in the Manuals, we do not designate a supplier for a particular item, you will purchase all such products, supplies and services from suppliers who meet our specifications and standards. Our affiliates are approved suppliers of some of the source restricted goods and services identified below.

If you want to purchase or lease a source restricted item from a supplier that has not been previously approved or designated by us in writing, you must send us a written request for approval and submit additional information, samples, and testing data that we may request. We may charge you a fee equal to the costs and expenses that we incur in reviewing and evaluating an alternate supplier, product, and/or service requested by you. We may 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 exceeding 60 days after we receive your written request and all additional information and samples that we request. We may, in our sole discretion, withhold our approval. We do not make our procedures or criteria for approving suppliers available to our System franchisees, except that when 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 and production requirements, the suppliers quality control, whether or not we 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 determination, will allow us to advance the overall interests of the System and our company.

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 the Franchised Business and

approximately 30% of the on-going operating expenses of the Franchised Business. We currently require that you purchase or lease the following source restricted goods and services:

Lease – We do not review the terms of the lease for your Office Location but require that your landlord acknowledge our rights as set forth in the lease agreement rider attached as Exhibit 4 to the Franchise Agreement (the “Lease Agreement Rider”) and that you collaterally assign the lease to us as set forth in the collateral assignment of lease attached as Exhibit 5 to the Franchise Agreement (the “Collateral Assignment of Lease”). We possess the right to disapprove of a proposed lease if the landlord refuses to sign the Lease Agreement Rider in substantially the form set forth in Exhibit 4 to the Franchise Agreement. The Lease Agreement Rider grants certain rights to us, including our right to be notified in the event of a lease default and, potentially, for us to enter the premises of your Office.

Income Tax Preparation Software – Your Office 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 Office, 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 Supplies .

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

Bank Products – Your Office 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 Supplies.

System Supplies – Your Office must maintain an initial and ongoing inventory of System Supplies including stationery and office supplies. You must purchase the System Supplies, as designated by us, from us, our affiliates, and/or our designated suppliers.

Furniture and Fixtures – Your Office 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, brands and models. If the furniture and fixtures that we designate are specified to be branded with the Licensed Marks, then you may only purchase them from our designated exclusive suppliers.

Signage – The signage for your Office must meet our standards and specifications and must be purchased from our designated suppliers.

Computer Equipment – You must purchase and maintain a computer system on-site at your Office Location. In general, you will be required to obtain a computer system that will consist of certain hardware, software, and peripheral devices such as printers. You will be required to meet our requirements involving back office and point of sale systems, security systems, printers, back-up systems, and high-speed internet access.

Credit Card Processing – If we elect to accept credit cards, you will be required to use our designated supplier and vendor for credit card processing which may be integrated with the business management system that we designate. Credit card processing fees will, generally, be based on a percentage of all credit card processed Gross Sales.

Branded Items and Marketing Materials – All materials bearing the Licensed Marks (including, but not limited to, stationary, business cards, brochures, apparel, signs and displays) must meet our standards and specifications and must be purchased from either us directly or our designated 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 Office 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 use, at your cost, our designated supplier for social and digital media marketing services and exclusively use, at your cost, our social media platforms, vendors and marketing channels.

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 – You must obtain the insurance coverage that we require from time to time as presently disclosed in the Manuals and as we may modify. All insurance policies required under your Franchise Agreement and as set forth in the 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 insureds. The insurance policies must include a provision that the insurance carrier must provide us with no less than 30 days' prior written notice in the event of a material alteration to, or cancellation of, any insurance policy. A certificate of insurance must be furnished by you to use at the earlier of 90 days after the Effective Date of the Franchise Agreement or prior to the commencement of our initial training program. Insurance coverage must be at least as comprehensive as the minimum requirements set forth in the chart below and in the Franchise Agreement (Franchise Agreement, Article 8). You must consult your carrier representative to determine the level of coverage necessary for the Franchised Business. Higher exposures may require higher limits.

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 the 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) With regard to any construction, renovation or remodeling of the Office Location, 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;

l) 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

m) Other insurance coverage, as we or the lessor of your Franchised Business location may reasonably require.

Purchase Agreements and Cooperatives

We may, in our discretion, negotiate purchase agreements, including price terms, with designated suppliers for source restricted goods and services on behalf of the System. We may establish preferred vendor programs with suppliers on behalf of some or all of the Offices under the System. We may limit the number of approved vendors and/or suppliers that you may purchase from and we may designate one vendor as your sole supplier. Presently, there are no purchase 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 for using our designated or approved suppliers.

Our Right to Receive Compensation and Our Revenue from Source Restricted Purchases

We and/or our affiliates may receive rebates, payments and other material benefits from suppliers based on your purchases and we reserve the right to institute and expand rebate programs in the future. If you elect

to participate in our Insurance Division program and the Approved Services and Products of your Office are supplemented to also include Insurance Division Services, we and/or our affiliates may receive rebates, payments, and other material benefits from suppliers of the Insurance Division Services. During the fiscal year ending December 31, ~~2023~~2022, we earned \$~~974,140.48~~854,425.03 in rebates from franchisee purchases. This represents ~~35.44~~27.52% of our total revenue of \$~~2,748,293.40~~3,104,608.27. This includes revenue of \$~~254,079.89~~285,639.20 from Bank Product Fees. In ~~2023~~2022, our predecessors Toro Taxes Franchising, LLC and Los Taxes Franchise Corp. did not receive any revenue from franchisee purchases.

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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.

Table Abbreviations: “FA” – Franchise Agreement; ~~“DA” – Multi Unit Development Agreement~~

| Obligation | Articles in Agreement | Disclosure Document Item |
|--|---|--------------------------|
| a. Site selection and acquisition/lease | FA: 2.A., 3.A. and 3.B. DA: 2, 5.5 and 5.6 | 7 and 11 |
| b. Pre-opening purchases and leases | FA: 3 and 8 DA: Not applicable | 7 and 8 |
| c. Site development and other pre-opening requirements | FA: 3, 4, 7.F., 7.G., 7.I., 7.J., 8 and 9 DA: 2, 5.5 and 5.6 | 6, 7 and 11 |
| d. Initial and ongoing training | FA: 4, 7.J., 14.C. and 14.D. DA: Not applicable | 11 |
| e. Opening | FA: 2, 3, 4 and 9.B. DA: 2, 3, 4.1, 4.4 and 4.5 | 11 |
| f. Fees | FA: 3, 4.A., 5, 9, 10, 12, 13, 14, 15, 16 and 18.N. DA: 4, 5.2 and 7.13 | 5, 6 and 7 |
| g. Compliance with standards and policies/manual | FA: 3, 4, 5, 7, 8, 9, 11, 12 and 13 DA: 2 and 5 | 8 and 11 |
| h. Trademarks and proprietary information | FA: 6, 7 and 11 DA: 2, 5 and 7.3 | 13 and 14 |
| i. Restrictions on products and services offered | FA: 3, 4.C. and DA: 2 and 5 | 8, 11 and 16 |
| j. Warranty and customer service requirements | FA: 7 DA: Not applicable | 16 |
| k. Territorial development and sales quotas | FA: 2 and 3 DA: 4 | 12 |
| l. Ongoing product and service purchases | FA: 3, 4.C., 5 and 7 DA: Not applicable | 8 |
| m. Maintenance, appearance and remodeling requirements | FA: 3 and 7 DA: 5 | 7 and 17 |
| n. Insurance | FA: 8 DA: Not applicable | 7 and 8 |
| o. Advertising | FA: 3.F., 4.B., 7.I., 9 and 11 DA: Not applicable | 6 and 11 |
| p. Indemnification | FA: 10 and 11.E. DA: Not applicable | 6 |
| q. Owner’s participation, management, and staffing | FA: 4, 6 and 7 DA: 2.5 and 6.2 | 11 and 15 |
| r. Records and reports | FA: 5, 9, 12 and 13 DA: Not applicable | 6 |
| s. Inspections and audits | FA: 5, 7.K. and 13 DA: Not applicable | 6 and 11 |

| | | |
|---|--|----|
| t. Transfer | FA: 14 DA: 6 | 17 |
| u. Renewal | FA: 15 DA: 3 | 17 |
| v. Post-termination obligations | FA: 6, 10, 11, 17 and 18 DA: Not applicable | 17 |
| w. Non-competition covenants | FA: 6, 17 and 18 DA: Not applicable | 17 |
| x. Dispute resolution | FA: 18.F. and 18.G. DA: 7 | 17 |
| y. Individual guarantee of franchisee obligations | FA: 2.C., 6, 7.J., 14.C., 14.D., 14.E. and 17.C. DA: 2.5 and 6.2 | 9 |

ITEM 10
FINANCING

We or our affiliate may offer direct financing, but neither we nor our affiliate are obligated to provide any funding to you. At this time, we and our affiliate are the only potential lenders under the direct financing agreement. We reserve the right to form or designate additional affiliates as potential lenders in the future. We may in the future also provide indirect financing through third parties and receive referral fees from these third party providers. The terms of your financing with third parties will vary. If you request indirect financing, we may receive a referral fee from the third party financing provider. We do not guarantee your note, lease or obligation.

We will provide a promissory note (a “Note”) for the amount financed and any financing charges that you, or, if you are a Corporate Entity, each of your members, shareholders, and partners and each of these parties’ spouses must sign the Note if we agree to offer you direct financing on your Initial Franchise Fee. You are required to return an original signed copy of the Note to us. We have the right to assign your Note to a third party. Additionally, if you enter into a Note with us for a new Toro Taxes Business, we require that you open the Toro Taxes Business within six months of your receipt of the funding providing under the Note.

The financing terms we currently offer is described in the tables below:

| Finance Type | Direct – Initial Location Initial Franchise Fee Financing | Indirect |
|-----------------|---|-----------|
| Amount Financed | \$3035,000 | As agreed |
| Down Payment | \$5,000 | As agreed |
| Term | 5 years 120 months | As agreed |
| Interest | 9 12.9% APR | As agreed |
| Payment Amount | \$635.94 520.53 (or balance of note if less than payment amount) | As agreed |
| Payment Terms | Withheld from remittance payment monthly for 60 months No penalty for prepayment | As agreed |

| | | |
|---------------------------------|---|-----------|
| Security Required | Personal Guaranty; Security Agreement and UCC-1 | As agreed |
| Liability Upon Default | Loss of franchise and other remedies available to us under the Franchise Agreement, security agreement and note | As agreed |
| Loss of Legal Rights on Default | Waive various notices, rights and defenses; confess judgment | As agreed |
| Referral Fee | n/a | Yes |

If you fail to repay your loan, we have the right to terminate your franchise and acquire the rights to operate your Office directly. You must enter into the Note at the time you execute the Franchise Agreement in order to qualify for our financing program. A copy of the Promissory Note for the Initial Franchise Fee for your initial Office is attached as Exhibit 10 of the Franchise Agreement.

You must sign a security agreement for all the Franchised Business' assets, including after acquired property. We may file a UCC-1 financing statement with the appropriate governmental authority (Franchise Agreement, Exhibit 11) We have the right to require additional forms of security.

Under every Note, you waive various notices, rights and defenses, including your rights to diligence, demand, presentment for payment, notice of nonpayment and protest, and notice of amendments or modifications. You also waive any defense under the statute of limitations and allow that a confessed judgment may be taken against you. Except as disclosed above, we do not offer financing that requires you to waive notice, confess judgment or waive a defense against us or the lender, although you may lose your defenses against us and others in a collection action on a Note that is sold or discounted. We have no plans to sell or assign any Note from you or any other franchisee to a third party; however, we have the right to do so in the future. Upon any sale or assignment, we will not remain primarily obligated to provide the financial goods or services.

We or our affiliate may advance certain funds to franchisees under terms agreed upon by us.

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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 you the right to operate an Office at a single Office Location within a designated territory. (Franchise Agreement, Article 2);

2. Franchise Agreement Designated Territory – Once you secure an Office Location that we approve, we will define the Designated Territory for your Office and include the geographic boundaries and/or a description of your Designated Territory within Schedule 1 of the Franchise Agreement. (Franchise Agreement, Article 2 and Schedule 1);

~~3. Multi Unit Development Agreement Development Area – If you have entered into a Multi Unit Development Agreement, we will designate your Development Area. The Offices to be developed by you must be located within the Development Area. Once you select an Office Location that we approve within the Development Area, within the Franchise Agreement for each respective Office we will define the Designated Territory and include the geographic boundaries and/or a description of your Designated Territory for each respective Office. (Multi Unit Development Agreement, Section 2). Our approval or disapproval of future Office locations that may be developed under a Multi-Unit Development Agreement will be based on our then current site selection criteria;~~

~~4. Manuals – We will provide you with access to our confidential and proprietary Manuals. You must operate the 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, Article 4.C.). As of the Issuance Date of this Disclosure Document, the Manual 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 consist of establishing, developing, marketing and operating the Franchised Business;~~

~~54. Site Review, Approval and Designated Territory – We will review the proposed site that you select for your Office and will notify you of our approval or disapproval. Once you select a site that we approve for the location of your Office, we will designate your Designated Territory. However, if you negotiate and we agree to designate and grant to you a Designated Territory prior to your selection of an Office, then you must locate your Office within the Designated Territory and at a site that we approve. You must obtain our approval of your Office Location. Additional information about site selection is discussed in more detail below in this Item 11;~~

~~65. Approved Suppliers and Distributors – We will provide you with a list of our approved suppliers and distributors, either as part of the Manuals or otherwise in writing. (Franchise Agreement, Articles 3 and 4);~~

76. Signs, Equipment, Furniture, and Fixtures – We will provide you with a list of our approved signage, equipment, furniture and fixtures, 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. We do not provide assistance in delivering or installing signs, equipment, furniture, or fixtures. (Franchise Agreement, Articles 3 and 4);

87. Website and Digital Media – We will identify your Office on our website. You may not use 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, Articles 3.F. and 9); and

98. Initial Training – Prior to the opening of your Office you or your Managing Owner and one management level employee or 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. (Franchise Agreement, Article 4). Our current training program is to be attended by you, or if you are a Corporate Entity, your Managing Owner and one Operating Manager at our training facility located in Las Vegas, Nevada or as otherwise designated by us. The training program takes place over an approximate two week period and is described below in this Item 11 in more detail.

Site Selection

Although you are responsible for selecting a site for your Office Location you must obtain our approval of your Office Location. We do not typically own or lease the real property that will serve as your Office Location and you are responsible for all costs and expenses in locating and evaluating proposed sites and the demographic data associated with your proposed sites. Before you enter into a lease or other agreement for your Office Location you must obtain our approval. We will provide you with site selection guidelines. If your Franchise Agreement specifies and designates a Designated Territory, your Office Location must be located within your Designated Territory at a site that we approve. ~~If you sign a Multi-Unit Development Agreement then each Office Location must be located within the Development Area designated in the Multi-Unit Development Agreement and, as applicable, at sites that we approve within the Development Area.~~ Your rights in your Office Location must be subordinate to our rights as set forth in the Lease Agreement Rider attached as Exhibit 4 to the Franchise Agreement and the Collateral Assignment of Lease attached as Exhibit 5 to the Franchise Agreement.

Although there is no specified time limit for us to review the proposed site for your Office Location, we will do so within a reasonable 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. In determining whether to approve or disapprove a proposed site for your Office 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 Offices, if your Designated Territory was previously designated; ~~(d) the location of your proposed site relative to your overall Development Area and proximity to other Offices, if you signed a Multi-Unit Development Agreement and your Development Area was previously designated; and (eand (d)~~ whether or not the landlord for the Office Location approves of our Lease Agreement Rider in substantially the same form as contained in Exhibit 4 of the Franchise Agreement.

Within 90 days of signing your Franchise Agreement you must secure an Office Location and lease that we approve (Franchise Agreement, Article 3.A.). If you do not meet this requirement for any reason, including our disapproval of a proposed Office Location and/or your failure to find a suitable Office Location that we approve during the 120 day period, we may terminate your Franchise Agreement without refunding any fees to you if you do not cure this default within 30 days of notice from us. It is your obligation to consult

with government agencies, architects and legal professionals to evaluate and determine that your Office Location permits the establishment and operation of the Franchised Business and that you possess the necessary licenses and authority to operate a business that offers and provides the Approved Services and Products. (Franchise Agreement, Articles 2, 3, 7 and 16).

Time to Open

You may not open your Office until you have completed our initial training requirements, obtained the necessary licensing and authorization from state and regulatory agencies within your Designated Territory, obtained and provided us with written proof of the required insurance, and have timely secured an Office Location that we approved.

We estimate that the length of time between the signing of your Franchise Agreement and opening your Office to be approximately 30 days. Factors that may affect this estimated time period include: (a) evaluating and selecting a suitable site for your Office Location; (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 Office Location; (c) length of time taken by you to successfully complete our initial training program; (d) negotiating and obtaining a suitable lease for your Office 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 Office. Other factors that may affect this time period include availability of equipment, delays associated with equipment installation and the construction and/or installation of your leasehold improvements and fixtures. You must open your Office within 120 days from the effective date of your Franchise Agreement, otherwise we may terminate your Franchise Agreement without refunding any fees to you. (Franchise Agreement, Article 3.C.).

Post-Opening Obligations

1. Supplemental Training – We may require that you and your Operating Manager participate in supplemental on-site training that we may designate and require in our discretion. We may provide, in our discretion, supplemental training on-site at your Office Location. You will be required to pay our then current supplemental training fee, currently ~~(i) \$175~~\$250 per additional person per day (after the first ~~two~~three 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 per day for additional parties attending our Business Division Services training, plus travel expenses, meals and accommodation expenses incurred by us. On an on-going basis we will provide you and your Operating Manager with access to our online training programs. (Franchise Agreement, Article 4.A.);

2. Initial Training for Replacement Operating Manager(s) – Your Operating Manager must complete, to our satisfaction, our initial training program. We will offer and make available to your replacement Operating Manager our initial training program which must be complete to our satisfaction. The initial training program will be provided by us at the facilities that we designate that, presently, is comprised of our Office located in Las Vegas, Nevada and at the certified training Office that we designate in Las Vegas, Nevada. You will be required to pay our then current supplemental training fee for your replacement Operating Manager, currently ~~(i) \$175~~\$250 per manager per day 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 manager per day for our Business Division Services training. You will also be responsible for all costs incurred by your managers in attending our initial training. (Franchise Agreement, Articles 4.A. and 7.J.);

3. 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 Office including, but not limited to, Approved Services and Products, System Supplies, 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.C.);

4. Marketing Standards and Approval – We may establish, update and communicate to you our standards for the marketing and promotion of the Franchised Business including, but not limited to, the marketing materials and mediums that you may utilize and our DMA Marketing Fund. We will respond to your request respecting the communication of our approval or disapproval of marketing materials and mediums that may be requested by you for use in the marketing and promotion of the Franchised Business. We maintain full discretion as to the marketing standards and the marketing materials and media that you may use in the marketing and promotion of the Franchised Business. (Franchise Agreement, Article 4.B.);

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

6. Annual System Conference – We may, in our discretion, coordinate an annual conference to be attended by franchisees of the System that are in good standing. We may charge an annual conference fee not exceeding \$750 for the first attendee plus \$500 per person for each additional attendee. If you fail to attend the annual conference, you will be charged an Annual Conference Noncompliance Fee of \$3,500. You will be responsible for all travel and accommodation expenses associated with your attendance at the conference. (Franchise Agreement, Article 5.C.);

7. Administration of Marketing Funds – We may administer and manage System-wide marketing funds comprised of a Global Brand Development Fund. (Franchise Agreement, Articles 9.A. and 9.F.);

8. 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 and uniforms including, but not limited to, the apparel and uniforms comprising System Supplies. You must monitor and ensure that all System Supplies and Approved Services and Products are prepared, maintained, and served in accordance with the System standards and Manuals; and

9. Pricing – You will exclusively determine the prices that you charge for the Approved Services and Products served and sold by your Office. 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 Office 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. We are not required to spend any amount on your behalf on advertising in your designated territory and we are not required to conduct any advertising on behalf of the franchise System or on your behalf. (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 Office (~~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.). If you elect to participate in our Real Estate Division program and the Approved Services and Products for your Office are supplemented to also include Real Estate Division Services, you must pay to us on an on-going monthly basis a Real Estate Division Services DMA Marketing Fund Fee in an amount equal to 4% of your monthly Real Estate Commissions (Franchise Agreement, Article 5.C.). If you elect to participate in our Insurance Division program and the Approved Services and Products for your Office are supplemented to also include Insurance Division Services, you may be required to pay to us on an on-going monthly basis an Insurance Division Services DMA Marketing Fund Fee in an amount equal to up to 5% of your monthly Insurance Sales Commissions (Franchise Agreement, Article 5.C.). We will review your local marketing programs and notify you if we approve same. Company owned outlets will contribute the same amount towards the DMA Marketing Fund.

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. Each Office 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. We maintain the authority, in our discretion, to change, dissolve or merge DMA Marketing Funds. Our company and/or our affiliate owned Offices 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.

As of December 31, ~~2023~~2022, we have collected ~~\$368,605.59~~309,577.58 towards the DMA Marketing Fund. ~~\$98,121.59 was rolled over into 2023.~~ Of the ~~\$368,605.59~~309,577.38 collected, we have spent ~~54.38~~67.69% towards social media advertising and ~~18.99~~32.30% towards television advertisements. ~~\$98,121.59 was rolled over into 2023.~~

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 Designated Territory information about your Office on the www.torotaxes.com webpage or such other websites as we may designate for the System. (Franchise Agreement, Article 9);

4. Global Brand Development Fund – We may control and administer a Global Brand Development fund (the “Global Brand Development Fund”) (Franchise Agreement, Article 9.A.). As disclosed in Item 6 of this Disclosure Document, you must contribute an amount equal to: (i) 2% of Gross Sales for Gross Sales derived from tax filings containing a Bank Product and any Business Division Services; and (ii) a flat fee of \$2 per Non-Bank Product Transaction to the Global Brand Development Fund. If you elect to participate in our Real Estate Division program and the Approved Services and Products for your Office are supplemented to also include Real Estate Division Services, you must pay to us a continuing Global Brand Development Fund Fee in an amount equal to 1% of Real Estate Commissions (Franchise Agreement, Article 5.C.). If you elect to participate in our Insurance Division program and the Approved Services and Products for your Office are supplemented to also include Insurance Division Services, you may be required

to pay to us a continuing Global Brand Development Fund Fee in an amount equal to up to 2% of your monthly Insurance Sales Commissions (Franchise Agreement, Article 5.C.). Global 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. We may use the Global 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 discretion, to be in the best interest of the franchisees and the System. Our company and/or affiliate owned Offices may but are not required to contribute to the Global Brand Development Fund. The Global Brand Development Fund will maintain unaudited financial records detailing its expenditures and will make available to you, no more frequently than one time in any 12 month period, an unaudited accounting of how monies contributed to the Global Brand Development Fund were spent each year. We are not required to segregate the Global Brand Development Fund from our general operating funds and we are not a fiduciary or trustee of the Global Brand Development Fund. The Global Brand Development Fund will not be used to directly promote your Office or the marketing area in which your Office will be located (Franchise Agreement, Article 9.A.). We may use the Global Brand Development Fund to develop and test various media and technologies for potential use and/or improvement of the operations of Offices and the marketing of Offices. 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 Offices. You may or may not benefit from these technology developments and improvements. The Global Brand Development Fund will be uniformly imposed upon all franchisees. (Franchise Agreement, Article 9.A.).

We may use the Global Brand Development Fund to compensate ourselves for administrative fees associated with managing the Global Brand Development Fund and for our internal employee salaries, expenses and overhead associated with or reasonably allocated to managing the activities of the Global Brand Development Fund and performing services on behalf of the Global Brand Development Fund including, but not limited to, directing, developing and managing media of the Global Brand Development Fund. We will not use the Global Brand Development Fund to directly market the sale of Offices, but may do so indirectly by requiring and including information as to the availability of Office franchises for sale and contact information for franchise inquiries on and within advertising, marketing and Global Brand Development materials, including the System website, developed with the Global Brand Development Fund. ~~As of December 31, 2022, we have collected \$147,555.29 towards the Global Brand Development Fund. Of the \$147,555.29 collected, we have spent 30.49% towards production expenses and 33.88% towards media placement. \$52,555.29 was rolled over into 2023;~~

As of December 31, 2023, we have collected \$131,830.22 towards the Global Brand Development Fund. \$52,555.29 was rolled over into 2023. Of the \$131,830.22 collected, we have spent 54.05% towards production expenses and 45.95% towards media placement;

5. Local and Regional Advertising Cooperative – We possess the exclusive right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that we designate. We will exclusively determine the geographic and other boundaries constituting each respective cooperative and factors that we will consider include media markets including print, television and digital. If we establish a cooperative within a market that includes your Office you must contribute to the cooperative in such amounts and frequency as determined by the cooperative. Members of the cooperative

will be responsible for administering the cooperative, including determining the amount of contributions, marketing expenditures and allocations. However, we may require that cooperative decisions be made based on approval of a simple majority of franchisee members based on one vote per Office located and a quorum of not less than 25% of the designated franchisee cooperative members. If a cooperative exceeds nine franchisee members we may require that the cooperative establish formal governing documents. Each cooperative must prepare annual unaudited financial statements that must be provided to each cooperative member for review. We reserve the right to form, change, dissolve, or merge any advertising cooperative. If we elect to form a local or regional cooperative or if a cooperative already exists as to the area of your Office, you will be required to participate in the cooperative in accordance with the provisions of our operations manual which we may supplement and modify from time to time. You will not be required to make contributions to a Local or Regional Advertising Cooperative in amounts exceeding 2% of your Gross Sales. As of the Issuance Date of this Disclosure Document we have not established any local or regional advertising cooperatives but reserve the right to do so in the future;

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

7. Grand Opening Marketing – We recommend that you spend at least \$1,000 prior to the opening your Office for the purpose of promoting your grand opening. Prior to the opening of your Office 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 four new computers, and each computer is required to have, at minimum, the following: Processor Quad Core or higher, 17 for Server (Main) Computer, 15 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 Office. 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 Office. If you change the account information that provide us with independent access to the Tax Preparation Software, Business Division Services, Business Division Services Software, and Business Management System, you must notify us within 10 days of this change and provide us with the new account information to provide us with and maintain our directly and independent access to the Tax Preparation Software, Business Division Services, Business Division Services Software, Business Management System, and the Business Management System Data.

Initial Training

Prior to the opening of your Franchised Business, you or, if you are a Corporate Entity, your Managing Owner ~~is and one designated manager are~~ required to complete our initial franchise training program at our corporate training facility in Las Vegas, Nevada or other corporate training facility designated by us (the “Initial Training”). In addition to our Initial Training Program, you, ~~or, if you are a Corporate Entity,~~ your Managing Owner, and ~~up to two of~~ your tax preparers will be required to participate in our on-going tax preparation training programs offered online (the “On-Going Tax Training”). ~~We~~~~For the first year following the opening of your Franchised Business and we~~ do not charge ~~any~~ training fees for ~~our online courses or charge a fee the first two~~ ~~the required On-Going Tax Training for up to three~~ individuals ~~to attend annual training, but do charge a fee of \$175 per day, per additional person, referred to as “new students”.~~ ~~For each repeat “student” attending our live training for 1040 tax preparation sessions, provided that in-person training program over and above the first three “students” participating in the On-Going Tax Training 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~~ ~~shall~~ pay a fee of \$250 per day for each additional person attending ~~Initial Training or On-Going Tax Training~~ ~~our live training but may elect to complete the online training course at no cost irrespective of the number of individuals attending the online 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, Article 4).

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 Office, 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 internet. 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 these continuing education conferences will not exceed \$500 per person. The fees charged above may be increased a reasonable amount based on reasonable criteria. The continuing education training program is mandatory and, in the event you fail to complete it to our reasonable satisfaction, we may limit your ability to operate your Office or terminate your Franchise Agreement.

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 | 410 | 0 | Las Vegas, Nevada or as designated by us |
| Individual Tax Return Preparation | 40 | 0 | Las Vegas, Nevada or as designated by us |
| | | | |
| Total Hours: Owner and Managers | 4850 | | |

| Subject | Hours of Classroom Training | Hours of On the Job Training | Location |
|--|-----------------------------|------------------------------|--|
| Initial Training | | | |
| Toro Taxes Business with Business Division | | | |
| Franchise Operations | 410 | 0 | Las Vegas, Nevada or as designated by us |
| Tax Return Preparation | 40 | 0 | Las Vegas, Nevada or as designated by us |
| Business Tax Returns, entity formation and bookkeeping | 40 | 0 | Las Vegas, Nevada or as designated by us |
| | | | |
| Total Hours: Owner and Managers | 8494 | | |

Instructional materials that will be utilized in the initial training process includes our Manuals and our online training programs. All training will be conducted under the direction and supervision of Nick Maldonado, our President and CEO. Mr. Maldonado has over 10 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 Office. (Franchise Agreement, Articles 4 and 7.J).

On an on-going basis, after the opening of your Office 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, online, 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**

Your Location

Under the Franchise Agreement, we will grant to you the right to develop and operate one Office at a specific Office Location. If the location is not known at the time you sign a Franchise Agreement, then your Office Location is subject to our approval.

~~If we enter into a Multi-Unit Development Agreement with you, we will grant to you the right to develop a mutually agreed upon number of Toro Taxes Offices within a specified Development Area and subject to the agreed upon Development Schedule. The first Office that you develop under your Multi-Unit Development Agreement will be governed by the Franchise Agreement. Based on your Development Schedule obligations, you must sign our then current Franchise Agreement for all other Offices authorized by your Multi-Unit Development Agreement.~~

Grant of Territory

Once you identify a site that we approve for your Office Location we will designate an area around your site as your designated territory (the “Designated Territory”). While there is no minimum size for a designated territory, the scope and size of the area comprising your Designated Territory will, generally, be the smaller of a distance of one mile from the Office Location in all directions travelable by road or, a territory encompassing a population of 20,000 people as of the date of the Franchise Agreement. Depending on the demographics and geography we may designate your Designated Territory where your Office is located at the center of the Designated Territory or where your Office is located elsewhere within the Designated Territory. We may identify your Designated Territory by zip code, boundary streets, highways, county lines, designated market area, and/or other recognizable demarcations.

~~If we enter into a Multi-Unit Development Agreement, under the Multi-Unit Development Agreement, we will grant to you a Development Area. The size of your Development Area will vary significantly from other franchisees, will be negotiated at the time of signing your Multi-Unit Development Agreement, will depend on your agreed upon Development Schedule, and other factors, including our System development plans, and the nature of the market and demographics in which your Development Area is located.~~

Relocation

Your right to relocate your Office is not guaranteed and approval of a request by you to relocate your Office is completely at our discretion. We evaluate relocation requests on a case-by-case basis and consider factors such as operational history, the location of other Offices, our expansion plans, the designated territory, demographics and other factors that, at the time of a relocation request, are relevant to us. ~~If you sign a Multi-Unit Development Agreement, you will not be granted the right to relocate your Development Area.~~

Establishment of Additional Offices

~~You do not have the right to establish additional Offices unless you sign a Multi-Unit Development Agreement. If we enter into and sign a Multi-Unit Development Agreement you will have the right to develop a mutually agreed upon number of additional Offices within a specified Development Area. The size of your Development Area will vary significantly from other franchisees and your right to develop additional Offices under a Multi-Unit Development Agreement will be subject to your timely compliance with the agreed upon development schedule, your compliance with the terms of your Multi-Unit Development Agreement, and your compliance with all other agreements with us and our affiliates, including all Franchise Agreements. Our approval of future Office Locations and their respective designated territories will be based on our then current site and territory criteria. Our designation of a particular Development Area is not an assurance or warranty that there are a sufficient number of suitable sites for Restaurants in the Development Area for you to meet your Minimum Performance Schedule. You do not have the right to establish additional Toro Taxes Offices.~~

Options and Rights of First Refusal to Acquire Additional Franchises

You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises.

Territory Rights

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. However, during the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our

affiliates and except as to our Reserved Rights set forth below, we will not establish or open and we will not grant another franchisee the right to establish or open a Toro Taxes Office at an Office Location within your Designated Territory.

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: and Multi-Unit Development Agreement, Section 2.3).~~), to engage in the following activities (our “Reserved Rights”): (a) operate and grant to others the right to develop and operate Offices and Franchised Businesses using the System and Licensed Marks at locations outside your Designated Territory ~~and, if applicable, Development Area~~, as we deem appropriate and irrespective of the proximity to your Designated Territory ~~and, if applicable, Development Area~~; (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 a the Franchised Business (but not utilizing the Licensed Marks) within your Designated Territory ~~and, if applicable, within your Development Area~~; (c) be acquired by or 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 and 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 Area~~; (d) use the Licensed Marks and System to distribute the Approved Services and Products offered and sold by the Franchised Business or products and services similar to the Approved Services and Products offered and sold by the Franchised Business in alternative channels of distribution including internet/web based sales and similar outlets that provide tax-related services, and/or related branded products or services to the public and other outlets, within or outside your Designated Territory ~~and, if applicable, your Development Area~~; (e) operate, and grant to others the right to own and operate, Offices within or at captive market locations including: transportation stations, government facilities, military bases, hotels, resorts, amusement parks, recreational parks and facilities, seasonal facilities, and shopping malls; and (f) 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.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

There are no restrictions on us from soliciting or accepting orders from customers inside your territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under the Franchise Agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

Soliciting by You Outside Your Territory

You are required to target and direct the marketing of your Office to customers located within your territory. You may only offer and sell Approved Services and Products from your Office Location located within your Designated Territory, and only to retail customers.

Competition by Us Under Different Trademarks

We do not have plans to operate or franchise a business under trademarks different from the Licensed Marks that sells or will sell goods or services similar to those that will be offered by you through the Franchised Business.

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ITEM 13
TRADEMARKS

Under the terms of the Franchise Agreement, you will be granted a license to use the “Toro Taxes” trademark and those other marks that we designate. We reserve the right to supplement and modify the marks that you may or may not use in connection with the operations of your Office. You may only use the Licensed Marks as authorized by us in writing and under the terms of your Franchise Agreement. You may not use the Licensed Marks in the name of any Corporate Entity that you establish.

Principal Trademarks Registered with the United States Patent and Trademark Office

The principal trademarks identified in the schedule below are a part of the Licensed Marks, our System, are registered with the United States Patent and Trademark Office (the “USPTO”) and, unless otherwise designated by us, will be used by you in the operations of the Franchised Business. As to these marks all required affidavits have been filed with the USPTO. We intend to file a renewal for all applicable registrations at the times required by law.

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| Mark | USPTO Registration Number | Registration Type | Registration Date |
|--|---------------------------|-------------------|-------------------|
| TORO taxes | 4738068 | Principal | May 19, 2015 |
|  | 4780534 | Principal | July 28, 2015 |

As to our principal trademarks, there are no currently effective material determinations by the USPTO, the Trademark Trial and Appeal Board, any court, or the trademark administrator of any state. There are no pending infringement, opposition or cancellation proceedings and no pending litigation involving our principal marks. We know of no superior rights or infringing uses that could materially affect your use of our principal marks or other related rights in any state.

You are required to provide us with written notice of any claims that you may become aware of respecting the Licensed Marks, including your use of the Licensed Marks and/or any claim associated with a third party’s use of a trademark that is identical or confusingly similar to the Licensed Marks. 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. As between us, we possess the sole right to exclusively control any and all litigation, legal proceedings, administrative proceedings and/or settlement(s) involving 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 for 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 you use the Licensed Marks in accordance with the terms of your Franchise Agreement, as designated by us in the

Manuals, and, otherwise, as we instruct 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 and, that 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 ~~and, if applicable, Multi-Unit Development 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 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 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 those trademarks, service marks, logos and trade names required and 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.

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ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights to, or licenses in any patent or copyrights material to the franchise System. We may copyright advertising materials and design specifications, our Manuals and other written materials and items. We have not applied to the USPTO for the issuance of any patents.

You must keep as confidential our Manuals and any supplements to the Manuals. Our Manuals may take the form of written materials and/or digitally distributed and stored materials and made available to you for use in connection with the Franchised Business. The Manuals contain information about our System, Approved Services and Products, System Supplies, proprietary products, marketing systems, training, and confidential methods of operation. You must use all reasonable and prudent means to maintain the Manuals and the information maintained in the Manuals as confidential and prevent any unauthorized copies, recordings, reproduction, or distribution of the Manuals or the information contained in the Manuals. You must also restrict access to the Manuals to management level employees who sign a confidentiality agreement with you and are required by you to maintain the confidentiality of the Manuals and refrain from distributing or disclosing the Manuals and the information contained in the Manuals. You must provide us with immediate notice if you learn of any unauthorized use of the Manuals or of the information contained in the Manuals, or any infringement or challenge to the proprietary or confidentiality of the information contained in the Manuals. We will take any and all action(s) or, refrain from taking action, that we determine, in our discretion, to be appropriate. We may control any action or legal proceeding we choose to bring. We need not participate in your defense 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 discretion, that it possesses rights superior to ours, 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, your designated managing shareholder, member or partner (your “Managing Owner”) be personally responsible for the management and overall supervision of your Office. Your Managing Owner must complete, to our satisfaction, our initial training program and be approved by us. While we recommend that your Managing Owner personally participate in the day-to-day management and on-site supervision and operations of your Office, you may hire an operating manager to supervise and manage the day-to-day on-site operations of your Office provided that your operating manager: (a) meets all of our minimum standards and criteria for managers; (b) completes our initial training program; and (c) signs our confidentiality agreements (an “Operating Manager”). At all times, your Office must be managed and supervised on-site by either a Managing Owner or Operating Manager. If you own and operate multiple Offices then each Office must be managed and supervised on-site by an Operating Manager. Your Operating Manager is not required to possess equity interest in the Franchised Business.

You and, if you are a Corporate Entity, each of your members, shareholders and/or partners (collectively, “Owners”), must personally guarantee all of your obligations to us under the Franchise Agreement. Each Owner and the spouse of each Owner must personally guarantee your obligations to us under the Franchise Agreement. You and each Owner and spouse 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 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), neither you nor your Owners and their spouses will 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 Office and/or the designated territory of any other Toro Taxes Office. Your managers and all other employees and agents with access to our confidential information will be required by us to sign a confidentiality agreement.

ITEM 16

RESTRICTIONS ON ~~PRODUCTS AND SERVICES SOLD~~WHAT THE FRANCHISEE MAY SELL

You may only sell the Approved Services and Products 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 sold by Toro Taxes Offices. You are not limited to whom you may sell products and services of your Toro Taxes Office, provided you do so exclusively from your Office Location and as otherwise required by and in compliance with the standards we determine for the System.

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ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The Franchise Relationship Under a Single Unit Franchise Agreement

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 | Articles in Franchise Agreement | Summary |
|---|---------------------------------|--|
| a. Length of the franchise term | 2.B. | The term of your Franchise Agreement is five <u>10</u> years. |
| b. Renewal or extension of the term | 15 | If you meet our conditions for renewal you may renew your franchise for one additional five <u>10</u> year term. |
| c. Requirements for franchisee to renew or extend | 15 | To renew your franchise you must be in compliance with the terms of your Franchise Agreement, provide us with 180 days prior written notice of your request to renew, sign our then current form of Franchise Agreement and related agreements for the renewal term, sign a general release in our favor, pay a renewal fee, remodel and upgrade your Office to meet our standards and specifications, secure and possess the legal right to continue to occupy the premises of your Office location, and meet all other renewal requirements contained in the Franchise Agreement. Your Owners must be in compliance with their agreements with us, including the Franchise Owner and Spouse Agreement and Guaranty, and they must personally guarantee the terms of your renewal Franchise Agreement which may contain terms materially different from your current Franchise Agreement. |
| d. Termination by franchisee | 16.B. | You may terminate the Franchise Agreement if you are in compliance with its terms, we are in material breach of the Franchise Agreement, and we fail to cure the material breach within 30 days of receiving written notice or, if the breach cannot be cured within 30 days, such period of time that is reasonable to cure the material breach. |
| e. Termination by franchisor without cause | Not applicable | Not applicable. |
| f. Termination by franchisor with "cause" | 16.A. | We can terminate if you are in default of the terms of the Franchise Agreement. |
| g. "Cause" defined-curable defaults | 16.A.(3), 16.A.(4) | You have 10 days to cure a default where you fail to pay any fees and/or obligations due to us and/or to an affiliate of ours, or if you fail to pay a supplier without, as determined by us, a legal justification, provided that the foregoing defaults were |

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| | | <p>not intentionally and knowingly in violation of the Franchise Agreement. You will have 30 days to cure a default where you, fail to: timely lease a location that we approve for your Office; timely develop and open your Office; operate your Office in accordance with the specifications, standards, and requirements set forth in our Manuals; develop or operate your Office in compliance with all federal, state, and local laws, rules, and regulations, unless, such violation poses a threat to public health or safety; maintain insurance coverage that we require; comply with our standards, systems or specifications as we may designate or as otherwise designated in the operations manual; fail to operate your Office in conformity with our System or otherwise violate the Franchise Agreement, except as to events of default that are not curable.</p> |
| <p>h. “Cause” defined-non-curable defaults</p> | <p>16.A.(1), 16.A.(2)</p> | <p>The following are defaults that cannot be cured: three or more instances where you commit a curable default, whether or not you timely cured such default in each instance; you intentionally and knowingly refuse to comply with the terms of the Franchise Agreement, and/or the standards specifications, and/or requirements set forth in the operations manual and/or as communicated to you by us from time to time; you intentionally, knowingly, or negligently operate the Franchised Business in violation of applicable laws, rules, and regulations and, in doing so, create a foreseeable, imminent, and/or immediate threat to the health and safety of others; you abandon the Franchised Business or fail to maintain the required leasehold and/or ownership interests in your Office Locations; you or your Owners intentionally made a material statement or omission in questionnaires submitted to us; the data, information, and/or records that you record and/or submit to us are intentionally misleading or false; you transfer or attempt to transfer the Franchised Business or the ownership interests in your franchise company without our approval; you disclose or permit the disclosure of information contained in the operations manual and/or of confidential information; you or your Owners engage in intentionally dishonest or unethical conduct that impacts our System; you and/or your Owners breach and, if such breach is capable of a cure, fail to timely cure another agreement with us including the Owner and Spouse Agreement and Guaranty; you and your Owners and managers fail to complete, to our satisfaction, our initial and on-going training programs; you fail to notify us of the misuse of confidential information and you fail to protect same; you misappropriate or misuse the Licensed Marks; you are deemed insolvent, make an assignment for the benefit of creditors, admit in writing your inability to pay debts; are adjudicated bankrupt, file a voluntary bankruptcy petition or have one filed against you, and/or you acquiesce to the appointment of a trustee or receiver, or a court orders one; execution is levied against the Franchised Business; a final</p> |

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| | | judgment is entered against the Franchised Business and is not satisfied within 30 days; you are dissolved; a lawsuit or action is commenced against the Franchised Business to foreclose on a lien on equipment of the Franchised Business and such action is not dismissed after 60 days; real or personal property used by the Franchised Business is sold or levied by a sheriff or other law enforcement officer; and/or you abandon or fail to continuously own and operate the Franchised Business. |
| i. Franchisee’s obligations on termination/non-renewal | 6, 17 | You must: pay all sums that you owe to us under the Franchise Agreement and all other agreements with us; cease owning and operating the Franchised Business; cease representing yourself as a franchisee of ours; permanently cease using and/or accessing the System, the Licensed Marks, our confidential information, the operations manual, the Business Management System, the Business Management System Data, and the System Supplies; return the operations manual and all confidential information to us in the original form provided to you and document the destruction of all electronic files related to same; completely de-identify the location and/or facility associated with the Franchised Business; as requested by us, transfer to us all data, telephone listings, digital media, accounts, web listings and websites associated with the Franchised Business; and abide by the post-termination non-competition covenants and restrictions. |
| j. Assignment of the contract by franchisor | 14.A. | No restriction on our right to assign. |
| k. “Transfer” by franchisee-definition | 14.B. | A transfer means and includes, whether voluntary or involuntary, conditional or unconditional, 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. |
| l. Franchisor’s approval of transfer by franchisee | 14.B. | Transfers require our prior written consent, which may be granted or withheld in our discretion. |
| m. Conditions for franchisor’s approval of transfer | 14.C. | For approval of your transfer, you must provide us with 30 days prior written notice of the proposed transfer; you and your Owners must not have defaulted in your obligations under the Franchise Agreement and all other agreements with |

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| | | us; you and your Owners must be in compliance with your obligations under the Franchise Agreement and all other agreements with us; the transferee must agree to be bound by all of the terms and provisions of the Franchise Agreement; the transferee's owners and their spouses must personally guarantee all of the terms and provisions of the Franchise Agreement; you and your Owners and their spouses must sign a general release in favor of us; the transfer must provide for the assignment and/or ownership of the approved location for the Franchised Business, and the transferees continued use and occupancy of such location throughout the term of the Franchise Agreement; the assets of the Franchised Business must be transferred to the transferee; the transferee and the transferee's owners and managers, at the transferee's expense must complete our training programs; we waive our right of first refusal; we approve of the transfer and transferee in writing and subject to our discretion; and you pay the Transfer Fee (subject to applicable state laws). |
| n. Franchisor's right of first refusal to acquire franchisee's business | 14.F. | We have the right to match any offer to purchase your Office or the Corporate Entity operating your Office. |
| o. Franchisor's option to purchase franchisee's business | Not applicable | Not applicable. |
| p. Death or disability of franchisee | 14.D. | If you are an individual, within 30 days of the death or permanent disability of Franchisee, your executor and/or legal representative must appoint an Operating Manager approved by us and within 60 days of such appointment the Operating Manager must complete, to our satisfaction, our initial training program. Within 12 months of the date of death or disability, the Franchise Agreement must be transferred to a transferee approved by us and otherwise transferred in accordance with the terms of the Franchise Agreement. If the franchisee is a Corporate Entity, within 30 days of the death or permanent disability of your Managing Owner, if there are other Owners, must appoint a replacement Operating Manager approved by us and within 60 days of such appointment the replacement Operating Manager must complete, to our satisfaction, our initial training program. |
| q. Non-competition covenants during the term of the franchise | 6 | No involvement in any competitive business and must comply with confidentiality, non-disclosure and non-solicitation covenants. |
| r. Non-competition covenants after the franchise is terminated or expires | 6, 17.C. | No involvement, ownership or interest whatsoever for 36 months in any competing business in: your Designated Territory; a 25 mile radius of your Designated Territory; a 25 mile radius of the designated territory Designated Territory of any other Office; and you must comply with confidentiality, non-disclosure and non-solicitation covenants. |

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| s. Modification of the agreement | 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 discretion. |
| t. Integration/merger clauses | 18.M. | Only the terms of the Franchise Agreement and schedules to the Franchise Agreement and the respective signed exhibits to the Franchise Agreement are binding, subject to state law. 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 | 18.G. | Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in Clark County, Nevada and, if mediation is unsuccessful, then to binding arbitration in Clark County, Nevada. This provision is subject to applicable state law. |
| v. Choice of forum | 18.G. | All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, State court of general jurisdiction that is within or closest to Clark County, Nevada. This provision is subject to applicable state law. |
| w. Choice of law | 18.F. | Nevada law will govern. However, this provision is subject to state law and as otherwise disclosed in <u>Exhibit H</u> to this Disclosure Document. |

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The Franchise Relationship Under a Multi-Unit Development Agreement

~~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 Multi-Unit Development Agreement | Summary |
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| a. Length of the franchise term | 3 | Varies depending on the number of Offices to be developed and the Development Area. The agreement commences on the effective date and the term automatically expires at the earlier of the opening of the |

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| | | final Office required for development, or the last day of the calendar month in which the final Office was required to be open under the Multi Unit Development Agreement. |
| b. Renewal or extension of the term | Not applicable | There is no renewal of the Multi Unit Development Agreement. |
| e. Requirements for franchisee to renew or extend | Not applicable | There is no renewal of the Multi Unit Development Agreement. |
| d. Termination by franchisee | Not applicable | There is no option for your termination of the Multi Unit Development Agreement. |
| 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” | 3.2 | We may terminate your Multi Unit Development Agreement with cause. Your Multi Unit Development Agreement can be terminated by us if: (a) you abandon your obligations under the Multi Unit Development Agreement; (b) if you for four consecutive months, or any shorter period that indicates an intent by you to discontinue your development of Offices within the Development Area; (c) if you become insolvent or you are adjudicated bankrupt, or if any action is taken by you, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit of creditors or a receiver is appointed by you; (d) if you fail to meet your development obligations under the Development Schedule for any single Development Period including, but not limited to, your failure to establish, open and/or maintain the cumulative number of Offices in accordance with Development Schedule; and/or (e) in the event that any one Franchise Agreement is terminated respecting any Office and/or any other Franchise Agreement between you and us. |
| g. “Cause” defined curable defaults | Not applicable | Not applicable. |
| h. “Cause” defined non-curable defaults | 3.2 | Your Multi Unit Development Agreement can be terminated by us if: (a) you abandon your obligations under the Multi Unit Development Agreement; (b) if you for four consecutive months, or any shorter period that indicates an intent by you to discontinue your development of Offices within the Development Area; (c) if you become insolvent or you are adjudicated bankrupt, or if any action is taken by you, or by others against you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the |

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| | | benefit or creditors or a receiver is appointed by you; (d) if you fail to meet your development obligations under the Development Schedule for any single Development Period including, but not limited to, your failure to establish, open and/or maintain the cumulative number of Offices in accordance with Development Schedule; and/or (e) in the event that any one Franchise Agreement is terminated respecting any Office and/or any other Franchise Agreement with us. |
| i. Franchisee's obligations on termination/non-renewal | Not applicable | You lose all rights under the Multi-Unit Development Agreement. There are no renewal rights respecting the Multi-Unit Development Agreement. |
| j. Assignment of the contract by franchisor | 6 | There are no restrictions on our right to assign. |
| k. "Transfer" by franchisee-definition | 6 | You have no right to transfer the Multi-Unit Development Agreement. |
| l. Franchisor's approval of transfer by franchisee | 6 | You have no right to transfer the Multi-Unit Development Agreement. |
| m. Conditions for franchisor's approval of transfer | 6 | You have no right to transfer the Multi-Unit Development Agreement. |
| n. Franchisor's right of first refusal to acquire franchisee's business | Not applicable | Not applicable. |
| o. Franchisor's option to purchase franchisee's business | Not applicable | Not applicable. |
| p. Death or disability of franchisee | Not applicable | Not applicable. |
| q. Non-competition covenants during the term of the franchise | Not applicable | Not applicable as to Multi-Unit Development Agreement. However, each Office developed pursuant to Multi-Unit Development Agreement will be subject to non-competition covenants set forth in each respective Franchise Agreement. |
| r. Non-competition covenants after the franchise is terminated or expires | Not applicable | Not applicable as to Multi-Unit Development Agreement. However, each Office developed pursuant to Multi-Unit Development Agreement will be subject to non-competition covenants set forth in each respective Franchise Agreement. |
| s. Modification of the agreement | 5.3, 7.11 | Only by written agreement between you and us or if governing law requires a modification. We can change the form of the Franchise Agreement for future Offices |

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| | | which will not alter your obligations under the Multi-Unit Development Agreement. |
| t. Integration/merger clauses | 7.12 | The Multi-Unit Development Agreement is the entire agreement between you and us relating to the development of the Exclusive Territory. 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 | 7.5, 7.6 | Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in Clark County, Nevada and, if mediation is unsuccessful, then to binding arbitration in Clark County, Nevada. This provision is subject to applicable state law. |
| v. Choice of forum | 7.5, 7.6 | All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, State court of general jurisdiction that is within or closest to Clark County, Nevada. This provision is subject to applicable state law. |
| w. Choice of law | 7.5, 7.6 | Nevada law will govern. However, this provision is subject to state law and as otherwise disclosed in <u>Exhibit I</u> to this Disclosure Document. |

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote our franchise. No public figure is currently involved in our management.

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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.

DEFINITIONS

(a) Average – means the sum of all data points in a set, divided by the number of data points in that set.

(b) Bank Product Returns – refers to and means a financial service provided by tax preparers of a Toro Taxes Business that allows the deduction of tax preparation fees directly from a client's tax refund. This service enables Toro Taxes Business tax professionals to collect their fees from the refund itself rather than requiring payment upfront from clients.

(c) Cash File Returns – refers to and means the process where a tax return is paid for in the form of cash, check, or credit card by the client at the time of service, rather than using deferred payment options or deductions from a tax refund.

(d) Company Owned Outlet – means an Outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, and that is managed by us, our affiliate or any person identified in Item 2.

(e) Franchise Outlet – refers to a Toro Taxes Business operated under a Franchise Agreement that is not a Company Owned Outlet.

(f) Median - means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

(g) Operational Company Owned Outlet – means, as to a particular Tax Season, a Company Owned Outlet that was open and in operation on or prior to the commencement of the Tax Season and remained in operation through the entire respective Tax Season.

(h) Operational Franchise Outlet – means, as to a particular Tax Season, a Franchise Outlet that was open and in operation on or prior to the commencement of the Tax Season and remained in operation through the entire respective Tax Season.

(i) Outlet – refers to a Toro Taxes Business that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.

(j) Tax Preparation Fee – refers to and means the tax preparation fee charged by a tax professional for preparing and filing an individual's or company's tax returns. The Tax Preparation Fee varies based on the

complexity of the tax return, the type of forms required, and other related services provided by the tax preparer.

(k) Tax Returns – refers to and means the forms filed with the Internal Revenue Service (IRS) that report income, expenses, and other relevant tax information. Tax Returns help taxpayers calculate their tax liability, schedule tax payments, or request refunds for overpaid taxes. In the U.S., individuals file forms like the 1040, and corporations file forms such as the 1120 or 1065S, depending on their structure.

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

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Franchise Outlets is based on information reported to us by our franchisees. Data for our Company Owned Outlets is based on information reported to us by our affiliate. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance.

ANALYSIS OF RESULTS OF COMPANY OWNED OUTLETS

During the 2023 Tax Season we had a total of 14 Operational Company Owned Outlets. Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlets as a result of our extensively experienced management team; (b) brand recognition within the local markets in which our Company Owned Outlets operate; and (c) no obligation to pay ongoing monthly fees that a franchisee will pay to us, such as royalties, DMA marketing funds fees and global brand development fund fees.

As to the 2023 Tax Season reported below, we provide select financial data for our Operational Company Owned Outlets.

Table 1

| <u>All Operational Company Owned Outlets 2023 Tax Season Select Performance Data</u> | |
|--|------------------------|
| | <u>2023 Tax Season</u> |
| <u>Average Number of Overall Returns Created Per Company Owned Outlet</u> | <u>532.73</u> |
| <u>Median Number of Overall Returns Created Per Company Owned Outlet</u> | <u>387</u> |
| <u>Average Number of Cash File Returns Created Per Company Owned Outlet</u> | <u>344.80</u> |
| <u>Median Number of Cash File Returns Created Per Company Owned Outlet</u> | <u>188</u> |
| <u>Average Number of Bank Product Returns Created Per Company Owned Outlet</u> | <u>201.36</u> |
| <u>Median Number of Bank Product Returns Created Per Company Owned Outlet</u> | <u>181.5</u> |
| <u>Average Overall Fee Per Tax Return</u> | <u>\$275.80</u> |
| <u>Median Overall Fee Per Tax Return</u> | <u>\$230</u> |
| <u>Average Tax Preparation Fee Per Cash File Return</u> | <u>\$214.86</u> |
| <u>Median Tax Preparation Fee Per Cash File Return</u> | <u>\$200</u> |
| <u>Average Tax Preparation Fee Per Bank Product Return</u> | <u>\$384.91</u> |
| <u>Median Tax Preparation Fee Per Bank Product Return</u> | <u>\$350</u> |

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ANALYSIS OF RESULTS OF FRANCHISE OUTLETS

During the ~~We do~~ 2023 Tax Season we had a total of 183 Operational Franchise Outlets. Below we provide select financial data for our Operational Franchise Outlets during the respective 2023 Tax Season.

Table 2

| <u>All Operational Franchise Outlets 2023 Tax Season Select Performance Data</u> | |
|--|------------------------|
| | <u>2023 Tax Season</u> |
| <u>Average Number of Overall Returns Created Per Franchise Outlet</u> | <u>207.40</u> |
| <u>Median Number of Overall Returns Created Per Franchise Outlet</u> | <u>130</u> |
| <u>Average Number of Cash File Returns Created Per Franchise Outlet</u> | <u>162.67</u> |
| <u>Median Number of Cash File Returns Created Per Franchise Outlet</u> | <u>98</u> |
| <u>Average Number of Bank Product Returns Created Per Franchise Outlet</u> | <u>51.93</u> |
| <u>Median Number of Bank Product Returns Created Per Franchise Outlet</u> | <u>24.5</u> |
| <u>Average Overall Fee Per Tax Return</u> | <u>\$283.93</u> |
| <u>Median Overall Fee Per Tax Return</u> | <u>\$250</u> |
| <u>Average Tax Preparation Fee Per Cash File Return</u> | <u>\$256.51</u> |
| <u>Median Tax Preparation Fee Per Cash File Return</u> | <u>\$220</u> |
| <u>Average Tax Preparation Fee Per Bank Product Return</u> | <u>\$374.73</u> |
| <u>Median Tax Preparation Fee Per Bank Product Return</u> | <u>\$351</u> |

Some Outlets have earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.

Other than the preceding financial performance representation, Toro Taxes Franchise, LLC does 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, LLC at 6130 Elton Avenue, Las Vegas, Nevada 89107 and (800) 867-6829, the Federal Trade Commission, and the appropriate state regulatory agencies.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS ~~2020~~2021 to ~~2023~~2022

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---------------|----------------------|----------------------------------|--------------------------------|-------------------|
| Franchised | 2021 2020 | 68 142 | 142 168 | +74 26 |
| | 2022 2021 | 142 168 | 168 183 | +26 15 |
| | 2022 2023 | 168 183 | 183 181 | +15 2 |
| Company Owned | 2021 2020 | 32 | 32 | 0 |
| | 2022 2021 | 32 | 32 14 | 0 18 |
| | 2023 2022 | 32 14 | 14 | 18 0 |
| Total Outlets | 2021 2020 | 100 174 | 174 200 | +74 26 |
| | 2022 2021 | 174 200 | 200 197 | +26 3 |
| | 2022 2023 | 200 197 | 197 195 | 3 2 |

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TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS ~~2020~~2021 to ~~2023~~2022

| State | Year | Number of Transfers |
|-------------------------------------|----------------------|---------------------|
| Total <u>Colorado</u> | 2021 2020 | 0 |
| | 2022 2021 | <u>0</u> |
| | 2023 2022 | <u>5</u> |
| <u>Florida</u> | 2021 | 0 |
| | 2022 | 0 |
| | 2023 2022 | <u>2</u> |

| | | |
|---------------|-------------|-----------|
| <u>Nevada</u> | <u>2021</u> | <u>0</u> |
| | <u>2022</u> | <u>0</u> |
| | <u>2023</u> | <u>3</u> |
| <u>Ohio</u> | <u>2021</u> | <u>0</u> |
| | <u>2022</u> | <u>0</u> |
| | <u>2023</u> | <u>1</u> |
| <u>Total</u> | <u>2021</u> | <u>0</u> |
| | <u>2022</u> | <u>0</u> |
| | <u>2023</u> | <u>11</u> |

**TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS ~~2020~~2021 to ~~2023~~2022**

| 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 | 2021 2020 | 11 12 | 1 5 | 0 | 0 | 0 | 0 | 12 17 |
| | 2021 2022 | 12 17 | 5 3 | 0 | 0 | 0 | 0 3 | 17 |
| | 2022 2023 | 17 | 3 0 | 0 | 0 | 0 | 3 0 | 17 |
| California | 2021 2020 | 16 17 | 1 0 | 0 | 0 | 0 | 0 | 17 |
| | 2022 2021 | 17 | 0 9 | 0 1 | 0 | 0 | 0 | 17 25 |
| | 2022 2023 | 17 25 | 9 0 | 1 0 | 0 | 0 | 0 | 25 |
| Colorado | 2021 2020 | 18 23 | 5 1 | 0 | 0 | 0 | 0 | 23 24 |
| | 2021 | 23 | 1 | 0 | 0 | 0 | 0 | 24 |
| | 2022 | 24 | 10 | 2 | 0 | 0 | 0 | 32 |
| | <u>2023</u> | <u>32</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>32</u> |
| Delaware | 2021 2020 | 0 4 | 4 0 | 0 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 1 | 3 | 0 | 0 | 0 | 2 |

| 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 |
|--------------------|----------------------|--------------------------|----------------|---------------|--------------|--------------------------|-------------------------------------|------------------------|
| Florida | 2020 2023 | 52 | 50 | 0 | 0 | 0 | 0 | 102 |
| Florida | 2021 | 10 | 2 | 0 | 0 | 0 | 0 | 12 |
| | 2022 | 12 | 5 | 5 | 0 | 0 | 3 | 9 |
| | 2023 | 9 | 1 | 0 | 0 | 0 | 0 | 10 |
| Georgia | 2021 2020 | 04 | 40 | 0 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 0 | 4 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Illinois | 2021 2020 | 03 | 31 | 0 | 0 | 0 | 0 | 34 |
| | 2021 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 1 | 2 | 0 | 0 | 1 | 2 |
| | 2023 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| Kentucky | 2021 2020 | 01 | 10 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Maryland | 2021 2020 | 010 | 100 | 0 | 0 | 0 | 0 | 10 |
| | 2021 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| | 2022 | 10 | 0 | 4 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| Minnesota | 2021 2020 | 01 | 10 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| Nevada | 2020 2023 | 62 | 20 | 01 | 0 | 0 | 0 | 81 |
| Nevada | 2021 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |

| 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 |
|----------------|-----------------------------|--------------------------|-----------------------|--------------|--------------|--------------------------|-------------------------------------|------------------------|
| | 2022 | 8 | 6 | 2 | 0 | 0 | 0 | 12 |
| | <u>2023</u> | <u>12</u> | <u>0</u> | <u>3</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>9</u> |
| New Jersey | 2021 <u>2020</u> | 6 <u>6</u> | 0 <u>0</u> | 0 | 0 | 0 | 0 | 6 |
| | 2021 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 2 | 1 | 0 | 0 | 0 | 7 |
| | <u>2023</u> | <u>7</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>7</u> |
| New York | 2021 <u>2020</u> | 9 <u>9</u> | 0 <u>0</u> | 0 | 0 | 0 | 0 | 9 |
| | 2021 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| | 2022 | 9 | 0 | 1 | 0 | 4 | 0 | 4 |
| | <u>2023</u> | <u>4</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>4</u> |
| North Carolina | 2021 <u>2020</u> | 2 <u>2</u> | 0 <u>0</u> | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| <u>Ohio</u> | 2020 <u>2023</u> | 0 <u>0</u> | 0 | 0 | 0 | 0 | 0 | 0 <u>0</u> |
| <u>Ohio</u> | 2021 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 3 | 0 | 0 | 0 | 0 | 4 |
| | <u>2023</u> | <u>4</u> | <u>0</u> | <u>1</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>3</u> |
| Oklahoma | 2021 <u>2020</u> | 1 <u>1</u> | 1 | 0 | 0 | 0 | 0 | 1 <u>2</u> |
| | 2021 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | <u>2023</u> | <u>3</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>3</u> |
| Oregon | 2021 <u>2020</u> | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | <u>2023</u> | <u>1</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1</u> |

| 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 |
|---------------------|----------------------|--------------------------|----------------|--------------|--------------|--------------------------|-------------------------------------|------------------------|
| Pennsylvania | 2021 2020 | 0 13 | 130 | 0 | 0 | 0 | 0 | 13 |
| | 2021 | 13 | 0 | 0 | 0 | 0 | 0 | 13 |
| | 2022 | 13 | 4 | 6 | 0 | 0 | 0 | 11 |
| | 2023 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| South Carolina | 2021 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Texas | 2020 2023 | 7 1 | 40 | 0 | 0 | 0 | 0 | 4 1 |
| Texas | 2021 | 11 | 15 | 0 | 0 | 0 | 0 | 26 |
| | 2022 | 26 | 9 | 6 | 0 | 0 | 0 | 29 |
| Utah | 2020 2023 | 1 29 | 0 | 0 | 0 | 0 | 0 | 1 29 |
| Utah | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 3 | 1 | 0 | 0 | 0 | 3 |
| Virginia | 2020 2023 | 0 3 | 0 | 0 | 0 | 0 | 0 | 0 3 |
| Virginia | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Washington | 2021 2020 | 3 5 | 20 | 0 | 0 | 0 | 0 | 5 |
| | 2022 2021 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2022 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Wisconsin | 2021 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2020 | 68 | 74 | 0 | 0 | 0 | 0 | 142 |

| 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 |
|-------------------|-------------|--------------------------|----------------|--------------|--------------|--------------------------|-------------------------------------|---------------------------|
| Totals | | | | | | | | |
| <u>Totals</u> | 2021 | 142 | 24 | 0 | 0 | 0 | 0 | 166 |
| | 2022 | 166 | 64 | 38 | 0 | 4 | 7 | 181 <u>183</u> |
| | <u>2023</u> | <u>183</u> | <u>3</u> | <u>5</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>181</u> |

**TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS
FOR YEARS ~~2020~~2021 to ~~2022~~2023**

| 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 | 2020 2021 | 11 | 0 | 0 | 0 | 0 | 11 |
| | 2022 2021 | 11 | 0 | 0 | 0 | 0 <u>11</u> | 11 <u>0</u> |
| | 2022 2023 | 11 <u>0</u> | 0 | 0 | 0 | 11 <u>0</u> | 0 |
| Nevada | 2020 2021 | 19 <u>21</u> | 0 | 20 <u>0</u> | 0 | 0 | 21 |
| | 2022 2021 | 21 | 0 | 0 | 0 | 0 <u>11</u> | 21 <u>10</u> |
| | 2022 2023 | 21 <u>10</u> | 0 | 0 | 0 | 11 <u>0</u> | 10 |
| New Mexico | 2020 2021 | 10 <u>0</u> | 0 | 0 | 10 <u>0</u> | 0 | 0 |
| | 2022 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 2023 | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 2020 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 2021 | 0 | 0 | 0 <u>4</u> | 0 | 0 | 0 <u>4</u> |
| | 2022 2023 | 0 <u>4</u> | 0 | 4 <u>0</u> | 0 | 0 | 4 |
| Texas | 2020 2021 | 10 <u>0</u> | 0 | 0 | 10 <u>0</u> | 0 | 0 |
| | 2022 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 2023 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | |
|--------|----------------------|-----------------|---|---------------|---------------|----------------|-----------------|
| Totals | 2020 2021 | 32 | 0 | 20 | 20 | 0 | 32 |
| | 2022 2021 | 32 | 0 | 04 | 0 | 022 | 3214 |
| | 2022 2023 | 3214 | 0 | 40 | 0 | 220 | 14 |

**TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, ~~2022~~2023**

| 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 | 23 | 3 | 0 |
| California | 1 | 3 | 0 |
| Colorado | 1 | 3 | 0 |
| Florida | 4 | 3 | 0 |
| Illinois | 12 | 3 | 0 |
| Kentucky | 0 | 3 | 0 |
| <u>Maryland</u> | <u>1</u> | <u>0</u> | <u>0</u> |
| Minnesota | 01 | 3 | 0 |
| Nebraska | 1 | 0 | 0 |
| <u>Nevada</u> | <u>1</u> | <u>0</u> | <u>0</u> |
| New Jersey | 12 | 3 | 0 |
| Ohio | 02 | 3 | 0 |
| Oklahoma | 01 | 3 | 0 |
| Oregon | 31 | 0 | 0 |
| Pennsylvania | 12 | 1 | 0 |
| Texas | 614 | 10 | 0 |
| Utah | 1 | 3 | 0 |
| Totals | 2238 | 44 | 0 |

Notes to Tables:

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

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses with us that restrict them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

Exhibit GF to this Disclosure Document contains a list of our then current franchisees as of the end of the Issuance Date of this Disclosure Document.

Exhibit HG to this Disclosure Document contains a list of franchisees 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.

ITEM 21 **FINANCIAL STATEMENTS**

Attached as Exhibit D are our audited financial statements for December 31, ~~2022~~2023, December 31, ~~2021~~2022, and December 31, ~~2020~~2021. We were established on April 5, 2019, and our fiscal year ends on December 31.

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:

Exhibits to this Disclosure Document

| | |
|-----------------------|---|
| Exhibit E | Franchise Agreement |
| Exhibit F | Multi-Unit Development Agreement |
| Exhibit IH | State Specific Addenda |

Schedules and Exhibits to the Franchise Agreement

| | |
|------------|---|
| Schedule 1 | Location and Designated Territory Acknowledgment |
| Schedule 2 | Statement of Franchise Owners |
| Exhibit 1 | Franchise Owner and Spouse Agreement and Guaranty |
| Exhibit 2 | Confidentiality Agreement |
| Exhibit 3 | Site Selection Acknowledgment |
| Exhibit 4 | Lease Agreement Rider |
| Exhibit 5 | Collateral Assignment of Lease |
| Exhibit 6 | Assignment of Telephone Numbers and Digital Media Accounts |
| Exhibit 7 | ACH Authorization Form |
| Exhibit 8 | General Release |
| Exhibit 9 | Conversion Program Addendum |
| Exhibit 10 | Promissory Note - Initial Location Initial Franchise Fee Financing |
| Exhibit 11 | Security Agreement |
| Exhibit 12 | Business Division Services Addendum |

~~Schedules and Exhibits to the Multi-Unit Development Agreement~~

~~Schedule A — Development Information Sheet~~

Individual state law may supersede the provisions contained in your Franchise ~~Agreement and, if applicable, your Multi-Unit Development~~ Agreement respecting the requirement that you execute a general release as a condition to assignment, sale or transfer. See, the state specific addendums contained in Exhibit ~~H~~ of this Disclosure Document.

ITEM 23
RECEIPTS

Two copies of a detachable receipt in Exhibit ~~KJ~~ 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, LLC, 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

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

Commissioner of Securities
Dept. of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
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
P.O. 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-Department~~
600 East Boulevard, ~~5th Avenue, State Capitol~~
~~Fourteenth~~ Floor
~~Department 414~~
Bismarck, ND 58505-0510
~~Phone 701-328-4712~~

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

Franchise Office
Division of Securities
910 E. Sioux Avenue
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
P.O. 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
P.O. Box 9033
Olympia, WA 98507
360-902-8700

Wisconsin

Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT B
AGENTS FOR SERVICE OF PROCESS

Agents for Service of Process

Toro Taxes Franchise, LLC,
6130 Elton Avenue, Las Vegas, Nevada 89107
Attn: Nick Maldonado, CEO

California

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

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

Commissioner of Securities
Dept. of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 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 the State of New York
99 Washington Avenue
Albany, NY 12231

North Dakota

North Dakota Securities Department
Securities Commissioner
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

Director, Division of Securities
Department of Commerce and Regulation
445 East Capitol Avenue
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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OPERATIONS MANUAL TABLE OF CONTENTS

TORO TAXES FRANCHISE, LLC
OPERATIONS MANUAL TABLE OF CONTENTS

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FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT D
FINANCIAL STATEMENTS



South Coast Metro - Twin Towers
1 MacArthur Place, Suite 500
Santa Ana, CA 92707
Main: 949.484.7990
Fax: 949.484.7983

April 22, 2024

Board of Directors and Stockholders
Toro Taxes Franchise, LLC

MM & Company, LLP hereby consents to the use in the Franchise Disclosure Document issued by Toro Taxes Franchise, LLC ("Franchisor") on April 22, 2024, of our report dated April 19, 2024, relating to the financial statements of Franchisor for the year ended December 31, 2023.

MM & Company, LLP

MM & Company, LLP

Santa Ana, California



TORO TAXES FRANCHISE, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2023, 2022 AND 2021

**WITH INDEPENDENT AUDITOR'S
REPORT THEREON**

TORO TAXES FRANCHISE, LLC
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DECEMBER 31, 2023, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members
Toro Taxes Franchise, LLC
Las Vegas, Nevada

Opinion

We have audited the accompanying financial statements of Toro Taxes Franchise, LLC (the Company), which comprise the balance sheet as of December 31, 2023, and the related statements of operations, members' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Toro Taxes Franchise, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Company as of December 31, 2022 and 2021 were audited by other auditors whose reports dated May 1, 2023 and April 29, 2022, respectively, expressed unmodified opinions on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Toro Taxes Franchise, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Toro Taxes Franchise, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Toro Taxes Franchise, LLC's ability to continue as a going concern for a reasonable period of time.

Other Matter

As part of our audit of the 2023 financial statements, we also audited adjustments described in Note 2 that were applied to restate the 2022 and 2021 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2022 or 2021 financial statements of the Company other than with respect to the adjustments, and, accordingly, we do not express an opinion or any other form of assurance on the 2022 or 2021 financial statements as a whole.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

MM & Company, LLP

MM & Company, LLP

Santa Ana, California
April 19, 2024

TORO TAXES FRANCHISE, LLC
BALANCE SHEETS
DECEMBER 31, 2023, 2022 AND 2021

| | ASSETS | | |
|--|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2021 |
| Current Assets: | | | |
| Cash | \$ 99,568 | \$ 33,976 | \$ 358,395 |
| Accounts receivable | 48,213 | 56,103 | 55,580 |
| Notes receivable, current maturities | 322,269 | 332,837 | 184,791 |
| Deferred commission, current portion | 32,928 | 32,928 | - |
| Due from related parties | 326,648 | 90,544 | 46,392 |
| | 829,626 | 546,388 | 645,158 |
| Non-Current Assets: | | | |
| Notes receivable, net of current maturities | 1,837,059 | 1,331,349 | 739,165 |
| Property and building improvements, net | 61,297 | 66,928 | 80,379 |
| Deferred commission, net of current portion | 65,858 | 98,786 | - |
| Security deposits | 3,000 | 24,625 | 24,625 |
| Right-of-use lease assets | 7,934 | - | - |
| Other assets | - | - | 3,760 |
| | 1,975,148 | 1,521,688 | 847,929 |
| Total Assets | \$ 2,804,774 | \$ 2,068,076 | \$ 1,493,087 |
| LIABILITIES AND MEMBER'S EQUITY (DEFICIT) | | | |
| Current Liabilities: | | | |
| Accounts payable | \$ 58,510 | \$ 32,585 | \$ 78,313 |
| Due to related parties | 1,554 | 1,205 | 11,906 |
| Note payable, current portion | 1,173,716 | 517,371 | 259,008 |
| Lease liabilities, current portion | 1,841 | - | - |
| Deferred revenue, current portion | 889,377 | 687,707 | 359,600 |
| | 2,124,998 | 1,238,868 | 708,827 |
| Long-Term Liabilities: | | | |
| Note payable, net of current portion | 1,959,751 | 2,979,163 | 1,572,743 |
| Lease liabilities, net of current portion | 6,093 | - | - |
| Deferred revenue, net of current portion | 1,894,433 | 1,396,583 | 869,085 |
| | 3,860,277 | 4,375,746 | 2,441,828 |
| Total liabilities | 5,985,275 | 5,614,614 | 3,150,655 |
| Total Member's Equity (Deficit) as Restated | (3,180,501) | (3,546,538) | (1,657,568) |
| Total Liabilities and Member's Equity (Deficit) | \$ 2,804,774 | \$ 2,068,076 | \$ 1,493,087 |

TORO TAXES FRANCHISE, LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|-----------------------------------|-------------------|-------------------|-------------------|
| Revenues: | | | |
| Royalties | \$ 1,010,956 | \$ 908,024 | \$ 881,751 |
| Gross sales rebates | 854,425 | 898,305 | 761,257 |
| Marketing fees | 441,408 | 430,776 | 265,783 |
| Initial franchise fees | 926,030 | 940,888 | 557,476 |
| Annual fees | 92,730 | 86,516 | 5,500 |
| Other income | 32,915 | 46,780 | 57,772 |
| | <u>3,358,464</u> | <u>3,311,289</u> | <u>2,529,539</u> |
| Total revenues | | | |
| Operating Expenses: | | | |
| General and administrative | 1,751,764 | 1,277,730 | 766,030 |
| Wages and salaries | 471,651 | 644,570 | 563,343 |
| Advertising and marketing | 475,843 | 492,408 | 365,572 |
| Conventions and expos | 111,798 | 332,836 | 181,512 |
| Franchise commissions | 61,276 | 32,928 | 115,013 |
| Depreciation | 15,896 | 13,451 | 13,349 |
| | <u>2,888,228</u> | <u>2,793,923</u> | <u>2,004,819</u> |
| Total operating expenses | | | |
| Operating Income | <u>470,236</u> | <u>517,366</u> | <u>524,720</u> |
| Other Income (Expenses): | | | |
| Interest income | 135,411 | 11,176 | 28 |
| Interest expense | (7,729) | (92,560) | (3,375) |
| Recovery of bad debt | 320,254 | - | - |
| Amortization of Buyer's Fees | (154,298) | 76,208 | 76,208 |
| Loss on sales of notes receivable | (228,945) | - | - |
| PPP loan forgiveness | - | - | 56,266 |
| | <u>64,693</u> | <u>(5,176)</u> | <u>129,127</u> |
| Total other income and (expenses) | | | |
| Net Income | <u>\$ 534,929</u> | <u>\$ 512,190</u> | <u>\$ 653,847</u> |

TORO TAXES FRANCHISE, LLC
STATEMENT OF MEMBERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

| | |
|---|------------------------------|
| Members' Equity (Deficit) at December 31, 2020, Restated | \$ (1,457,927) |
| Members' distributions | (853,488) |
| Net income, restated | <u>653,847</u> |
| Members' Equity (Deficit) at December 31, 2021, Restated | (1,657,568) |
| Members' distributions | (2,401,160) |
| Net income, restated | <u>512,190</u> |
| Members' Equity (Deficit) at December 31, 2022, Restated | (3,546,538) |
| Members' distributions | (168,892) |
| Net income | <u>534,929</u> |
| Members' Equity (Deficit) at December 31, 2023 | <u><u>\$ (3,180,501)</u></u> |

TORO TAXES FRANCHISE, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|------------------|------------------|--------------------|
| Cash Flows From Operating Activities: | | | |
| Net income | \$ 534,929 | \$ 512,190 | \$ 653,847 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 15,896 | 13,451 | 13,349 |
| Allowance for doubtful accounts | (316,623) | 507,018 | 282,852 |
| (Increase) decrease in: | | | |
| Accounts receivable | 7,890 | (523) | 7,042 |
| Deferred commissions | 32,928 | (131,714) | - |
| Notes receivable | (178,519) | (1,247,248) | (427,259) |
| Prepaid expenses | - | - | 129,379 |
| Security deposits | 21,625 | - | 6,000 |
| Due from related parties | (236,104) | (44,152) | 45,810 |
| Other assets | - | 3,760 | (3,760) |
| Increase (decrease) in: | | | |
| Accounts payable | 25,925 | (45,729) | (130,809) |
| Operating cash flows from operating leases | - | - | - |
| Due to related parties | 349 | (10,701) | 11,906 |
| Deferred revenue | 699,520 | 855,606 | 819,436 |
| | <u>607,816</u> | <u>411,958</u> | <u>1,407,793</u> |
| Cash Flows From Investing Activities: | | | |
| Purchases of property and equipment | (10,265) | - | (9,500) |
| | <u>(10,265)</u> | <u>-</u> | <u>(9,500)</u> |
| Net cash used in investing activities | (10,265) | - | (9,500) |
| Cash Flows From Financing Activities: | | | |
| Payments on notes payable | (513,032) | (335,217) | (335,218) |
| Proceeds from notes payable | 149,965 | 2,000,000 | - |
| Members' distributions | (168,892) | (2,401,160) | (853,488) |
| | <u>(531,959)</u> | <u>(736,377)</u> | <u>(1,188,706)</u> |
| Net cash used in financing activities | (531,959) | (736,377) | (1,188,706) |
| Net Increase (Decrease) in Cash | 65,592 | (324,419) | 209,587 |
| Cash, Beginning of period | 33,976 | 358,395 | 148,808 |
| Cash, End of Period | <u>\$ 99,568</u> | <u>\$ 33,976</u> | <u>\$ 358,395</u> |
| Supplemental Information to Cash Flows: | | | |
| Cash paid for interest | <u>\$ 7,729</u> | <u>\$ 92,560</u> | <u>\$ 3,375</u> |
| Supplemental Disclosures of Non-Cash Activity: | | | |
| Record right-of-use operating leases | <u>\$ 9,727</u> | <u>\$ -</u> | <u>\$ -</u> |

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Toro Taxes Franchise, LLC (the Company) was established in the state of Nevada as a limited liability Company on April 5, 2019, for the purpose of offering franchise opportunities to entrepreneurs who want to develop and operate a tax preparation business. The Company offers qualified individuals the right to operate a business that provides services for the preparation and filing of income tax returns, and other products and services under “Toro Taxes” mark. The Company offers individual unit office franchises and area development franchises for the development of multiple offices within a designated territory.

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, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from those estimates used.

Reclassifications

Certain reclassifications have been made to the 2022 and 2021 financial statements to conform to the 2023 presentation. Such reclassifications had no effect on previously reported changes in stockholders’ equity.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash deposits in excess of \$250,000. The Company places its cash deposits with high-credit quality, Federal Deposit Insurance Corporation (FDIC) insured financial institutions. At times, balances in the Company’s cash accounts may exceed the FDIC’s insurance limits. As of December 31, 2023, all the Company’s cash balances were insured.

Accounts Receivable and Notes Receivable

Accounts receivable arise primarily from the amounts due from franchise owners for continuing fees (Royalties) that are collected monthly and are carried at their estimated collectible amounts.

Notes receivable consist of Company’s loans made to franchise owners for a purchase of initial or additional franchises and are carried at their estimated collectible amounts, net of any estimated allowances for doubtful accounts. The Company provides an allowance for doubtful collections, which is based upon a review of outstanding accounts and notes receivable, historical collection information, existing economic conditions, and other relevant factors. At the time any particular account receivable is deemed uncollectible, the balance is charged to the allowance for doubtful accounts.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Property and Equipment

Property and equipment is carried at historical cost. Depreciation of property and equipment is provided for by using the straight-line method for financial reporting purposes. Depreciation is charged over the estimated useful lives of the assets, which ranges from five to fifteen years. Expenditures for maintenance and repairs of equipment are charged to expense as incurred.

Revenue Recognition

Revenue is recognized in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. The Company adopted ASU 2021-02, *Franchisors – Revenue from Contracts with Customers* (Subtopic 952-606) effective with the application of ASC Topic 606. The ASU provides a practical expedient to ASU2014-09, *Revenue from Contracts with Customers* (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for preopening services as distinct if they are consistent with those included in a predefined list of pre-opening services.

The franchise arrangement between the Company and each franchise owner is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company, as franchisor, to perform various activities to support the brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company before opening are distinguished from the franchise license. Therefore, the Company recognizes franchise fees as two performance obligations. The nature of the Company's promise in granting the franchise license is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise arrangement.

The transaction price in a standard franchise arrangement consists of (a) franchise/development fees; (b) marketing, brand development, and royalties fees, (c) IT fees, and (d) annual conference fees. The Company utilizes the ASC 606 five steps revenue recognition model as follows:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Revenue Recognition (Continued)

The terms of the Company's franchise agreement will be as follows:

- The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- The franchisee is obligated to pay a non-refundable initial franchise fee.
- The franchisee is obligated to pay monthly royalties, marketing, IT, and annual conference fees. Certain other fees are also outlined in the agreement.

Franchise revenues are recognized by the Company from the following different sources: The Company recognizes franchise fees as two performance obligations. The first, pre-opening services, including access to manuals, assistance in site selection, and initial training, have been determined to be distinct services offered to franchisees. Pre-opening services are earned over a period of time using an input method of completion based on costs incurred for each franchisee at the end of each year.

The second, access to the franchise license, has been determined to be distinct. The amount allocated to the franchise license is earned over time as performance obligations are satisfied due to the continuous transfer of control to the franchisee. Franchise and development fees are paid in advance of the franchise opening, typically when entering into a new franchise or development agreement. Fees allocated to the franchise license are recognized as revenue on a straight-line basis over the term of each respective franchise agreement. Initial franchise agreement terms are typically five years while successive agreement terms are typically five years.

The Company accounts for its franchise-related revenues as follows:

- **Franchise Fees:** The Company will defer the initial franchise fees, which range from \$5,000 to \$35,000 based on year the franchise was signed, over the life of the agreement for the symbolic intellectual property and recognize the other services provided on the date of signing the agreement. In the new guidelines, Franchisors are to record the revenues when the performance obligation is met for those services provided at the time the agreement is signed, which include pre-opening services including the assistance, preparation, training, installation and testing of all programs included in the franchise setup which amounts to \$2,888 for 2023. The remaining initial fees relate to Marks and Licenses which are deemed symbolic intellectual property that is not functional intellectual property (that is, intellectual property that does not have significant stand-alone functionality). Because symbolic intellectual property does not have significant standalone functionality, substantially all of the utility of symbolic intellectual property is derived from its association with the entity's past or ongoing activities, including its ordinary business activities. The Company deferred franchise fees totaling \$2,783,810 for the years ended December 31, 2023.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Revenue Recognition (Continued)

- **Royalty Fees:** Throughout the term of the franchise agreement, Franchisee shall pay to Franchisor a continuing non-refundable 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 franchise agreement.
- **Advertising Fees:** Advertising fees are based on franchisee sales and are recorded as revenue and recognized as these services are delivered. The Company collects funds from franchisees to manage the brand level advertising, marketing, and development program. The fee is based on a percentage of the gross sales less any amount paid towards sales tax, payable weekly.

Franchise Activity

The following is a summary of franchise activity at December 31:

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|-------------|-------------|-------------|
| Total Number of Franchises Sold | 3 | 64 | 24 |
| Total Number of Franchises in Operation | 195 | 197 | 200 |

Contracts Assets and Liabilities Balances

The Company incurs costs that are directly attributable to obtaining a contract, for example, commission fees, broker fees, and referral fees. Under ASC 606, costs that are directly associated with obtaining a contract are to be capitalized and recognized over the term of the agreement. Capitalized costs are included in deferred expenses on the accompanying balance sheet. As such, direct franchise license costs are recognized over the franchise renewal term, which is the performance obligation, and is typically the franchise agreement's term. If a customer is terminated, the remaining deferred expense will be recognized to expenses.

Deferred revenue consists of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Deferred revenue is a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Change in Accounting Principle

In February 2016, the FASB Update 2016-02, *Leases* (Topic 842), (ASU) which is the final standard on the accounting for leases. ASU 2016 was issued in three parts: Section A, “Leases: Amendments to the FASB Accounting Standards Codification®”, Section B, “Conforming Amendments Related to Leases: Amendments to the FASB Accounting Standards Codification®”, and Section C, “Background Information and Basis for Conclusions.” While both lessees and lessors are affected by the new guidance, the effects on lessees are much more significant. The most significant change for lessees is the requirement under the new guidance to recognize right-of-use assets and lease liabilities for all leases not considered short-term leases. By definition, a short-term lease is one in which: (a) the lease term is 12 months or less and liabilities for most leases currently accounted for as operating leases under the legacy lease accounting guidance.

For many entities, this could significantly affect the financial ratios they use for external reporting and other purposes, such as debt covenant compliance. The ASU is effective for fiscal years beginning after December 15, 2021. The Company has adopted this standard, and the effect has been reflected in the financial statements and notes to the financial statements.

Income Taxes

The Company and its members have elected to be treated as a partnership under the provisions of the Internal Revenue Code (IRC). Therefore, any taxable income earned by the Company is included in the individual tax returns of its members. Accordingly, net income presented in the financial statements does not include a provision for income taxes.

Subsequent Events

The Company has evaluated subsequent events through April 19, 2024, which was the date the financial statements were available to be issued.

2. PRIOR PERIOD ADJUSTMENTS

Prior period adjustments were made for the years ending December 31, 2022 and 2021. The first adjustment in the amount of \$102,313 was the result of errors in recording deferred revenues which affected the years ending December 31, 2022 and 2021.

The second adjustment was to properly record buyer’s fees related to accounts receivable financing agreements in the year ending December 31, 2022 (See Note 9). The following reflects the accounts which were affected as a result of the adjustments.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

2. PRIOR PERIOD ADJUSTMENTS (Continued)

The following accounts were restated during the year ending December 31, 2022:

| | <u>Unadjusted</u> | <u>Adjustment</u> | <u>Restated</u> |
|--|-------------------|-------------------|-----------------|
| Deferred Revenue, Net of Current Portion | \$ 1,601,211 | \$ (204,628) | \$ 1,396,583 |
| Note Payable, Net of Current Portion | \$ 3,151,394 | \$ (172,231) | \$ 2,979,163 |
| Initial Franchise Fees | \$ 838,575 | \$ 102,313 | \$ 940,888 |
| Amortization of Buyer's Fees | \$ - | \$ 76,208 | \$ 76,208 |
| Members' Deficit | \$ (3,725,059) | \$ 178,521 | \$ (3,546,538) |
| Net income | \$ 333,669 | \$ 178,521 | \$ 512,190 |

The following accounts were restated during the year ending December 31, 2021:

| | <u>Unadjusted</u> | <u>Adjustment</u> | <u>Restated</u> |
|--|-------------------|-------------------|-----------------|
| Deferred Revenue, Net of Current Portion | \$ 971,398 | \$ (102,313) | \$ 869,085 |
| Initial Franchise Fees | \$ 455,163 | \$ 102,313 | \$ 557,476 |
| Amortization of Buyer's Fees | \$ - | \$ 76,208 | \$ 76,208 |
| Members' Deficit | \$ (1,836,089) | \$ 178,521 | \$ (1,657,568) |
| Net Income | \$ 475,326 | \$ 178,521 | \$ 653,847 |

The following accounts were restated during the year ending December 31, 2020:

| | <u>Unadjusted</u> | <u>Adjustment</u> | <u>Restated</u> |
|------------------|-------------------|-------------------|-----------------|
| Members' Deficit | \$ (1,477,742) | \$ 19,815 | \$ (1,457,927) |

3. ACCOUNTS RECEIVABLE

At the years ended December 31, 2023, 2022 and 2021, accounts receivables consisted of the following:

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|----------------------|------------------|------------------|------------------|
| Royalties Receivable | \$ 45,341 | \$ 56,103 | \$ 55,580 |
| Other Receivables | <u>2,872</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 48,213</u> | <u>\$ 56,103</u> | <u>\$ 55,580</u> |

4. NOTES RECEIVABLE

Notes receivable relate to the Company financing a portion or all of the initial franchise fees from the sale of franchises. The notes are collateralized by the franchise territory. The notes generally bear interest at rates ranging from 5% to 10%, with maturities generally from five to ten years.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

4. NOTES RECEIVABLE (Continued)

A summary of notes receivable principal maturities at December 31 follows:

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--|--------------------|--------------------|-------------------|
| Notes Receivables | \$2,270,843 | \$2,204,425 | \$1,162,482 |
| Less: Allowance for Doubtful Accounts | <u>(111,515)</u> | <u>(540,239)</u> | <u>(238,526)</u> |
| Notes Receivable, Net of Allowances for Doubtful Accounts | 2,159,328 | 1,664,186 | 923,956 |
| Less: Current Maturities, Net of Allowances for Doubtful Accounts | <u>322,269</u> | <u>332,837</u> | <u>184,791</u> |
| Notes Receivable, Net of Current Maturities and Allowances for Doubtful Accounts | <u>\$1,837,059</u> | <u>\$1,331,349</u> | <u>\$ 739,165</u> |

5. SALE OF NOTES RECEIVABLE

On July 31, 2023, the Company entered into an agreement with SCC Partners LLC to sell its notes receivable at a loss. The aggregate principal amount of the notes receivable that sold was \$441,098, and the Company received \$212,252 from the sale. Information regarding the sale of notes receivable consisted of the following for the year ended December 31, 2023:

| | |
|-------------------------------------|--------------------|
| Total Sales Price | \$ 441,197 |
| Notes receivable at net asset value | <u>212,252</u> |
| Loss on Sale of Notes Receivable | <u>\$(228,945)</u> |

6. RELATED PARTIES TRANSACTIONS

The Company has common ownership with multiple companies. The Company had the following transactions due from its affiliates at December 31:

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|-------------|-------------|-------------|
| Expenses paid by the Company on behalf of Toro Life LLC covering their marketing costs. | \$ 9,230 | \$ 5,930 | \$ 13,740 |
| Expenses paid by the Company on behalf of Toro Cares in organizing social events, which was aimed at increasing donations to benefit more individuals in need. | 4,544 | 1,000 | 1,000 |
| A loan was given to Elite Call Center MX to cover the operating and payroll expenses of the Field Profit Executives (FPE) who oversee the marketing development of each franchisee across the nation. | 183,200 | 41,369 | - |

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

6. RELATED PARTIES TRANSACTIONS (Continued)

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--|-------------|-------------|---------------|
| A loan was provided to Toro Realty, LLC to cover their marketing costs and ensure the realization of the Company's marketing objectives, which are critical to its continued success in the highly competitive real estate market. | 3,677 | 3,677 | 5,612 |
| A loan was granted to NOJJ, LLC to cover the administrative expenses of the building. The loan also covered necessary expenses aimed at enhancing the functionality of the building. | 59,447 | 10,818 | 15,050 |
| A loan was provided to Toro Taxes Business Division to cover professional services aimed at serving the Company's franchisees nationwide. | 66,550 | 27,750 | - |
| Payments on behalf of Latin X Entrepreneur Training Centers LLC for tax courses. | - | - | <u>10,990</u> |
| Total Amount Due from Related Parties | 326,648 | 90,544 | 46,932 |

The Company had the following transactions due to its affiliates at December 31:

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|-----------------|-----------------|------------------|
| Expense incurred by Latin X Entrepreneur Training Centers, LLC for the training and education of the Company's new franchisees. | \$ 1,554 | \$ 1,205 | \$ - |
| A fund borrowed from Toro Taxes Business Division LLC to cover the necessary expense of the Company's operation. | - | - | <u>11,906</u> |
| Total Amount Due to Related Parties | <u>\$ 1,554</u> | <u>\$ 1,205</u> | <u>\$ 11,906</u> |

As of December 31, 2023, 2022 and 2021, due from/to related parties consists of the following:

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--------------------------|-------------------|------------------|------------------|
| Due from Related Parties | <u>\$ 326,648</u> | <u>\$ 90,544</u> | <u>\$ 46,392</u> |
| Due to Related Parties | <u>\$ 1,554</u> | <u>\$ 1,205</u> | <u>\$ 11,906</u> |

Included in accounts payable for the year ended December 31, 2023 is \$4,305 due to the members of the Company.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

7. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2023, 2022 and 2021 consist of the following:

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|----------------------|
| Computer Equipment | \$ 23,951 | \$ 17,686 | \$ 17,686 |
| Furniture | 18,535 | 18,535 | 18,535 |
| Leasehold Improvements | 31,325 | 31,325 | 31,325 |
| Software | <u>36,000</u> | <u>32,000</u> | <u>32,000</u> |
| Total property and equipment | 109,811 | 99,546 | 99,546 |
| Less: Accumulated Depreciation and Amortization | <u>(48,514)</u> | <u>(32,618)</u> | <u>(19,167)</u> |
| Net Property and Equipment | <u>\$ 61,297</u> | <u>\$ 66,928</u> | <u>\$ 80,379</u> |

Depreciation expenses for the years ended December 31, 2023, 2022 and 2021 were \$15,896, \$13,451 and \$13,349, respectively.

8. FINANCING ARRANGEMENT

The Company's debt obligations are primarily related to its agreement to sell its future tax preparation fees to a financial services company which collects certain fees in exchange for working capital without recourse. Based on the terms of the agreement, such fees are sold at a discounted price (buyer's fees) and must be paid back through scheduled annual installments. The balance outstanding under the agreement was approximately \$3,541,842 as of December 31, 2023. The Company's maximum future tax preparation fees contractually due to the financial services company is \$4,000,000, of which the Company has recorded \$3,133,467, which represents the net fair value of the obligations, including a debt discount of \$408,375 arising from the financial service company's fees. Because of the Company's credit policies, repossession losses and refunds in the event of default have not been significant and losses under present obligations are not expected to be significant. It is at least reasonably possible that the Company's estimate will change within the near term. Members of the Company are personal guarantors and unconditionally guarantee to the financial services company the Company's good faith, truthfulness and performance of all of the representations, warranties and covenants made by it in the agreement as each may be renewed, amended, extended or otherwise modified.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

8. FINANCING ARRANGEMENT (Continued)

Future fees for each of the five years following December 31, 2023, are as follows:

| <u>Year Ending December 31,</u> | <u>2019 Contract Future Fees</u> | <u>2020 Contract Future Fees</u> | <u>2022 Contract Future Fees</u> | <u>Total</u> |
|---------------------------------|--|--|--|---------------------|
| 2024 | \$ 1,004,900 | \$ 64,752 | \$ 258,362 | \$ 1,330,038 |
| 2025 | - | 340,031 | 258,362 | 598,393 |
| 2026 | - | - | 258,362 | 258,362 |
| 2027 | - | - | <u>1,357,073</u> | <u>1,357,073</u> |
| Total | 1,004,900 | 404,783 | 2,132,159 | 3,543,866 |
| Less: Debt Discount | <u>(56,400)</u> | <u>(39,616)</u> | <u>(312,359)</u> | <u>(408,375)</u> |
| Loan, Net of Discount | <u>\$ 948,500</u> | <u>\$ 365,167</u> | <u>\$ 1,819,800</u> | <u>\$ 3,133,467</u> |

The Company pays its installments as stated above, where the balance of the finance arrangement as of December 31, 2023, 2022 and 2021 were as follows:

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|------------------------------|---------------------|---------------------|---------------------|
| Debt, Current Portion | \$ 1,173,716 | \$ 517,371 | \$ 259,008 |
| Debt, Net of Current Portion | <u>1,959,751</u> | <u>3,151,394</u> | <u>1,668,766</u> |
| | <u>\$ 3,133,467</u> | <u>\$ 3,668,765</u> | <u>\$ 1,927,774</u> |

The carrying value of the obligations is shown net of total unamortized discount of \$408,375 in 2023. Amortization of the discount is reported in the income statement as amortization of buyer's fees.

9. ADVERTISING EXPENSES

Advertising costs for the years ended December 31, 2023, 2022 and 2021, were \$475,843, \$492,408, and \$365,572, respectively.

10. PAYCHECK PROTECTION PROGRAM (PPP) LOAN FORGIVENESS

The Company received a Paycheck Protection Program (PPP) loan of \$56,266 during the year ended December 31, 2021. The PPP loan was forgiven during the fiscal year December 31, 2021. The total amount of \$56,266 was reported as other income in the statements of operations.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

11. LIQUIDITY

As of December 31, 2023, the Company had \$99,568 in cash and cash equivalents. This amount, while sufficient to satisfy its accounts payable of \$58,510, is not sufficient to meet its current debt obligations that total \$1,173,716 as of December 31, 2024. Management has evaluated the significance of these conditions. As described in Note 8, the Company's current debt obligations are primarily related to its agreement to sell its future tax preparation fees to a financial services company which collects certain fees in exchange for working capital without recourse. The agreement includes a clause specifying payment on or before April 30 of each year, but ultimately indicates any payment, less than the amount scheduled to be received shall be added onto the following year's future fees. Thus, there is no time period during which the purchased amount of future fees must be collected by the financial services company. As the Company is not obligated to make payments within a specific time period, management may unilaterally elect to defer such payments to the benefit of continued operations of the Company. Management's plans to fund operations also include selling its notes receivable on an ongoing basis and modifying operations to increase efficiencies, reduce costs, and increase franchise sales. Management believes that this plan enables the Company to meet its obligations for the twelve-month period from the date the financial statements are available to be issued.

12. COMMITMENTS

Lease as Lessee

FASB ASU No. 2016-02 – Leases (Topic 842) is effective for the calendar year 2022. The standard requires lessees to recognize right-of-use assets and liabilities with terms longer than twelve months. During 2022, the Company evaluated the impact of this standard on its financial statements and determined that it did not have any lease that meets the requirement to recognize a right-of-use asset and liability because the Company did not have any long-term leases in 2022.

The Company leases a printer under operating leases with up to five-year initial terms for the monthly amount of \$182. The lease expires December 2027. The Company has several leases with terms of 12 or fewer months beginning from the commencement date. The Company makes an accounting policy election to not record an asset and liability on the commencement date due to the short term of these leases.

For any new lease, the Company, at the inception of the contract, determines whether a contract is or contains a lease. The Company records right-of-use (ROU) asset and lease obligation for its operating lease, which is initially recognized based on the discounted future lease payments over the term of the lease.

The lease agreement does not include any renewal options or purchase options. The lease agreement also does not include any material residual value guarantees or restrictive covenants.

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

12. COMMITMENTS (Continued)

Lease as Lessee (Continued)

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2023:

| | |
|---|-----------------|
| Assets: | |
| Operating lease right-of-use assets | <u>\$ 7,934</u> |
| Liabilities: | |
| Current portion of long-term debt and operating lease liabilities | \$ 1,841 |
| Operating lease liabilities | <u>6,093</u> |
| Total Operating Lease Liabilities | <u>\$ 7,934</u> |

The components of operating lease expenses that are included in “General and Administrative Expenses” in the statement of income for the year ended December 31, 2023 were as follows:

| | |
|-----------------------|------------------|
| Operating Lease Cost | \$ 2,187 |
| Short-Term Lease Cost | <u>69,141</u> |
| Total Lease Cost | <u>\$ 71,328</u> |

The following summarizes the cash flow information related to operating leases for the year ended December 31, 2023:

| | |
|---|-----------------|
| Cash Paid for Amounts Included in the Measurement of Lease Liabilities: | |
| Operating cash flows for operating leases | <u>\$ 2,187</u> |
| Lease Assets Obtained in Exchange for Lease Liabilities: | |
| Operating leases | <u>\$ 9,727</u> |

Since the rate implicit in the Company’s leases is not readily determinable, the Company elected the risk-free rate based on the ten-year long-term average Treasury Rate, in calculating the present values of the sum of lease payments.

Weighted average lease term and discount rate as of December 31, 2023 were as follows:

| | |
|---|-------|
| Weighted Average Remaining Lease Term – Operating Leases (in Years) | 4 |
| Weighted Average Discount Rate – Operating Leases | 4.88% |

TORO TAXES FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

12. COMMITMENTS (Continued)

Lease as Lessee (Continued)

The maturities of operating lease liabilities as of December 31, 2023, were as follows:

| <u>Year Ending December 31</u> | <u>Operating Leases</u> |
|----------------------------------|-----------------------------|
| 2024 | \$ 2,187 |
| 2025 | 2,187 |
| 2026 | 2,187 |
| 2027 | <u>2,187</u> |
| Total Lease Payments | 8,748 |
| Less: Interest | <u>(814)</u> |
| Present Value of Lease Liability | 7,934 |
| Less: Current Portion | <u>(1,841)</u> |
| Total Long-Term Portion | <u><u>\$ 6,093</u></u> |

~~THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.~~

|



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT E
FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

| |
|-------------|
| FRANCHISEE: |
| |

Toro Taxes®
FRANCHISE AGREEMENT

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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, LLC, 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 establishment, development and operation of a Toro Taxes Office, services for the preparation and filing of income tax returns, and other products and services that Franchisor authorizes (the “Approved Services and Products”) under the Licensed Marks (defined below) (each, an “Office”);

WHEREAS, the System and, therefore, each Office, 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 the development and operation of one Office from a single fixed location within a designated territory and pursuant to the terms 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**” refers to and means the period of time selected and determined by Franchisor for the required measurement and reporting of financial information and payment of financial obligations by Franchisee. The applicable measurement period will be determined by Franchisor from time to time with respect to Franchisee’s obligations to report financial information and data to Franchisor and Franchisee’s payment of all fees and other obligations under this Agreement. The respective “Accounting Period” shall be those Franchisor designated times, whether, weekly, monthly, or otherwise, as designated by Franchisor, with all such Accounting Periods automatically commencing on the earlier of the (a) Scheduled Business Commencement Date, or (b) the Actual Business Commencement Date of the Franchised Business and, continuing, throughout the Term of this Agreement. Unless otherwise designated by Franchisor at any time, unless otherwise specified in this Agreement, the Accounting Period shall be a monthly period for each and every month 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 Initial Training Fee**” shall have the meaning defined and set forth in Article 4.A. of this Agreement.

“**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 Global Brand Development Fund Fees as set forth in Article 9.A. of this Agreement and the DMA Marketing Fund Fee as set forth in Article 9.B. of this Agreement.

“**Advertising Cooperative**” shall have the meaning defined and set forth in Article 9.F. of this Agreement.

“**Alternative Channels of Distribution**” refers to and means tax preparation services and related products and services processed and provided online 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.C.(6) 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 Office 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.

“**Approved Services and Products**” shall have the meaning defined in the “Recitals” section of this Agreement and shall further refer to and mean those products and services that Franchisor authorizes for sale by Toro Taxes Offices. Franchisor shall exclusively designate and determine the Approved Services and Products and Franchisor, in Franchisor’s Reasonable Business Judgment, may change, modify, reduce or supplement the Approved Services and Products 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~~**Operations Manual**, subject to changes that Franchisor may make from time to time and Franchisor’s right to change and modify the Approved Services and Products, shall designate the Approved Services and Products that must be offered and sold by the Franchised Business. The Franchised Business may only offer and sell the Approved Services and Products.

“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 6.

“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.C.(3) 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.

“Business Division Services” refers to and means Approved Services and Products 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 of and/or provided to businesses and such other products and services designated by Franchisor from time to time in the ~~operations manual~~ 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 Approved Services and Products 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” refers to and means the fee due for the Business Division Services Software: (i) upon entering into the Business Division Software Addendum attached as Exhibit 12 of this Agreement; and (ii) due on March 10th 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.

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

“Captive Market” refers to and means any and all facilities, venues, and/or institutions with captive audiences or consumers, workers, members and/or participants. Without limitation to the foregoing,

the term Captive Market shall further refer to and include, among other things: government facilities, military bases, hotels, resorts, seasonal facilities, and shopping malls.

“**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.

“**Closed Market**” refers to and means any and all Captive Markets that are presently or, in the future, located within Franchisee’s Designated Territory.

“**Collateral Assignment of Lease**” refers to and means the Collateral Assignment of Lease agreement attached to this Agreement as Exhibit 5.

“**Competitive Business**” ~~refers to and~~ means any business that (i) 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~~ (ii) offers, sells, and/or provides services and/or products and/or services similar related to the ~~Approved Services preparation and filing of income tax returns, real estate brokerage services, life insurance services, and Products, as, the Approved Services and Products 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 property casualty insurance services.~~

“**Confidential Information**” refers to and means all of Franchisor’s and 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 Offices; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by Toro Taxes Offices, and specifications for and knowledge of suppliers of inventory, equipment, products, supplies and procedures used or sold by Toro Taxes Offices; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Toro Taxes Offices; (d) Business Management System Data; (e) current and future information contained in the ~~operations manual~~ Operations Manual; and (f) Know-How.

“**Confidentiality Agreement**” refers to and means the sample form of “Confidentiality Agreement”²² attached to this Agreement as Exhibit 2.

“**Continuing Education Requirement**” refers to and means the required continuing education courses and programs related to the Approved Services and Products that must be attended by Franchisees during the Term in Franchisor’s Reasonable Business Judgment.

“**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 uses and/or allows Toro Taxes Office franchisees to use in the operation of a Toro Taxes Office, 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.

“**Designated Territory**” refers to and means the territory identified and described in Schedule 1 attached to and made a part of this Agreement or, if Schedule 1 is not completed at the time of signing this Agreement, as Schedule 1 is otherwise completed in accordance with this Agreement. Franchisor, in Franchisor’s Reasonable Business Judgment and discretion, shall determine the Designated Territory. If Schedule 1 is not completed and/or is not signed by Franchisor there shall be no Designated Territory.

“**Digital Media**” refers to and means any interactive or static digital document, application or media that is connected to and/or in a network of computers and/or other devices linked by communications software, part of the world wide web, linked by the internet or part of a web based application, software application, smart phone application or social media platform such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, and YouTube, and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to Toro Taxes Offices, the Franchised Business, the Licensed Marks, the System and/or Franchisor. Digital Media further includes the System Website, and all other media and/or publications relating to the System that is displayed and/or transmitted digitally.

“**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 Office franchisees with operating territories and/or Office Locations 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.

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

“**Franchise Owner and Spouse Agreement and Guaranty**” refers to and means the form of “Franchise Owner and Spouse Agreement and Guaranty” attached to this Agreement as Exhibit 1.

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“**Franchised Business**” refers to and means Toro Taxes Office that Franchisee is required to develop, 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~~. Operations Manual.

“**Franchisee’s Office Facility**” refers to and means the Office Facility from which Franchisee develops, operates and manages the Franchised Business. Franchisee’s Office Facility must be located at an Office Location that has been approved by Franchisor.

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

“**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 generally, Toro Taxes Offices and/or 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. When making decisions and/or taking actions in Franchisor’s Reasonable Business Judgment, Franchisor may, in addition to all other rights afforded to Franchisor under this Agreement, consider factors, in whole or in part, that include: Franchisor’s profits, 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 Offices, 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 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 possesses 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.

“**Global Brand Development Fund**” shall have the meaning defined and set forth in Article 9.A. of this Agreement.

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

“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, 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, Franchisee’s Office Location, and/or Franchisee’s Office 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 Franchisee’s Office Location, at Franchisee’s Office 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 Office outside of the Designated Territory). Gross Sales do not include (a) sales taxes that Franchisee collects and remits to the proper taxing authority, and (b) authorized promotional discounts that Franchisee provides to Office customers.

“Immediate Family Member” refers to and means the spouse of a person and any other member of the household of such person, including, without limitation, children, and grandchildren of such person. Immediate Family Member shall further refer to and mean the spouse, children, grandchildren, and other members of the household of each Franchisee, if Franchisee is an individual, or each Owner of Franchisee if Franchisee is a Corporate Entity.

“Insurance Division Services” refers to and means Approved Services and Products that are supplemented to also include services and products for businesses including life insurance services and other related services performed on behalf of and/or provided to businesses and such other products and services designated by Franchisor from time to time in the ~~operations manual~~[Operations Manual](#).

“Insurance Division Services DMA Marketing Fund Fee” shall have the meaning defined and set forth in Article 5.C. of this Agreement.

“Insurance Division Services Global Brand Development Fund Fee” shall have the meaning defined and set forth in Article 5.C. of this Agreement.

“Insurance Sales Commission” refers to and means the total dollar sales from all business and customers of the Insurance Division Services offered and provided by Franchisee’s Office and includes the total gross amount of revenues and sales from whatever source derived, whether in the form of cash, credit, 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 Franchisee’s Office and/or Office Location, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Insurance Sales Commissions include 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 Insurance Division business conducted within and/or outside of Franchisee's designated territory that is related to Franchisee's Office and/or a Competitive Business located and/or operated at Franchisee's Office Location, within Franchisee's designated territory, outside Franchisee's designated territory, and/or otherwise. Insurance Sales Commissions do not include (a) sales taxes that you collect and remit to the proper taxing authority; (b) authorized promotional discounts that you provide to customers; and (c) premiums.

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

"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 Office including, but not limited to, methods, techniques, inventory, products and services standards and specifications 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~~Operations Manual and the Confidential Information.

"Lease Agreement Rider" refers to and means the form Lease Agreement Rider attached to this Agreement as Exhibit 4.

"Licensed Marks" refers to and means the trademarks, service marks, indicia of origin, including the "Toro Taxes" trademark, Toro Taxes logo, Trade Dress, and other trademarks, service marks, logos, slogans and designs authorized by Franchisor in connection with the identification of Toro Taxes Offices and the Approved Services and Products, provided that such trade names, trademarks, service marks, logos and designs are subject to modification, replacement and discontinuance by Franchisor at any time in Franchisor's Reasonable Business Judgment.

"Management Service Fees" shall have the meaning defined and set forth in Articles 7.J. and 14.D. of this Agreement.

"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" refers to and means, if Franchisee is a partnership or Corporate Entity, the Owner responsible for the day-to-day oversight, management and operation of the Franchised Business. The Managing Owner must possess, maintain and own not less than 25% of the equity and ownership interests in Franchisee. At all times, the Managing Owner must manage the operations of the Franchised Business.

"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.

"Office Facility" refers to and means the fixed commercial business facilities, including the fixtures and improvements, from which Toro Taxes Offices are established, operated and managed.

"Office Location(s)" refers to and means the fixed locations from which Toro Taxes Offices are developed, operated and managed.

“**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 Franchisee’s Office Facility) 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~~ **Operations Manual**; (b) successfully complete Franchisor’s initial training program; (c) sign the Confidentiality Agreement; and (d) 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 Offices including, but not limited to, the policies, procedures and requirements for the development and operation of Toro Taxes Offices. The ~~operations manual~~ **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~~ **Operations Manual** may, among other things, designate the Approved Services and Products that must be exclusively offered and sold by the Franchised Business and, the System Supplies and designated vendors that must be exclusively used by Franchisee.

“**Operations Non-Compliance Fee**” shall have the meaning defined and set forth in Article 7.K. of this Agreement.

“**Operations Violation**” shall have the meaning defined and set forth in Article 7.K. of this Agreement.

“**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 2 to this Agreement.

“**Payment Non-Compliance Fee**” shall have the meaning defined and set forth in Article 5.D. of this Agreement.

“**Post-Term Restricted Period**” refers to and means the 36 month 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, in compliance with the terms of this Agreement, 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 24 month 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, in compliance with the terms of this Agreement, 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.

“**Published Content**” refers to and means any and all information, data, articles, communications, videos and other information relating to or concerning the Franchised Business, the System, or the Licensed Marks that is or was made available by Franchisee or Franchisee’s agents to the public in print or electronic media that is published, listed, made available, uploaded on, downloaded to, posted or distributed through Digital Media.

“**Real Estate Commissions**” refers to and means the total dollar sales from all business and customers of the Real Estate Division Services provided by Franchisee’s Office and includes the total gross amount of revenues and sales from whatever source derived, whether in form of cash, credit, 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), without deducting Franchisee’s costs or expenses, multiple listing fees, commissions, salaries overrides or bonuses payable to your salespersons or employees, from or derived by Franchisee or any person or Corporate Entity from business conducted or which started in, on, from or through Franchisee’s Office and/or Franchisee’s Office Location, whether such business is conducted in compliance with or in violation of the terms of the Franchise Agreement. Real Estate Commissions include 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 Real Estate Division Services business conducted within and/or outside Franchisee’s designated territory that is related to Franchisee’s Office and/or a Competitive Business located and/or operated at Franchisee’s Office Location, within Franchisee’s designated territory, outside Franchisee’s designated territory, and/or otherwise. Real Estate Sales Commissions do not include (a) sales taxes that Franchisee collects and remits to the proper taxing authority; (b) authorized promotional discounts that Franchisee provides to customers; and (c) total gross amounts of revenues and sales for residential property management services that Franchisee provides to customers.

“**Real Estate Division Services**” refers to and means Approved Services and Products that are supplemented to also include services and products for businesses including real estate brokerage services and other related services performed on behalf of and/or provided to businesses and such other products and services designated by Franchisor from time to time in the ~~operations manual~~[Operations Manual](#).

“**Real Estate Division Services DMA Marketing Fund Fee**” shall have the meaning defined and set forth in [Article 5.C.](#) of this Agreement.

“**Real Estate Division Services Global Brand Development Fund Fee**” shall have the meaning defined and set forth in [Article 5.C.](#) of this Agreement.

“**Real Estate Division Services Royalty Fee**” shall have the meaning defined and set forth in [Article 5.C.](#) of this Agreement.

“**Relocation Fee**” is a fixed sum of \$2,500.

“**Renewal Ancillary Agreements**” shall have the meaning defined and set forth in [Article 15.B.](#) of this Agreement.

“**Renewal Fee**” is a fixed sum of \$2,500.

“**Renewal Franchise Agreement**” shall have the meaning defined and set forth in [Article 15.B.](#) of this

Agreement.

“**Renewal Notice**” shall have the meaning defined and set forth in Article 15.B. of this Agreement.

“**Renewal Term**” shall have the meaning defined and set forth in Article 15.A. of this Agreement.

“**Reporting Non-Compliance Fee**” shall have the meaning defined and set forth in Article 12.C. of this Agreement.

“**Reporting Violation**” shall have the meaning defined and set forth in Article 12.C. of this Agreement.

“**Reputation Management Services**” refers to and means the customer review, review monitoring, reporting and/or reputation management services designated by Franchisor. Franchisor, in Franchisor’s Reasonable Business Judgment, shall exclusively select the Reputation Management Services to be used by Franchisee and to determine and select the websites, social media sites, reporting services, surveys, and service platforms to be included in any evaluation and/or determination of Franchisee’s customer satisfaction or approval ratings.

“**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: (a) comprising Franchisee’s Designated Territory; (b) comprising a 25 mile radius surrounding Franchisee’s Designated Territory or, if Franchisee is not granted or designated a designated territory, then a 25 mile radius surrounding Franchisee’s Office Location; (c) comprising a 25 mile radius surrounding the Office Locations for all other Toro Taxes Offices operating and/or under development as of the Effective Date of this Agreement; and (d) comprising a 25 mile radius surrounding the Office Locations for all other Toro Taxes Offices 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 comprising Franchisee’s Designated Territory plus a 25 mile radius surrounding Franchisee’s Designated Territory or, if Franchisee is not granted or designated a designated territory, then a 25 mile radius surrounding Franchisee’s Office Location.

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

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

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

“**Scheduled Business Commencement Date**” refers to and means the date that occurs on the 10th month anniversary of the Effective Date of this Agreement.

“**Site Selection Acknowledgment**” refers to and means the form Site Selection Acknowledgment attached to this Agreement as Exhibit 3.

“**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 set forth and acknowledged by Franchisor in the Site Selection Acknowledgment then, the Site Selection Period shall be 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 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 Approved Services and Products, System Supplies 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 Office; (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 Office; (f) ~~operations manual~~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 Supplies**” refers to and means all: (a) merchandise, inventory, products, supplies, and/or goods constituting or comprising the Approved Services and Products, or a portion thereof, authorized for sale by the Franchised Business or designated for the preparation of Approved Services and Products; (b) products, supplies, services, and/or goods used to prepare, provide, offer, and/or sell services constituting or comprising the Approved Services and Products; (c) products, supplies, and/or goods as designated by Franchisor for the marketing, sale, provision, and/or delivery of the Approved Services and Products including, without limitation, uniforms, point of sale displays, packaging; (d) furniture, fixtures, and equipment designated by Franchisor; and (e) other items as designated by Franchisor in the ~~operations manual~~Operations Manual, and as may be modified and supplemented by Franchisor from time to time, in Franchisor’s Reasonable Business Judgment, as being required for the development and operation of the Franchised Business.

“**System Website**” refers to and means the web page and pages located on the world wide web at the www.torotaxes.com URL 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 Offices.

“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 Approved Services and Products 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 Preparer Training Programs” refers to and means all tax preparer training programs and requirements designated by Franchisor in the ~~operations manual~~ 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. Approved Services and Products 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 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 and, the Renewal Term if Franchisee invokes Franchisee’s renewal rights in accordance with the terms of this Agreement.

“Toro Taxes Office(s)” shall have the meaning defined in the Recitals section of this Agreement and, without limitation to the Recitals section, the definition of “Toro Taxes Offices”, shall further include, refer to and mean: every business and all businesses owned and/or operated by Franchisor, Franchisor’s affiliates and/or authorized franchisees that use and/or is/are required to use the System and/or Licensed Marks, and, including, but not limited to, the Franchised Business.

“Trade Dress” refers to and means Toro Taxes Office 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” shall have the meaning defined and set forth in Article 4.A. 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; (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; and/or (e) the legal and/or equitable transfer and/or sale of an Owners interests and/or voting rights in Franchisee.

“**Transfer Fee**” shall be a fixed sum of \$2,500.

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

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 Office from a fixed Office Location located within a specified territory. Relying on the representations made by Franchisee and/or Franchisee’s Owners in any submitted application and during the application process, 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, one Toro Taxes Office in conformity with the System and this Agreement from a single fixed office location, selected by Franchisee but requiring the approval of Franchisor (“Franchisee’s Office Location”) and, as designated by Franchisor in Franchisor’s discretion and Reasonable Business Judgment, within a Designated Territory;

(2) If, as of the Effective Date, Franchisee has selected a proposed Office Location that Franchisor approves as Franchisee’s Office Location, then Franchisee’s Office Location and Designated Territory, if any, shall be identified in Schedule 1 of this Agreement. To be effective, Schedule 1 must be completed and signed by Franchisor. Franchisee’s execution of Schedule 1 with a specific location for Franchisee’s Office Location shall constitute Franchisee’s obligation to develop and operate the Franchised Business at the designated Franchisee Office Location;

(3) If, as of the Effective Date, Franchisee has not selected a proposed Office Location, and/or has not obtained Franchisor’s approval of the proposed Office Location, and/or Schedule 1 to this Agreement is left incomplete or is not signed by Franchisor, Franchisee must locate, identify and secure an Office Location for the Franchised Business in accordance with the terms of this Agreement, including the requirement that Franchisee must obtain Franchisor’s approval of Franchisee’s Office Location. If, after the Effective Date, Franchisee proposes and Franchisor approves of Franchisee’s proposed Office Location, such approval must be in writing and must be evidenced by Franchisor’s execution of Schedule 1 with a specific Office Location designated and identified in Schedule 1. At the time of executing a completed Schedule 1 and, thereby, approving Franchisee’s proposed Office Location, Franchisor, in Franchisor’s 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 Office Location that is approved by Franchisor but, Franchisee has identified an area in which Franchisee may look to secure an office location for the Franchised Business, Franchisor, in Franchisor’s discretion and Reasonable Business Judgment, may enter into the Site Selection Acknowledgment attached to this Agreement as Exhibit 3. If executed by Franchisor, within the Exhibit 3 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 Office Location. Franchisee agrees that the Site Selection Acknowledgment does not constitute Franchisor's approval of a proposed Office 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 Office 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 Franchisee's Office Location shall be subordinate and subject to Franchisee's and Franchisee's landlord's agreement to and execution of the Office Location Lease Agreement Rider attached to this Agreement as Exhibit 4, and Franchisee's agreement and execution of the Collateral Assignment of Lease attached to this Agreement as Exhibit 5;

(6) Franchisee may only offer and sell the Approved Services and Products from Franchisee's Office Location in accordance with the requirements set forth in the ~~operations manual~~Operations Manual and only to customers on-site at Franchisee's Office Location;

(7) Franchisor, in Franchisor's Reasonable Business Judgment and for any reason or no reason at all, may prohibit Franchisee from soliciting customers located outside Franchisee's Designated Territory;

(8) 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, during the Term of this Agreement, neither Franchisor nor any affiliate of Franchisor will establish or operate, or grant a franchise to any third party to establish or operate, an Office using the Licensed Marks and System at an Office Location that is located within Franchisee's Designated Territory, provided, that a Designated Territory has been designated and approved by Franchisor in accordance with the terms of this Agreement, but excluding Closed Markets. Franchisee may face competition from other Toro Taxes Offices and other System franchisees with office locations and/or designated territories, including Offices that are located within Closed Markets and/or located adjacent to and/or within a close proximity to Franchisee's Office Location and/or Designated Territory. Franchisee agrees that although Franchisor may disapprove of any marketing medium that is distributed and/or reaches outside of Franchisee's Designated Territory, that Franchisor is not obligated to do so and that Franchisee may face competition from other Toro Taxes Offices and System franchisees that market and promote their Toro Taxes Office through internet, mail, public relations, and other marketing activities and mediums that are distributed to or within Franchisee's Designated Territory. Franchisee agrees that Franchisee shall not receive any compensation whatsoever if Franchisor or another System franchisee solicits customers from within Franchisee's Designated Territory; and

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

2.B. TERM

Unless previously terminated pursuant to the terms of this Agreement, the term of this Agreement will be for a period of ~~five~~10 consecutive years, commencing from the Effective Date (the "Term").

2.C. 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 individually, jointly, and severally, guarantee Franchisee's obligations under this Agreement and personally bind themselves to confidentiality and non-competition covenants and restrictions.

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 Office and/or other locations 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 Approved Services and Products or products and services similar to the Approved Services and Products in Alternative Channels of Distribution within or outside Franchisee's Designated Territory; (e) operate and grant to others the right to operate a Toro Taxes Office at Captive Markets, both within and outside Franchisee's Designated Territory; and (f) 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. Franchisee shall promptly comply with all such modifications to the System whether such modification(s) 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 in writing by Franchisor to Franchisee, including, but not limited to, modifications, updated, amendments, and changes made by Franchisor to the ~~operations manual~~ Operations Manual. Franchisor's modifications to the System shall not materially alter Franchisee's fundamental rights under this Agreement.

2.F. CORPORATE ENTITY OWNERSHIP

If Franchisee is a Corporate Entity, Franchisee represents that the information contained in Schedule 2 to this Agreement is and shall remain complete, true and accurate throughout the Term of this Agreement.

ARTICLE 3

OFFICE LOCATION, DEVELOPMENT, AND OPERATIONS

3.A. OFFICE LOCATION

Franchisee shall develop, operate and manage the Franchised Business from an Office Facility that is developed and established at an Office 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 Office Location; (e) is approved by Franchisor as Franchisee's Office 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; (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 Office Location until such information as Franchisor may require as to the proposed Office 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 Office 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 Office Location. If Franchisor rejects or disapproves Franchisee's proposed Office Location, Franchisee must nevertheless identify and obtain Franchisor's approval of a proposed Office Location within the time requirements set forth in this Agreement. Franchisor's disapproval of a proposed Office 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 Office 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 Office Location. No provision of this Agreement shall be construed or interpreted to impose an obligation on Franchisor to locate an Office Location for the Franchised Business, to assist Franchisee in the selection of a suitable Office Location for the Franchised Business or to provide assistance to the Franchisee in the purchase or lease of an Office Location. If Franchisee leases Franchisee's Office 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 4. If Franchisee's landlord refuses to sign the Lease Agreement Rider in substantially the same form as the attached Exhibit 4, such refusal may constitute grounds upon which Franchisor refuses to approve Franchisee's proposed Office Location or withdraws such approval.

3.B. OFFICE DEVELOPMENT

Franchisee shall develop and construct Franchisee's Office Facility and Office 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~~Operations Manual, in supplements to the ~~operations manual~~Operations Manual or as Franchisor otherwise designates and approves of in a writing specifically directed to Franchisee and signed by Franchisor.

Franchisee's Office Facility and Franchisee's Office 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 Franchisee's Office Location, Franchisor shall provide Franchisee with Franchisor's generalized prototype plans and specifications. Prior to constructing, equipping and building out Franchisee's Office Facility and Franchisee's Office 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 Office Facility and Franchisee's Office 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~~ 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, liquor (if the Approved Services and Products include and permit the service of alcohol), and business permits and licenses, and any other required permits and licenses;

(3) Construct all required improvements to Franchisee's Office 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~~ Operations Manual for Toro Taxes Offices 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. OFFICE OPENING

Franchisee must develop and open the Franchised Business to the public 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~~ Operations Manual; (c) have completed and satisfied the training obligations designated by Franchisor; and (d) obtained Franchisor's written consent to open.

3.D. OFFICE OPERATIONS

At all times, the Franchised Business shall: (a) be exclusively operated from Franchisee's Office Location; (b) be exclusively operated from an Office Facility; (c) exclusively offer and sell the Approved Services and Products as designated by Franchisor, in Franchisor's Reasonable Business Judgment, and as modified by Franchisor from time to time; (d) ensure that the Approved Services and Products 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 Supplies 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 Supplies 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~~Operations Manual as such ~~operations manual~~Operations Manual exists as of the Effective Date of this Agreement and as the ~~operations manual~~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 Supplies 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 Supplies 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 Supplies. Without limitation to the foregoing, Franchisee expressly acknowledges and agrees that the full extent and nature of the Approved Services and Products 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.

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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~~[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, except 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 Software, 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. If Franchisee changes Franchisee's account information that provides Franchisor with access to the Tax Preparation Software, Business Division Services Software, and Business Management System, Franchisee must notify Franchisor within 10 days of this change and provide Franchisor with the new account information to maintain Franchisor's uninterrupted direct and independent access to the Tax Preparation Software, Business Division Services, and Business Management System and the Business Management System Data;

(5) When instructed by Franchisor, Franchisee shall upgrade, replace and modify the Tax Preparation Software, Business Division Services Software, 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 Software, 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 Software, 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 Software, 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 Software, 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 agrees the significance of Digital Media to the System and necessity for Franchisor's control over Digital Media. As between Franchisor and Franchisee, Franchisor is the absolute owner of the Digital Media. Franchisee shall not use, 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 use 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 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 Published 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 agrees that the System Website and all improvements and modifications made to the System Website, Digital Media, and Published 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.

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 6. 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. OFFICE RELOCATION

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

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ARTICLE 4 TRAINING AND OPERATING ASSISTANCE

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

(1) Within 30 days of the earlier of the Scheduled Business Commencement Date or the Actual Business Commencement Date, Franchisee's Managing Owner and one manager must complete, to Franchisor's satisfaction, Franchisor's initial training program (the "Training Program"). Franchisor will provide Franchisee, comprised of Franchisee's Managing Owner, ~~and~~ one designated manager, and one tax preparer with Franchisor's Training Program. If Franchisee would like more than ~~two~~three individuals to attend the Training Program, subject to Franchisor's approval, Franchisee shall pay to Franchisor an additional fee ~~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) an amount equal to \$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 10th of the respective year.~~ additional person per day. For additional attendees (after the first ~~two~~three trainees) of the Initial Training Program for businesses with a Business Division, an enrollment of \$600 per person will apply per additional person attending the Training Program (collectively the "Additional Initial Training Fee"). Additional Initial Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee. If Franchisor offers and provides Franchisor's Tax Preparer Training Programs online, then Franchisor shall not charge Franchisee a training fee associated with Franchisee's enrollment and participation in Franchisor's online 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 ~~two~~three individuals to attend, then Franchisee shall pay to Franchisor ~~at the then current~~ enrollment fee currently equal to an amount 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 opening and commencing the operations of the Franchised Business, the Managing Owner and other personnel as designated or determined by Franchisor, must attend and successfully complete the Training Program designated by Franchisor. The training may include classroom and on-the-job instruction at a location or facility designated by Franchisor, and/or, at the election of Franchisor and as determined by Franchisor, in Franchisor's Reasonable Business Judgment, may be conducted remotely through online web based conferencing. Following completion of the Training Program, Franchisee shall be responsible for the ongoing training of Franchisee's employees, staff and all other employees of the Franchised Business. Said on-going training must conform to Franchisor's standards and specifications. 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) Franchisee or, if Franchisee is a Corporate Entity, Franchisee's Managing Owner and Manager, 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.

(3) Franchisee shall pay all costs and expenses incurred by Franchisee, and those attending training on behalf of Franchisee, in connection with Franchisee's participation in all Training Programs and satisfaction of Franchisee's Training Program obligations as designated by Franchisor.

(4) Subject to Franchisor's approval and agreement, Franchisor may offer supplemental training to Franchisee at Franchisee's Office Location or, as elected by Franchisor, remotely through online web based conferencing (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, if applicable, reimbursement of travel and hotel accommodation expenses incurred by Franchisor (the "Supplemental Training Fee"). Franchisee agrees that in each instance where Franchisee hires a new Operating Manager, and/or Franchisor, in Franchisor's Reasonable Business Judgment, determines that Franchisee is not satisfying and/or meeting Franchisor's operational standards, then, Franchisor may require that Franchisee, and/or, as applicable, Franchisee's Operating Manager participate in and, successfully complete, Franchisor's Training Program and/or Supplemental Training and pay the appropriate training fees

designated by Franchisor. Supplemental Training Fees shall be pre-paid in advance of training and upon submission of invoice by Franchisor to Franchisee.

(5) 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.

(6) 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. 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 Approved Services and Products commensurate with Franchisor's training requirements. All tax preparers must sign a Confidentiality Agreement.

(7) In addition to the Initial Training and the On-Going Tax Training, Franchisee, Owners, Operating Managers and employees of Franchisee, must participate in an annual 20-hour online annual continuing education training program that Franchisor designates. The cost for such annual training will not exceed \$~~1,000~~250 per person per course; after the first three trainees authorized to participate in the annual continuing education training program (the "Continuing Education Training Program Fee"). This annual training is in addition to all local, state or federal continuing education requirements to which Franchisee may be required to complete pursuant to federal, state, and local laws.

4.B. OPERATING ASSISTANCE

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

- (1) Establishing and communicating systems and procedures related to the development and operation of the Franchised Business;
- (2) Establishing and communicating Approved Services and Products and, as applicable and as determined by Franchisor, modifications, if any, to the Approved Services and Products including, but not limited to, additions, deletions, and/or changes to the Approved Services and Products;
- (3) Designating and communicating System Supplies and, as applicable and as determined by Franchisor, modifications, if any, to the System Supplies including, but not limited to, additions, deletions, and/or changes to the System Supplies;
- (4) Designating and communicating approved and designated suppliers of the Franchised Business and, as applicable and as determined by Franchisor, modifications, if any, to approved and designated suppliers including, but not limited to, additions, deletions, and/or changes to the approved and designated suppliers;
- (5) Establishing and communicating marketing and brand standards related to the promotion of the Franchised Business;

(6) Approving or disapproving of Franchisee requests related to marketing materials and Digital Media that may be used to market the Franchised Business; and

(7) Establishing and communicating System standards and requirements in the form of the ~~operations manual~~Operations Manual and, as Franchisor, in Franchisor's sole discretion.

4.C. CERTIFIED TRAINING SITE

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 provide Franchisee with access to the ~~operations manual~~Operations Manual. The ~~operations manual~~Operations Manual contains, as designated and determined by Franchisor, mandatory and, as applicable, suggested specifications, standards and operating procedures that Franchisor prescribes for Toro Taxes Offices. Franchisee shall operate the Franchised Business in strict accordance with the standards, specifications, and requirements set forth in the ~~operations manual~~Operations Manual as, such standards, specifications, and requirements including, but not limited to, the Approved Services and Products, System Supplies, and, authorized and designated suppliers, as of the Effective Date of this Agreement, and, as they may be supplemented, modified, changed, and/or replaced in the future and, from time to time, by Franchisor, in Franchisor's Reasonable Business Judgment. Franchisee shall keep and maintain the confidentiality of the ~~operations manual~~Operations Manual and, shall keep and maintain all files, data and information contained in the ~~operations manual~~Operations Manual in a secure location and/or in a protected confidential state and, as otherwise directed by Franchisor. The master copy and official version of the ~~operations manual~~Operations Manual is and shall be the copy and/or version maintained and designated by Franchisor in Franchisor's ordinary course of business.

Franchisor shall provide Franchisee with reasonable notice of modifications and changes made to the ~~operations manual~~Operations Manual and, such notice may take form of electronic communications including emails and, if the ~~operations manual~~Operations Manual is maintained on an online web based platform, notifications within said platform. Franchisor shall provide Franchisee with a reasonable period of time, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, to implement change and modifications to the as set forth in the ~~operations manual~~Operations Manual. Without limitation to the foregoing, Franchisee may only offer and sell the Approved Services and Products and utilize the System Supplies as designated by Franchisor, in Franchisor's Reasonable Business Judgment, in the ~~operations manual~~Operations Manual and, in accordance with the terms, specifications and requirements set forth in the ~~operations manual~~Operations Manual and as Franchisor may supplement and modify the ~~operations manual~~Operations Manual from time to time or, as Franchisor may otherwise designate in writing.

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 \$~~3540~~,000. 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 Offices,

a non-refundable initial franchise fee for each additional location of \$20,000 shall be required. 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 10. 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, 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 | 10% of Gross Sales |
| Business Service VIP Package | 10% of Gross Sales |
| Business Entity Tax Return Preparation | 10% of Gross Sales |
| Business Minority Certification | 10% of Gross Sales |
| Financial Statements Package | 10% of Gross Sales |
| Not-For-Profit Certification Package | 10% of Gross Sales |
| CPA Financial Statements Package | 10% of Gross Sales |
| Audit Representation | 10% of Gross Sales |

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. The Royalty Fee during any Renewal Term shall be determined by Franchisor but shall not be less than the Royalty Fee and Royalty Rate set forth in this Agreement.

On-Going Obligation and Due Date: The Royalty Fee is an on-going obligation due from Franchisee to Franchisor, is payable in United States Dollars and, as designated by Franchisor, is to be calculated and paid as follows: (i) during the Tax Season, payment of the Royalty Fee and, thereby the Accounting Period, shall occur weekly, and shall be payable and due on the first Tuesday of each week/Accounting Period (for the preceding week); and (ii) outside of the Tax Season, payment of the Royalty Fee and, thereby the Accounting Period, shall occur monthly, payable and due on the 10th day of each month/Accounting Period (for the preceding month and each month thereafter throughout the entire Term) 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") (the term Due Date is further defined in Article 1 of this Agreement). Payments shall be sent by ACH, electronic funds transfer, or as otherwise designated by Franchisor.

Tax Obligations: If any federal, state or local tax, other than an income tax, is imposed on the Royalty Fee paid by Franchisee to Franchisor that, Franchisor cannot directly and, dollar ~~off~~ 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 for the Royalty Fee 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.

Payment Authorization: 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 and permitting Franchisor's direct withdrawal and/or electronic transfer of sums from Franchisee's designated business bank account, for the on-going payment of Royalty Fees, and other fees and sums due from Franchisee under this Agreement. As of the Effective Date, Franchisor's current ACH Authorization Form that must be executed and complied with by Franchisee is attached to this Agreement as Exhibit 7. 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.

Royalty and Activity Reports: On the Due Date, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, as designated by Franchisor, a Royalty and Activity Reports containing information as designated by Franchisor and relating to the Gross Sales, financial performance, and operations of the Franchised Business for the preceding Accounting Period (the "Royalty and Activity Report"). Franchisor shall have the right to verify such royalty payments from time to time, as it deems necessary in any reasonable manner.

5.C. OTHER FEES

As designated by Franchisor in this Agreement, the ~~operations manual~~ Operations Manual, or otherwise, Franchisee shall pay to Franchisor and/or as otherwise directed by Franchisor, each of the following additional fees:

(1) Technology Fee – Throughout the Term of this Agreement, Franchisee shall pay to Franchisor a continuing monthly non-refundable technology fee (the "Technology Fee"). Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right, at any and all times throughout the Term of this Agreement, to implement and charge Franchisee a monthly Technology Fee in an amount designated by Franchisor but provided that such monthly fee does not exceed \$250 per month. The Technology Fee is a general administrative fee and is not connected to any particular service. The Technology Fee shall be paid to Franchisor each and every month on the Due Date.

(2) Global Brand Development Fund Fee and DMA Marketing Fund Fee – Franchisee shall pay to Franchisor, Franchisor's affiliates, or Franchisor's designees the Global Brand Development Fund Fee as set forth in Article 9.A. of this Agreement and the DMA Marketing Fund Fee as set forth in Article 9.B. of this Agreement.

(3) Bank Product Fee – 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. Franchisor may also charge a fee for tax returns filed without a Bank Product.

(4) Transmitter and Variable Software Fee – 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) Customer Service and Refund Fee – 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”).

(6) Annual Dues – Franchisee shall pay to Franchisor continuing annual non-refundable annual fee (the “Annual Dues”). During the first Tax Season, 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 10th. Notwithstanding the foregoing, the Annual Dues shall be waived for the first Tax Season. If, after the first Tax Season and at any time during the Term of this Agreement Franchisee fails to open and operate Franchisee’s Toro Taxes Business for a Tax Season subsequent to a Tax Season where Franchisee’s Toro Taxes Business was open and operational, Franchisee shall still be required to pay Franchisor the Annual Dues.

(7) Annual Business Software Fee – Franchisee shall pay the Annual Business Software 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. The amount of the Annual Business Software Fee shall be designated and determined by Franchisor from time to time in Franchisor’s Reasonable Business Judgment and is subject to change based upon the fees of the third party providers. 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 10th.

(8) Toro Taxes Email Fee – Franchisee shall pay the Toro Taxes Email Fee for each Toro Taxes email account established by Franchisee per user. The amount of the Toro Taxes Email Fee shall be designated and determined by Franchisor from time to time in Franchisor’s Reasonable Business Judgment and is subject to change based upon the fees of the third party providers.

(9) Toro Taxes Remote Computer Access Fee – Franchisee shall pay the Toro Taxes Remote Computer Access Fee for each of Franchisee’s users who have remote access to the computer system of the Franchised Business. The amount of the Toro Taxes Remote Computer Access Fee shall be designated and determined by Franchisor from time to time in Franchisor’s Reasonable Business Judgment and is subject to change based upon the fees of the third party providers.

(10) Quality Assurance Audit Fees – Franchisee shall pay to Franchisor, Franchisor’s affiliates, or Franchisor’s designees on-going weekly, monthly, and/or per use fees related to quality assurance programs designated by Franchisor related to periodic inspections of Franchisee’s Offices and secret shopper evaluations.

(11) Annual Conference Fees – Franchisee shall be responsible for all expenses of its personnel attending the Annual System Conference including travel, meals and lodging. Franchisee ~~shall~~ may be, as designated and determined by Franchisor from time to time in Franchisor’s Reasonable Business Judgment, required to pay to Franchisor an Annual Conference Attendance Fee. **Franchisee agrees that if Franchisee fails to attend the Annual System Conference that Franchisor shall, nevertheless, charge and Franchisee shall pay the Annual Conference Noncompliance Fee – even if Franchisor waives such fee for franchisees who attend the Annual System Conference.**

(12) Supplemental Training Fees – Franchisee shall pay to Franchisor all training fees in accordance with the terms of this Agreement including, but not limited to, Additional Initial Training Fees and Supplemental Training Fees.

(13) Non-Compliance Fees – Franchisee shall pay to Franchisor all non-compliance fees in accordance with the terms of this Agreement including, but not limited to, Payment Non-Compliance Fees, Operations Non-Compliance Fees, and Reporting Non-Compliance Fees.

(14) Real Estate Division Services Royalty Fee – Throughout the Term of this Agreement, if Franchisee elects to participate in the Real Estate Division program and the Approved Services and Products of Franchisee’s Office are supplemented to also include Real Estate Division Services, Franchisee shall pay to Franchisor a continuing non-refundable Real Estate Division Services royalty fee (the “Real Estate Division Services Royalty Fee”) in an amount equal to 10% of Franchisee’s Real Estate Commissions for all Real Estate Division Services.

(15) Real Estate Division Services Global Brand Development Fund Fee – If, during the Term of this Agreement, Franchisee elects to participate in the Real Estate Division program and the Approved Services and Products of Franchisee’s Office are supplemented to also include Real Estate Division Services, Franchisee shall pay to Franchisor a continuing Global Brand Development Fund Fee in an amount equal to 1% of Franchisee’s Real Estate Commissions (the “Real Estate Division Services Global Brand Development Fund Fee”).

(16) Real Estate Division Services DMA Marketing Fund Fee – If, during the Term of this Agreement, Franchisee elects to participate in the Real Estate Division program and the Approved Services and Products of Franchisee’s Office are supplemented to also include Real Estate Division Services, Franchisee shall pay to Franchisor a continuing monthly DMA Marketing Fund Fee in an amount equal to 4% of Franchisee’s monthly Real Estate Commissions (the “Real Estate Division Services DMA Marketing Fund Fee”).

(17) Insurance Division Services Global Brand Development Fund Fee – If, during the Term of this Agreement, Franchisee elects to participate in the Insurance Division program and the Approved Services and Products of Franchisee’s Office are supplemented to also include Insurance Division Services, Franchisee shall pay to Franchisor a continuing Global Brand Development Fund Fee in an amount equal to up to 2% of Franchisee’s Insurance Commissions (the “Insurance Division Services Global Brand Development Fund Fee”).

(18) Insurance Division Services DMA Marketing Fund Fee – If, during the Term of this Agreement, Franchisee elects to participate in the Insurance Division program and the Approved Services and Products of Franchisee’s Office are supplemented to also include Insurance Division Services, Franchisee shall pay to Franchisor a continuing monthly DMA Marketing Fund Fee in an amount equal to up to 5% of Franchisee’s monthly Insurance Commissions (the “Insurance Division Services DMA Marketing Fund Fee”).

(19) All Other Fees and Obligations Set Forth in this Agreement – Franchisee shall pay to Franchisor, Franchisor’s affiliates, or Franchisor’s designees all other fees, charges, and/or expenses set forth in this Agreement and in accordance with the terms of this Agreement. If no particular due date is stated in this Agreement, then such date or dates shall be determined by Franchisor in Franchisor’s Reasonable Business Judgment.

5.D. PAYMENT NON-COMPLIANCE FEES AND CHARGES

In addition to all other rights afforded to Franchisor under this Agreement, in connection with each and every fee, charge, and/or obligation payable and due from Franchisee to Franchisor under the terms of this Agreement including, but not limited to, this Article 5, within 14 days of Franchisor’s invoice, Franchisee shall pay to Franchisor: (a) a payment non-compliance fee in the amount of \$150 (the “Payment Non-Compliance Fee”) for each and every instance where a fee, charge, and/or obligation payable to Franchisor under this Agreement is not paid in full when due; plus (b) interest on all unpaid fees, sums, and/or obligations payable and due from Franchisee to Franchisor at an interest rate equal to the lesser of either 18% per annum, or the maximum interest rate allowed by applicable law and with interest accruing on the date when such fee, sum, or obligation was due; plus (c) all costs incurred by Franchisor in the collection of such unpaid and past due obligations including, but not limited to, reasonable attorney’s fees, costs, and expenses. Additionally, if Franchisee’s bank account possesses insufficient funds and/or fails to process a payment related to any fee due to Franchisor, Franchisor may charge the greater of either (i) 5% of the amount; (ii) \$50 for each instance; or (iii) the maximum amount allowed by law. The foregoing 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. Nothing contained in this Article 5.D. shall be interpreted as interfering with and/or negating Franchisor’s rights and remedies as set forth in Article 16 and, as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

5.E. 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.F. WITHHOLDING PAYMENTS UNLAWFUL

Franchisee 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.

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ARTICLE 6
RESTRICTIVE COVENANTS AND OBLIGATIONS

6.A. NECESSITY FOR RESTRICTIVE COVENANTS

Franchisee 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~~Operations Manual and Confidential Information. Franchisee agrees that competition by Franchisee, Owners, Spouses and/or Immediate Family Members could jeopardize the entire System and cause irreparable harm to Franchisor and franchisees of Toro Taxes Offices. 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.

6.B. RESTRICTIVE COVENANTS: KNOW-HOW

Franchisee agrees that, at all times, both during the Term of this Agreement and after its expiration or termination, 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 and as instructed by Franchisor; (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 timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit 2.

6.C. RESTRICTIVE COVENANTS: CONFIDENTIAL INFORMATION

Franchisee agrees that, at all times, both during the Term of this Agreement and, after its expiration or termination, Franchisee: (a) shall not use the Confidential Information in any business or capacity other than the Toro Taxes Office 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 timely delivered to Franchisor the Confidentiality Agreement in the form attached as Exhibit 2.

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

Franchisee 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 or benefitting a Competitive Business; (c) diverting or attempting to divert any business or customers from Franchisor or, one of Franchisor's affiliates or franchisees; (d) inducing any customer or client of Franchisor, Franchisor's affiliates, franchisees of the System, or, of Franchisee, to any other person or business that is not a Toro Taxes; and/or (e) engaging in any actions, inactions, and/or activities in violation of Articles 6.B. and/or 6.C. of this Agreement (all, individually and, collectively, referred to as the "Prohibited Activities"). Franchisee agrees 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 Office 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 agrees that during the Post-Term Restricted Period, Franchisee shall not engage in any Prohibited Activities provided, however, that the Prohibited Activities relating to Franchisee's having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within a Restricted Territory. If Franchisee is engaged in any Prohibited Activities during the Post-Term Restricted Period, Franchisee agrees that Franchisee's Post-Term Restricted Period will be extended by the period of time during which Franchisee was engaging in the Prohibited Activity and, 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 agrees that the foregoing covenants and restrictions 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 agrees that the covenants and restrictions set forth in this Article 6.E. and, otherwise in this Article 6, are fair and reasonable and, that if Franchisee engaged in any Prohibited Activity that such actions would constitute acts of unfair competition, causing irreparable harm to Franchisor and the System.

6.F. IMMEDIATE FAMILY MEMBERS

Franchisee agrees that should Franchisee circumvent the restrictive covenants and obligations of this Article 6 by disclosing Confidential Information or Know-How to an Immediate Family Member, that Franchisor and the System will be irreparably harmed. Franchisee agrees that if Franchisee or, one of Franchisee's Owners, discloses Confidential Information or Know-How to an immediate family member and the immediate family member of Franchisee or an Owner uses the Confidential Information or Know-How to engage in activities that, for Franchisee, qualify as Prohibited Activities, 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 or Know-How and that, 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; and/or (b) uses or discloses the Confidential Information and/or Know-How. Franchisee may rebut the foregoing presumption by providing evidence conclusively demonstrating that neither Franchisee nor Franchisee's Owners disclosed the Confidential Information or Know-How and did not permit disclosure of the Confidential Information to the family member of Franchisee or Franchisee's Owner. Franchisee 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 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 Post-Term 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 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 Office franchisees for which there is no adequate remedy at law. 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 a 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 INFORMATION

Franchisee 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 Offices. 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.

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ARTICLE 7

OPERATING STANDARDS

7.A. OPERATIONS, MAINTENANCE, AND APPEARANCE

At all times, Franchisee and the Franchised Business shall: (a) exclusively offer and sell the Approved Services and Products as designated by Franchisor in the ~~operations manual~~Operations Manual and/or as otherwise designated by Franchisor in writing and as may be modified by Franchisor from time to time; (b) exclusively operate the Office in accordance with the standards, specifications, and operational requirements as designated by Franchisor in this Agreement, the ~~operations manuals~~Operations Manuals, and/or as otherwise designated by Franchisor in writing and as may be modified by Franchisor from time to time; (c) exclusively purchase and use the System Supplies as designated by Franchisor in the ~~operations manual~~Operations Manual and as may be modified by Franchisor from time to time; (d) maintain a complete and updated inventory and supply of System Supplies as designated by Franchisor in the ~~operations manual~~Operations Manual and as may be modified by Franchisor from time to time; (e) maintain Franchisee's Office Facility in a clean, sanitary, functional and well maintained condition and in compliance with all federal, state, and local laws, rules, regulations, and ordinances; (f) maintain, update and recondition Franchisee's Office Facility as designated by Franchisor in the ~~operations manual~~Operations Manual and/or as otherwise designated by Franchisor in writing and, as may be modified by Franchisor from time to time; and (g) take all requested corrective measures and actions designated and/or requested, in writing, by Franchisor and/or Franchisor's agents following on-site inspections, reviews, and/or assessments, including secret shopper programs and other announced or unannounced.

7.B. UPDATING AND UPGRADING

Upon written request of Franchisor, Franchisee must add to, improve, modify and remodel Franchisee's Office, Office Facility, Office equipment, Office fixtures and/or Office furniture to comply with and satisfy Franchisor's then current standards and specifications as designated and determined by Franchisor, in Franchisor's Reasonable Business Judgment. Franchisee agrees to make such improvements or modifications when changes to Franchisor's standards, specifications, and operational requirements are made applicable to Franchisee's Office and, upon not less than 30 days written notice to Franchisee.

7.C. REMEDIES FOR NON-COMPLIANCE WITH UPDATES, UPGRADES, AND APPEARANCE REQUIREMENTS

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 Office, then Franchisor has the right, but is not obligated, to enter upon Franchisee's Office Facility and Franchisee's Office 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 Office is damaged or destroyed by fire or any other casualty, Franchisee must, as soon as practicable but in no event later than two 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, to restore the premises of the Franchised Business and Franchisee's Office Facility to its original condition before casualty and otherwise in compliance with Franchisor's standards and specifications.

7.E. ALTERATIONS

Franchisee shall not make any material alterations to Franchisee's Office Facility without Franchisor's prior written consent. Franchisee shall 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 Office Facility. Franchisor has the right, in its sole discretion and at the sole expense of Franchisee, to rectify any material alterations to Franchisee's Office Facility not previously approved by Franchisor or contrary to the specifications and standards of Franchisor as contained in the ~~operations manual~~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. BRAND STANDARDS AND FRANCHISOR DESIGNATED REQUIREMENTS

Franchisee shall develop and operate the Franchised Business in strict conformity with the methods, standards, specifications, procedures, and operational requirements as, designated and determined by Franchisor, in Franchisor's Reasonable Business Judgment, and as set forth in the ~~operations manual~~Operations Manual, as prescribed by Franchisor in writing, and, as Franchisor, in Franchisor's Reasonable Business Judgment, may supplement, modify, and amend from time to time. Supplementing, and without limitation to the foregoing, Franchisee, agrees that the foregoing standards, specifications, procedures, and operational requirements shall relate and include, among other things, the Approved Services and Products, the System Supplies, System standards and service requirements as designated by Franchisor, authorized and mandatory inventory levels and inventory items, authorized and mandatory supplies and inventory supply levels, designated suppliers, standards related to brand uniformity including, brand standards regarding uniforms, marketing materials, marketing media, the appearance and operations of the Franchised Business, customer service and satisfaction standards including, customer rewards programs, refund policies, gift card policies, special promotions and other customer incentive and goodwill programs, brand standards and brand standard requirements as to employee knowledge and implementation of System brand standards but, not related to employment or joint employment policies, secret shopper programs, Franchisor designated secret quality control inspections, payment processing systems, Franchisor access to Business Management Systems, and, the overall operations of the Franchised Business.

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

Franchisee agrees that, among other things, the products and services to be offered and sold by the Franchised Business, the products, inventory, supplies, suppliers and equipment used 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~~Operations Manual and, as modified by Franchisor from time to time. Without limitation to the foregoing, Franchisee agrees that:

(1) The Franchised Business shall exclusively offer and sell the Approved Services and Products on-site, at Franchisee's Office Location, and only those Approved Services and Products 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) offer and sell the Approved Services and Products; (b) provide the Approved Services and Products in accordance with the System's standards and specifications; (c) exclusively purchase all System Supplies, including, but not limited to, merchandise, inventory, and supplies, from Franchisor or Franchisor's designated suppliers; (d) exclusively purchase and use equipment, supplies, promotional materials, point of sale systems and Business Management Systems 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 Supplies, 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, inventory, goods, and supplies including, but not limited to, System Supplies, used in offering, selling, preparing, providing, marketing, and/or selling the Approved Services and Products.

(3) Franchisor has and will periodically approve suppliers and distributors of the equipment, materials, supplies and products including, but not limited to, System Supplies, that meet Franchisor's standards, specifications, and requirements including, without limitation, standards, specifications, and requirements relating to the equipment and supplies to be used 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 Supplies 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 Supplies 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 Franchisor may use all amounts so received without restriction and, for any purpose, including Franchisor's profit.

(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; and (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.

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(8) 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

(9) Franchisee must 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, 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.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 shall, at all times, investigate, review, and comply with all laws applicable to the operation of the Franchised Business, including, without limitation, all labor laws and obligations, wage and hour laws and obligations, employer practices laws and obligations, labor department rules and regulations, workers compensation and unemployment laws and rules, insurance obligations, and health and safety laws, rules and obligations.

(3) Franchisee shall, at all times, investigate, review, and comply with all laws, rules, and regulations related to all laws, rules, and regulations related to customer and employee privacy obligations and protections and, all laws, rules, and regulations, related to the privacy and protection of customer and employee information and data and, all laws, rules, and regulations related to customer and employee solicitations.

(4) Franchisee must immediately notify Franchisor in writing of any of the following concerning Franchisee, the Franchised Business, Franchisee's Office Location and/or Franchisee's Office 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.

(5) Franchisee shall, at all times, ensure that all advertising and promotion of the Franchised Business by Franchisee is completely factual and conforms to the highest standards of ethical advertising, and is in conformity with Franchisor's standards and specifications. Franchisee shall refrain from any business practice, advertising practice, or personal conduct that may be injurious to Franchisor, the System, Toro Taxes Offices, 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 Offices and/or using the Licensed Marks.

(6) 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.

In connection with Franchisee's compliance with the terms of this Article 7.I., if Franchisee discovers, learns of, and/or becomes aware of any conflict and/or discrepancy between Franchisee's obligations under this Article 7.I. with Franchisor's standards and/or specifications as contained in this Agreement, in the ~~operations manual~~ Operations Manual, and/or as otherwise designated by Franchisor from time to time, Franchisee shall immediately notify Franchisor in writing of such discrepancy. In the event of any conflict or ambiguity, Franchisor's determination and/or resolution made by Franchisor, in writing, and, specifically with regard to the presented conflict or ambiguity, shall be determinative as between Franchisor and Franchisee and the operations of the Franchised Business.

7.J. MANAGEMENT OF OFFICE

(1) Franchisee agrees 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 Office 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 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 fees and expenses, as determined by Franchisor, in Franchisor's Reasonable Business Judgment, for management services (the "Management Service Fees"). Any determination as to whether or not Franchisor may elect to provide management services, if any, and the extent of such services, and/or the discontinuation thereof, shall be exclusively determined by Franchisor in Franchisor's Reasonable Business Judgment. The Management Service Fee shall be immediately payable upon invoice by us.

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

7.K. REMEDIES FOR NON-COMPLIANCE WITH OPERATIONAL STANDARDS

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this [Article 7](#) (an "Operations Violation"), within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor an operations non-compliance fee (the "Operations Non-Compliance Fee") in the amount of: (a) \$1,000 for each and every instance/event related to an Operations Violation involving the sale of services and/or products that are not Approved Services and Products; (b) \$1,000 for each and every instance/event related to an Operations Violation involving the failure to exclusively use System Supplies, and/or Franchisor designated suppliers; and (c) \$450 for all other Operations Violation. Additionally, in each of the foregoing instances, within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor all costs and expenses incurred by Franchisor in connection with any inspections, audits, and/or re-inspections directed and/or undertaken by Franchisor for the purpose, as determined by Franchisor in Franchisor's Reasonable Business Judgment, of determining whether or not Franchisee's Operations Violation has been cured in accordance with Franchisor's standards and specifications. The foregoing does not constitute Franchisor's consent to and/or acquiescence to Operations Violations. Nothing contained in this [Article 7.K.](#) shall be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in [Article 16](#), and as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

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 insureds, 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~~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 two 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

GLOBAL BRAND DEVELOPMENT AND MARKETING

Franchisor is not required to conduct any marketing on behalf of Franchisee or the System.

9.A. GLOBAL BRAND DEVELOPMENT FUND

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

- (1) Franchisee shall pay, on the Due Date, a mandatory and continuing fee to the Global Brand Development Fund in an amount equal to: (i) 2% of Gross Sales for Gross Sales derived from a tax filings containing a Bank Product and any Business Division Services; and (ii) a flat fee of \$2 per Non-Bank Product Transaction (the "Global Brand Development Fund Fee");
- (2) Franchisor will provide Franchisee with written notice of the percentage of Gross Sales that Franchisee is required to contribute to the Global Brand Development Fund. Upon such written notice to Franchisee, the percentage of Gross Sales to be paid by Franchisee to the Global Brand

Development Fund will be applicable for each and every Accounting Period thereafter during the Term until otherwise designated by Franchisor in writing. The Global 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 Global Brand Development Fund, with sole discretion over the strategic direction, creative concepts, materials, and endorsements used by the Global Brand Development Fund, and the geographic, market, and media placement and allocation thereof. Without limiting the foregoing, the Global 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 agrees that the purpose of the advertising, media, marketing and activities financed by the Global 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 Global 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 Franchisee's Office Location or Designated Territory;

(5) Franchisee agrees that the Global 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 Global 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 Global Brand Development Fund shall be commensurate with the amount of that time spent by such personnel on Global Brand Development Fund matters. Franchisor shall not use contributions to the Global 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 Global 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 Global Brand Development Fund. Franchisor may spend in a fiscal year an amount greater or less than the aggregate contributions of all Toro Taxes Offices to the Global Brand Development Fund in that year;

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

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

(8) Franchisee and Franchisor acknowledge and agree that (a) the Global Brand Development Fund is not a trust, (b) Franchisor is not a trustee or fiduciary of the Global Brand Development Fund,

and (c) Franchisor may deposit and maintain any and all funds of the Global Brand Development Fund Fee in Franchisor's general accounts. Global Brand Development Fund Fees are not required to be segregated from other assets or accounts of Franchisor. The Global Brand Development Fund is not required to expend Global Brand Development Fund Fees in the year that they are collected and the Global Brand Development Fund may borrow from Franchisor or other lenders at standard commercial interest rates to cover deficits of the Global Brand Development Fund, and Franchisor may cause the Global Brand Development Fund to invest any surplus for future use by the Global Brand Development Fund. All interest earned on monies contributed to the Global Brand Development Fund will be used to pay costs of the Global Brand Development Fund before other assets of the Global Brand Development Fund are expended. A summary statement of monies collected and costs incurred by the Global 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 Global 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 Global Brand Development Fund to develop advertising and marketing materials and programs, Franchisor undertakes no obligation to ensure that expenditures by the Global Brand Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Global Brand Development Fund by Toro Taxes Offices operating in that geographic area or that any Toro Taxes Offices will benefit directly or in proportion to its contribution to the Global Brand Development Fund from the development of advertising and marketing materials. Franchisor may use the Global Brand Development Fund to promote or benefit any type of Toro Taxes Offices in the System. Franchisor may use the Global Brand Development Fund to promote or benefit Toro Taxes Offices located within a particular region of the United States. Franchisee 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 Global 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 Global 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 Global Brand Development Fund; and

(10) Franchisor, in Franchisor's Reasonable Business Judgment, may establish a council to provide guidance respecting the administration of the Global Brand Development Fund and marketing matters concerning the Global 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

Franchisor recommends that Franchisee 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 Global 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 Office 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% 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 Offices 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 Office Location for the benefit of Franchisee and those other franchisees with operating territories and/or Office Locations within the designated DMA;

(5) The DMA Marketing Fund will consist of all franchisee Offices with operating territories and/or Office Locations 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 Offices 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 Offices 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, campaigns, marketing channels, and efforts used by Franchisee must conform to Franchisor's standards and specifications as set forth in the ~~operations manual~~Operations Manual or, as may be otherwise directed by Franchisor in writing from time to time.

If Franchisee ~~wished~~wishes to propose to Franchisor for approval or disapproval marketing or promotional efforts, campaigns, and/or media that are not presently and expressly approved and authorized by Franchisor, Franchisee shall submit a written request, including samples of all proposed marketing materials and a description of the marketing channels and distribution to Franchisor for Franchisor's approval or disapproval, that shall be at the sole discretion of Franchisor, in Franchisor's Reasonable Business Judgment. Provided that Franchisee has satisfied the written notice requirements set forth in this Article 9.C, and provided that Franchisee otherwise timely responds in writing to any and all requests by Franchisor for additional information, 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 Global Brand Development Fund and/or, if applicable, Advertising Cooperative. In no event shall such waiver or deferral extend beyond six 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 Global Brand Development Fund and/or, if applicable, Advertising Cooperative. Under no circumstance shall Franchisor be under any obligation to grant any waiver or deferral. Franchisor may reject Franchisee's request for a waiver or deferral based on any reason or no reason at all and nevertheless grant the request of another system franchisee.

9.E. DIGITAL MEDIA AND WEBSITE PROHIBITIONS

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~~possesses no right or authority to utilize Digital Media and Franchisee agrees that Franchisor reserves all rights respecting the marketing, sale and distribution of Approved Services and Products 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 6. 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.

9.F. ADVERTISING COOPERATIVE

At all times Franchisor, in Franchisor's Reasonable Business Judgment, possesses the right to authorize, establish, designate and de-authorize a local or regional advertising cooperative within those markets that

Franchisor designates (the “Advertising Cooperative”). Franchisee agrees that Franchisor possesses the sole and exclusive right to designate any geographic area in which two or more franchises are located as a region for the purpose of establishing an Advertising Cooperative. If Franchisee’s Office or Designated Territory is located within the geographic area of an Advertising Cooperative, franchisee must participate in and contribute to the Advertising Cooperative. Franchisee agrees to the following:

(1) If Franchisor previously instituted or, in the future, institutes an Advertising Cooperative that includes, in whole or in part, Franchisee’s Designated Territory or Franchisee’s Office Location, Franchisee shall participate in and make such on-going financial contributions to the Advertising Cooperative, as determined by the Advertising Cooperative;

(2) Franchisor may establish foundational and organizational requirements of the Advertising Cooperative including voting provisions that allows the Advertising Cooperative to make decisions based on the simple majority vote (one vote per franchisee Office located within the designated area of the Advertising Cooperative) with a quorum constituting 25% of those franchisees within the Advertising Cooperative;

(3) Unless otherwise authorized and approved by Franchisor in writing, each Advertising Cooperative shall be organized for the exclusive purpose of administering marketing programs and the development of media (all subject to the review and approval of Franchisor) for use by members of the Advertising Cooperative in local or regional marketing;

(4) If at the time of execution of this Agreement an Advertising Cooperative has been established for a geographic area that includes, in whole or in part, Franchisee’s Office location or Designated Territory, or if such Advertising Cooperative is established during the Term of this Agreement, Franchisee shall fully participate in the Advertising Cooperative and Franchisee shall execute, at the request of Franchisor, all documents required by Franchisor and Franchisee shall become a member of the Advertising Cooperative subject to the terms of those documents;

(5) Franchisee shall contribute to the Advertising Cooperative in the amounts as determined and required by the Advertising Cooperative or, otherwise in accordance with those documents governing the operation of the Advertising Cooperative; provided, however, Franchisee’s contributions to the Advertising Cooperative shall not exceed Franchisee’s local minimum marketing obligations set forth in Article 9.B. of this Agreement and Franchisee’s contributions to the Advertising Cooperative shall count toward satisfaction of Franchisee’s minimum local marketing obligations set forth in Article 9.B.;

(6) Franchisee shall submit to the Advertising Cooperative and to Franchisor such statements and reports as may be required by the Advertising Cooperative and approved by Franchisor. All contributions to the Advertising Cooperative shall be maintained and administered in accordance with the documents governing the Advertising Cooperative. The Advertising Cooperative shall be operated solely for the purpose of collection and expenditure of the Advertising Cooperative’s fees for the purpose set forth in this Article 9.F.;

(7) No marketing materials, plans, or media may be used by the Advertising Cooperative or its members without the prior written approval of Franchisor;

(8) Offices owned by Franchisor and/or Franchisor’s affiliates that are located within the geographic area of the designated Advertising Cooperative are not required to make contributions to the Advertising Cooperative; and

(9) The Advertising Cooperative must comply with the rules and regulations established by Franchisor in the ~~operations manual~~Operations Manual which may be modified by Franchisor from time to time.

ARTICLE 10

RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

10.A. INDEPENDENT CONTRACTORS AND NO JOINT EMPLOYER RELATIONSHIP

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 nor shall it make either party an agent, legal representative, subsidiary, joint ventures, partner, or employee of the other for any purpose. The parties' relationship is strictly a ~~franchisor~~Franchisor and ~~franchisee~~Franchisee relationship. At all times Franchisee, in accordance with Franchisor's brand standards, 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 an Office 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 shall not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation. Franchisee shall 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.

At all times, Franchisee will be, is, and shall remain the sole and exclusive employer of all employees of the Franchised Business. Franchisor is not a joint employer and nothing contained in this Agreement shall be interpreted as creating a joint employer relationship. Franchisee possesses the sole right to select, hire and discharge Franchisee's employees. Franchisee is responsible for all decisions regarding hiring, firing, training, supervising, disciplining, scheduling, paying wages to, and withholding and paying taxes for all employees. Franchisee, each Owner, each Spouse, and Franchisee's officers, directors, manager, agents, representatives, independent contractors and employees are not employees, representatives, or agents of Franchisor and shall never represent themselves as employees, representatives, or agents of Franchisor.

There is no joint employer relationship between Franchisor and Franchisee or Franchisee's employees. 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~~Operations Manual and/or any other communications from Franchisor 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 Approved Services and Products, 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~~Operations Manual, the terms of this Agreement shall take precedence and govern.

10.B. INDEMNIFICATION BY FRANCHISEE

Franchisee and each Owner shall indemnify, defend through counsel acceptable to Franchisor, and hold 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") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, ~~investigation, hearing~~investigations, hearings, and/or damages arising out of, or relating to, Franchisee's Office Facility, Franchisee's Office 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 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 Franchisee and Franchisee's officers, directors, shareholders, members, owners, partners, agents, representatives, independent contractors, employees, assigns and successors (the "Franchisee Indemnified Parties") harmless from all losses, expenses, claims, causes of action, lawsuits, liabilities, taxes, costs, demands, proceedings, ~~investigation, hearing~~investigations, hearings, and/or damages solely arising out of, or solely relating to, Franchisor's gross negligence in the operation of Franchisee's Toro Taxes Office 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 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 agrees that Franchisor is the owner of all right, title and interest in and to the Licensed Marks, the System, Web Based Media, Published Content and the goodwill associated with the Licensed Marks and the System. Except as otherwise specifically provided in this Agreement, Franchisee further agrees that Franchisee possesses no interest or right, whatsoever, in or to the Licensed Marks, the System, Web Based Media, Published 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 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, Published 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, Published 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, Published 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 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 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 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 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 INFORMATION

Franchisee 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 Offices 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 three 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~~Operations Manual or otherwise in writing.

12.B REPORTING OBLIGATIONS

In addition to the reporting obligations otherwise set forth in this Agreement, Franchisee agrees to the following additional reporting obligations that shall be ~~compile, organize~~compiled, organized, and contain all of the data and information requested by Franchisor, in Franchisor's Reasonable Business Judgment, and as may be modified by Franchisor from time to time:

- (1) Royalty and Activity Reports – on the Due Date, Franchisee shall report, transmit, confirm, and/or otherwise make available to Franchisor, the Royalty and Activity Report as designated by Franchisor and in accordance with the terms of this Agreement.

- (2) Monthly Financial Statements and Reports – within 30 days of the end of each calendar month Franchisee shall submit to Franchisor monthly financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. At all times Franchisee represents that the financial statements, information, and reports submitted to and/or made available to Franchisor shall be and remain true and accurate. The financial statements must be prepared in accordance with GAAP and, additionally, shall reconcile Gross Sales per GAAP to Gross Sales per this Agreement;

- (3) Annual Financial Statements and Reports – within 60 days of the end of each calendar year, Franchisee shall submit to Franchisor Franchisee's annual financial statements and other reports related to the operations of the Franchised business including, but not limited to, income statement, statement of cash flows, balance sheet, and other operational reports designated by Franchisor. The financial statements must be prepared by a licensed CPA and in accordance with GAAP and, additionally, shall reconcile Gross Sales per GAAP to Gross Sales per this Agreement;

- (4) Tax Returns – 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

- (5) Other Reports – Franchisee shall timely submit to Franchisor, all other forms, reports, records, information, and data as Franchisor may reasonably request in writing or as otherwise set forth in the ~~operations manuals~~Operations Manuals.

12.C. REMEDIES FOR NON-COMPLIANCE WITH RECORDS AND REPORTING

In addition to all other rights afforded to Franchisor under this Agreement, in connection with any, each, and every violation of any term, provision, and/or operational requirement as set forth in this Article 12 (a "Reporting Violation"), within 14 days of Franchisor's invoice, Franchisee shall pay to Franchisor a reporting non-compliance fee (the "Reporting Non-Compliance Fee") in the amount of \$150 for each and every failure to timely submit a report and/or record as set forth in this Article 12. The foregoing does not constitute Franchisor's consent to and/or acquiescence to Reporting Violations. Nothing contained in this

Article 12.C. shall be interpreted as interfering with and/or negating Franchisor's rights and remedies as set forth in Article 16, and as otherwise set forth in this Agreement. All rights and remedies of Franchisor are cumulative and shall be interpreted as cumulative to one another.

ARTICLE 13 **INSPECTION AND AUDITS**

13.A. FRANCHISOR'S RIGHT TO INSPECT

Franchisor has the right at any and all times during business hours, throughout the terms of this Agree and without prior notice to Franchisee, to inspect Franchisee's Office. Franchisee shall fully cooperate with representatives of Franchisor making any inspection and permit such representatives of Franchisor to take photographs, videos, and/or recordings of the Franchised Business, interview employees and customers of the Franchised Business, conduct secret-shopper inspections, and other inspections either with or without notice to Franchisee. Franchisor shall undertake reasonable efforts to minimize the impact of any inspection on the operations of the Franchised Business.

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 of all such books, statements, records and supporting documents at Franchisee's Office Facility. Franchisee must fully cooperate with Franchisor, representatives of Franchisor, and third parties hired by Franchisor to conduct any such examination or audit. In the event Franchisor's examination of Franchisee's records reveals that Franchisee underreported any figure to Franchisor by more than 2%, then Franchisee shall reimburse to Franchisor, all of Franchisor's costs in connection with Franchisor's audit/examination.

ARTICLE 14 **TRANSFER OF INTEREST**

14.A. TRANSFER BY THE FRANCHISOR

At all times, Franchisor possesses and maintains the sole, absolute and unilateral 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 or any other party. 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 or all of its rights or obligations under this Agreement and the Ancillary Agreements, in whole or in part, in Franchisor's sole 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.

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 Franchisee's Office Location and Franchisee's Office 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 Office, 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 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 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 8 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, Then current standard form Franchise Agreement offered to new franchisees of Toro Taxes Offices 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 five 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 Office Facility to conform to 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 Office must complete any training programs then in effect for franchisees of Toro Taxes Offices upon terms and conditions set forth in this Agreement or as Franchisor otherwise reasonably requires;

(11) Franchisee must pay the Transfer Fee;

(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 2;

(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 and 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 Office Facility, Office 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 FRANCHISEE OR AN OWNER

(1) If Franchisee is an individual and not a Corporate Entity, upon the death or permanent disability of Franchisee, the executor, administrator, conservator or other personal representative of Franchisee, must appoint a manager that meets the equivalent of an Operating Manager within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability. The appointed manager (as applicable) must serve and qualify as an Operating Manager and attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's Office is not being managed by a Franchisor approved Operating Manager (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 Franchisee's Office for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Operating Manager is able to assume

the management and operation of Franchisee's Office. Franchisor's appointment of a manager for Franchisee's Office 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 Franchisee's Office 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 Franchisee's Office or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's Office. Franchisor has the right to charge a reasonable fee for such management services and may cease to provide management services at any time.

(2) If Franchisee is a Corporate Entity, upon the death or permanent disability of Franchisee's Managing Owner, the remaining Owners within a reasonable time, which shall not exceed 30 days from the date of death or permanent disability must appoint a new Managing Owner that is approved by Franchisor. The appointed Managing Owner must attend and successfully complete the Training Program within 60 days of the appointment. If Franchisee's Office is not being managed by a Franchisor approved 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 Franchisee's Office for, and on behalf of, Franchisee at Franchisee's sole costs until an approved Managing Owner is able to assume the management and operation of Franchisee's Office. Franchisor's appointment of a manager for Franchisee's Office 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 Franchisee's Office 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 Franchisee's Office or to any creditor of Franchisee for any products, materials, supplies or services purchased by Franchisee's Office. Franchisor has the right to charge a reasonable fee for such management services and may cease to provide management services at any time.

Notwithstanding the foregoing, if Franchisee is a Corporate Entity and the Managing Owner is the only Owner of Franchisee, then [Article 14.D.\(1\)](#) shall apply as if the Managing Owner were the sole individual Franchisee.

(3) 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.

(4) 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](#).

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; (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 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, Franchisee’s Office, Franchisee’s Office Facility, and/or Franchisee’s Office 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, Franchisee’s Office, Franchisee’s Office Facility, and/or Franchisee’s Office 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 of this Agreement, including this Article 15, Franchisee shall possess the option to renew the franchise for Franchisee’s continued license and franchised operation of the Franchised Business for one additional ~~five~~10 year term (the “Renewal Term”). The foregoing Renewal Term shall not be afforded to or available to Franchisee if, prior to the Effective Date of this Agreement, the Franchised Business was previously operated or developed pursuant to a prior Franchise Agreement with Franchisor or Franchisor’s predecessors respecting the Franchised Business.

15.B. CONDITIONS FOR RENEWAL

Franchisee's renewal rights under this [Article 15](#) are subject to and contingent upon Franchisee's satisfaction of the following conditions and criteria:

- (1) Not less than 180 days prior to the expiration of the initial Term Franchisee must provide Franchisor written notice (the "Renewal Notice") of Franchisee's election to renew;
- (2) At the time of delivering the Renewal Notice and at all times thereafter, Franchisee and Franchisee's Owners must be in compliance with the terms of this Agreement and all Ancillary Agreements, and without any default of this Agreement or the Ancillary Agreements;
- (3) Franchisee must possess, present, and demonstrate to Franchisor and, subject to Franchisor's reasonable satisfaction, that: (a) Franchisee maintains and has secured the legal right to remain in possession of Franchisee's Office Facility and Office Location through the entire Renewal Term or; (b) Franchisee has selected a proposed new Office Location within the Designated Territory that Franchisor, at Franchisor's sole discretion, has approved in writing and that may be timely developed by Franchisee, in accordance with Franchisor's standards and specifications, for the development and operation of the Franchisee's Office throughout the duration of the Renewal Term;
- (4) Franchisee must update and/or agree to update the condition, appearance and functionality of Franchisee's Office Facility and Franchisee's Office Location and to otherwise modify Franchisee's Office Facility and Franchisee's Office Location in compliance with Franchisor's specifications and standards then applicable for new Toro Taxes Offices;
- (5) Franchisee pays the Renewal Fee and Franchisee agrees to, signs, and delivers to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current form Office Franchise Agreement for the Renewal Term (the "Renewal Franchise Agreement");
- (6) Franchisee's Owners and their Spouses, respectively, must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current individual guaranty agreements, and, thereby, among other things, individually and jointly guarantee the full and complete performance of the Renewal Franchise Agreement including, but not limited to, payment obligations, non-compete obligations, and restrictive covenants (the "Renewal Ancillary Agreements");
- (7) Franchisee and the Owners must, prior to the Renewal Term, undertake and complete, to Franchisor's satisfaction, such additional training, if any, as designated and determined by Franchisor in Franchisor's Reasonable Business Judgment; and
- (8) Franchisee and the Owners must agree to, sign, and deliver to Franchisor, within 30 days of the date of delivery by Franchisor to Franchisee, Franchisor's then current form of general release whereby Franchisee and Franchisee's Owners shall each fully release and discharge Franchisor, Franchisor's affiliates and its officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, employees, successors and assigns from any and all claims, causes of action, and suits arising from and/or related to this Agreement. If local law precludes Franchisee's issuance of a general release, Franchisor at Franchisor's election, may condition renewal on ~~Franchisee~~Franchisee's and each ~~Owners~~Owner's delivery to Franchisor of an estoppel letter advising and informing Franchisor that the undersigned possesses no legal claim or cause of action against Franchisor and is not aware of any facts of circumstances involving any breach of

this Agreement by Franchisor or Franchisor's agents or employees.

Failure by Franchisee, and, as applicable, each Owner and Spouse to timely comply with the foregoing conditions shall be deemed an election by Franchisee not to renew the franchise.

15.C. RENEWAL FRANCHISE AGREEMENT

Franchisee expressly acknowledges and agrees that the Renewal Franchise Agreement and Renewal Ancillary Agreements, as determined by Franchisor in Franchisor's sole discretion, may contain terms, conditions, requirements, and rights that are materially and substantively different from those granted and contained in this Agreement.

ARTICLE 16 DEFAULTS, TERMINATION AND REMEDIES

16.A. DEFAULTS BY FRANCHISEE AND TERMINATION BY FRANCHISOR

(1) **Defaults and Automatic Termination** – Franchisee shall be in default of this Agreement, and, 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, omissions, events, and/or circumstances:

(a) Franchisee becomes insolvent, and/or Franchisee makes a general assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors;

(b) Franchisee admits in writing Franchisee's inability to pay its debts as they mature, and/or Franchisee gives notice to any governmental body or agency of insolvency, pending insolvency, suspension of operations and/or pending suspension of operations;

(c) Franchisee files a voluntary petition in bankruptcy, Franchisee is adjudicated bankrupt or insolvent, and/or 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;

(d) An involuntary petition in bankruptcy is filed against Franchisee and Franchisee fails to have the involuntary petition discharged within 35 days of the petition filing, and/or 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;

(e) 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;

(f) 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;

(g) Franchisee initiates proceedings for a composition with creditors under any state or federal law or such a proceeding is initiated against Franchisee;

(h) This Agreement, or any of Franchisee's rights under this Agreement, is levied upon under any attachment or execution, and/or Execution is levied upon or against the Franchised Business or any assets of Franchisee, and/or a final judgment against Franchisee remains of record or unsatisfied for 30 days or more, unless an appeal and/or bond is filed;

(i) Franchisee is dissolved, and/or Franchisee's leasehold interests and/or rights in or to Franchisee's Office Location are terminated;

(j) A cause of action or lawsuit to foreclose any lien or mortgage against Franchisee's Office Location if Franchisee is the fee simple owner of Franchisee's Office Location;

(k) A cause of action or lawsuit to foreclose any lien against equipment used in the operation of Franchisee's Office or located at Franchisee's Office Location is instituted against Franchisee and not dismissed within 60 days after the summons is served on Franchisee;

(l) Real or personal property of Franchisee used in the operation of Franchisee's Office is sold after levy thereupon by any sheriff, marshal or other law enforcement officer; and/or

(m) Upon termination by Franchisor pursuant to Article 16.A.(2), Article 16.A.(3), or Article 16.A.(4) of this Agreement.

(2) Defaults and Automatic Termination upon Written Notice without Cure Period – Franchisee shall be in default of this Agreement, and, this Agreement may be terminated by Franchisor, at Franchisor's sole discretion, upon written notice from Franchisor to Franchisee and without providing Franchisee any opportunity to cure, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, with such termination effective on the date of Franchisor's notice:

(a) Franchisee, on three or more instances and/or occasions, engages, commits, and/or suffers an action, inaction, omission, event, and/or circumstance that constitutes or qualifies as a default under Articles 16.A.(3) and/or 16.A.(4) of this Agreement, irrespective of whether or not such action, inaction, omission, event, and/or circumstance is the subject of a notice of default from Franchisor to Franchisee pursuant to Articles 16.A.(3) and/or 16.A.(4) of this Agreement and irrespective of whether or not such default was timely cured and irrespective of whether or not Franchisee paid any penalties or additional fees to Franchisor;

(b) Franchisee, intentionally and knowingly, refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement with the intent of causing harm to Franchisor, the System, other System franchisee and/or customers of the Franchised Business;

(c) Franchisee intentionally, knowingly, with prior notice, and/or through negligence, at any time, develops, manages, maintains, and/or operates the Franchised Business in violation of federal, state, and/or local laws, rules, regulations, ordinances, permits, codes and/or conduct resulting in a foreseeable, immediate and/or imminent threat to the health and/or safety of any third party including customers, employees, and/or the public at large;

(d) Franchisee abandons, surrenders and/or fails to continuously and actively operate the Franchised Business, unless prevented from doing so by casualty that is the subject of Article 7.D. of this Agreement and that is cured/remedied in accordance with Article 7.D.;

(e) Franchisee loses and/or fails to maintain possession of the leasehold and/or other legal interests providing Franchisee with the uninterrupted legal right and ability to occupy and to continue to occupy Franchisee's Office Facility throughout the Term and to maintain and operate Franchised Business in accordance with the terms of this Agreement and the standards, specifications, and requirements set forth in the ~~operations manual~~Operations Manual and/or as otherwise communicated by Franchisor from time to time;

(f) Franchisee and/or Franchisee's Owners intentionally misrepresent and/or omit material information in any submitted application and during the application process;

(g) As to information, records, statements, and/or data that Franchisee must maintain and/or report to Franchisor pursuant to the terms of this Agreement, the ~~operations manual~~Operations Manual, or as otherwise requested by Franchisor from time to time, the information, records, statements, and/or data maintained by Franchisee and/or reported by Franchisee contains intentional inaccuracies and/or material inaccuracies that are either misleading or false;

(h) Franchisee attempts to Transfer, or purportedly attempts to Transfer, this Agreement or any of Franchisee's rights under this Agreement, without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(i) If Franchisee is a Corporate Entity, an Owner of Franchisee attempts to Transfer or, purportedly Transfers, the Owner's equity interests, ownership interests, and/or rights in Franchisee without Franchisor's prior approval, written consent, and/or otherwise not in accordance with this Agreement;

(j) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of the contents, data and/or information contained in the ~~operations manual~~Operations Manual to any third party not otherwise authorized by Franchisor;

(k) Franchisee discloses, divulges, provides access to, communicates, and/or permits the communication of Confidential Information to any third party not otherwise authorized by Franchisor;

(l) Franchisee engages in any activity that injures, harms, damages, or otherwise has a material adverse effect on Franchisor, the System, the Licensed Marks, Toro Taxes Offices, Franchisee's Office, and/or the reputation of Toro Taxes brand;

(m) Franchisee, an Owner, and/or a Spouse, as applicable and whether individually or jointly, breaches or is in default of an Ancillary Agreement, and, if the applicable agreement provides for the opportunity to cure, fails to timely cure the breach or default of the Ancillary Agreement, including, without limitation, the Franchise Owner and Spouse Agreement and Guaranty;

(n) Franchisee and/or an Owner of Franchisee is convicted of a felony crime, and/or pleads guilty or nolo contendere to a felony crime;

(o) Franchisee and/or an Owner of Franchisee engages in intentionally dishonest and/or unethical conduct that, in Franchisor's Reasonable Business Judgment, results in embarrassment to Franchisor, the System, the Licensed Marks, Toro Taxes Offices, Franchisee's Office, and/or the reputation of Toro Taxes brand;

(p) Franchisee fails to complete, to Franchisor's reasonable satisfaction, the Training Program and/or supplemental training programs designated by Franchisor;

(q) Franchisee fails, upon receiving actual or constructive notice, shall: (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 (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 and/or otherwise publicly disseminating Confidential Information;

(r) Franchisee misappropriates, misuses, or makes any unauthorized use of the Licensed Marks, the Confidential Information, and/or the System and/or Franchisee materially impairs the goodwill associated with the Licensed Marks, and/or Franchisee applies for registration of the Licensed Marks anywhere in the world; and/or

(s) Franchisee and/or an Owner fails to comply with Anti-Terrorism Laws or becomes listed on the Annex to Executive Order 13244.

(3) Defaults and Automatic Termination After 10 Day Cure Period – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default/action, inaction, omission, event, and/or circumstance within 10 calendar days of Franchisor's written notice:

(a) Franchisee fails, refuses, and/or is unable to timely pay the Royalty Fee, Advertising Contribution, and/or any other payment, fee, financial obligation, charge, and/or monetary obligation payable and/or due to Franchisor pursuant to the terms of this Agreement, under this Agreement, and/or any other agreement between Franchisor and Franchisee;

(b) Franchisee and/or Franchisee's affiliate fails, refuses, and/or is unable to pay any payment, fee, financial obligation, charge, 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; and/or

(c) Franchisee fails or refuses, at any time, and, without legal justification as may be determined by Franchisor in Franchisor's Reasonable Business Judgment, to pay any third party supplier or vendor for any goods, products, supplies, equipment, materials and/or any other items used by, benefitting, and/or intended to benefit the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(3) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(3) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

(4) Defaults and Automatic Termination After 30 Day Cure Period – Franchisee shall be in default of this Agreement and, this Agreement shall be terminated, upon the occurrence of any one

or more of the following actions, inactions, omissions, events, and/or circumstances, unless, Franchisee timely cures, to the satisfaction of Franchisor, such default/action, inaction, omission, event, and/or circumstance within 30 calendar days of Franchisor's written notice:

(a) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of this Agreement that is not otherwise a default under Articles 16.A.(1), 16.A.(2), or 16.A.(3) of this Agreement;

(b) Franchisee fails or refuses to comply with and/or breaches any term, condition, provision, and/or requirement of any agreement, other than this Agreement, between Franchisor and Franchisee, and/or an affiliate of Franchisor and Franchisee;

(c) Franchisee fails or refuses, in accordance with the terms of this Agreement, to obtain and secure a signed lease agreement or fee simple ownership interest in a location that is approved by Franchisor, in Franchisor's Reasonable Business Judgment, as Franchisee's Office Location;

(d) Franchisee fails or refuses to develop and open the Franchised Business on or before the Scheduled Business Commencement Date, in compliance with the terms of this Agreement, as designated or specified in the ~~operations manual~~Operations Manual, and/or in accordance with Franchisor's standards and specifications as communicated to Franchisee from time to time;

(e) Franchisee fails or refuses, at any time, to manage, maintain, and/or operate the Franchised Business in compliance with the terms of this Agreement, as designated or specified in the ~~operations manual~~Operations Manual, and/or in accordance with Franchisor's standards, specifications, and requirements as communicated to Franchisee from time to time;

(f) Franchisee fails or refuses, at any time, to develop, manage, maintain, and/or operate the Franchised Business in compliance with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, and codes;

(g) At any time, an inspection and/or evaluation of the operations of the Franchised Business – whether by mystery shopper programs, third party inspection services, or as otherwise designated by Franchisor, and, whether or not such inspections are on notice or secret – Franchisor, in Franchisor's Reasonable Business Judgment, determines that the operations of the Franchised Business do not meet or are in violation of the operational standards and requirements set forth in this Agreement, the ~~operations manual~~Operations Manual, and/or as communicated to Franchisee from time to time;

(h) Franchisee fails or refuses to timely submit to Franchisor records, reports, stored media, recordings, financial statements, books, accounts, statements, data, documentation and/or other information as required by this Agreement, as set forth in the ~~operations manual~~Operations Manual, and/or as requested by Franchisor

(i) If any inspection or review of Franchisee's records, reports, books, accounts, statements, data, documentation and/or other information discloses, within any week, month, or Accounting Period selected by Franchisor, the underreporting of Franchisee's Gross Sales, and/or any other metrics or data, resulting in the underpayment, by 5% or more, of the obligations, payments, and/or fees due by Franchisee to Franchisor under the terms of this Agreement;

(j) Franchisee fails or refuses, at any time, to maintain the required insurance policies and insurance coverage required for the Franchised Business as set forth in this Agreement, and/or in the ~~operations manual~~Operations Manual; and/or

(k) Franchisee fails to timely satisfy and pay all vendors, suppliers and/or contractors in connection with the development, construction, and/or establishment of the Franchised Business.

The foregoing events of default set forth in this Article 16.A.(4) shall exclude events of default that are otherwise governed by and/or constitute events of default under Article 16.A.(1) or Article 16.A.(2). In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(1), Article 16.A.(1) shall take precedence and govern. In the event of any inconsistency or conflict between the provisions of this Article 16.A.(4) with Article 16.A.(2), Article 16.A.(2) shall take precedence and govern.

16.B. TERMINATION BY FRANCHISEE

If Franchisee, each Owner 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.

16.C. FRANCHISOR'S ADDITIONAL RIGHTS, REMEDIES, AND DAMAGES

Franchisee agrees that Article 16.A. sets forth actions, inactions, omissions, events, and/or circumstances that, among other things, constitute, in each and every instance and subject to any applicable cure period, if any, a default of this Agreement permitting Franchisor to, among other things, terminate this Agreement and/or resulting in the automatic termination of this Agreement. The grounds constituting a default under Article 16.A. are in addition to any and all other grounds for default as may be otherwise set forth in the Franchise Agreement. In the event of an event of default of this Agreement by Franchisee under Article 16.A. or, as otherwise set forth in this Agreement, Franchisee agrees that termination of this Agreement is not the sole or exclusive remedy of Franchisor and that Franchisor's right or remedy of termination shall be in addition to any and all other rights set forth in this Agreement, and as otherwise available to Franchisor in law or equity.

Without limitation to the foregoing, additionally, in the event of the termination of this Agreement as a result of a default or breach by Franchisee and/or, by Franchisee's Owners and/or affiliates of any Ancillary Agreements, Franchisor, in addition to any and all other rights and remedies available to Franchisor as set forth in this Agreement, and, at law and in equity, shall possess the following rights and remedies, each of which are not exclusive of the other and may be/are in conjunction with one another:

(1) To void and terminate this Agreement, and thereafter to market, sell, transfer, convey and assign the rights granted to Franchisee under this Agreement to any other person or entity in Franchisor's sole discretion and without compensation to Franchisee.

(2) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, 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, Royalty Fees and Advertising Contributions with each and every payment and obligation to be accelerated and due immediately.

(3) To hold Franchisee and Franchisee's Owners liable for, and recover from each of them, jointly and severally, lost revenues, profits, and fees including, but not limited to Royalty Fees, Global Brand Development Fund Fee, Advertising Contributions, and all other fees, revenues and/or expenses that would have been paid to Franchisor, under the terms of this Agreement and throughout the Term of this Agreement, had a breach not occurred and had Franchisor not terminated this Agreement. In calculating and determining the foregoing Franchisee agrees that in calculating and in determining such damages that it is fair and reasonable to use Franchisee's most recent calendar year Gross Sales in calculating and determining Franchisor lost revenues and fees and by assuming that such Gross Sales would have been earned in each and every year throughout the remainder of the Term had this Agreement not been terminated. If, however, the Franchised Business has been open and in operation for less than one calendar year, Franchisee agrees that it is fair and reasonable to use an average of Office Gross Sales across the System during the year in which this Agreement was terminated and to use such average Gross Sales for the purpose of calculating and determining Franchisor lost revenues and fees and, in doing so, by assuming that such Gross Sales would have been earned in each and every year throughout the remainder of the Term had this Agreement not been terminated. Franchisee agrees that the foregoing is a form of liquidated damages, and that it is fair and reasonable.

(4) To hold Franchisee and Franchisee's Owners liable for all costs, fees, expenses, and/or damages incurred by Franchisor and/or suffered by Franchisor as a result of a breach or termination including, but not limited to, the recovery of reasonable attorney fees and expenses including court costs, arbitration fees, mediation fees, arbitrator fees, mediator fees, depositions and other related expenses.

(5) To enjoin, restrain, and otherwise prohibit Franchisee from operating Franchisee's Office or exercising any rights granted to Franchisee under this Agreement pursuant to a court order restraining order, injunction or other means.

(6) Declaratory judgment that this Agreement and all rights granted to Franchisee under this Agreement are terminated, null and void.

(7) All other remedies and/or rights available to Franchisor as otherwise set forth in the Agreement

and/or as may be otherwise available by law or equity.

In the event of a breach or default of this Agreement, should Franchisor elect, at Franchisor's sole discretion, to not terminate this Agreement, such action shall be without prejudice and without waiver of Franchisor's rights in the future. Further, at all times, and without prejudice to Franchisor's right to declare a default and, among other things, terminate this Agreement, Franchisor may: (i) 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; (ii) modify payment terms for approved products, supplies, or other merchandise purchased by Franchisee which may include, without limitation, requiring cash on delivery; (iii) 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; and/or (iv) refrain from providing or making available to Franchisee promotional materials or other materials developed by the Global Brand Development Fund, DMA Marketing Fund, and/or Advertising Cooperative.

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.

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 Supplies.

17.B. CEASE OPERATIONS 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 Office that was the subject of this Agreement and cease to operate such Office under the System;
- (2) Refrain from directly or indirectly, holding oneself/itself out to any person or entity, or represent themselves/itself as a present or former Toro Taxes 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~~ **Operations Manual**; (b) any methods, procedures, or techniques associated with the System in which Franchisor possesses proprietary rights or that constitute Franchisor's trade secrets; (c) System Supplies, including communicating with or ordering products from Franchisor's designated suppliers and vendors of System Supplies; (d) the Approved Services and Products; and

(e) any other advertising, marketing, media, and any other information, documents or things associated with Franchisor, the System, the Licensed Marks, Toro Taxes Offices, the Franchised Business, and Franchisee's former Toro Taxes Office, 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 Offices;

(4) Return to Franchisor the ~~operations manual~~ Operations Manual (including any and all parts, supplements, and copies of the ~~operations manual~~ 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~~ 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~~ 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 Office at Franchisee's Office Location subsequent to a Transfer, at Franchisee's sole cost and expense: (a) modify and alter Franchisee's former Office, Franchisee's former Office Facility, and Franchisee's Office Location, as reasonably necessary or otherwise required by Franchisor, to ensure that Franchisee's Office Facility and Franchisee's Office 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 an Office at the Office Location; (b) remove from Franchisee's Office Facility and Franchisee's Office Location all distinctive physical and structural features identifying an Office and all distinctive signs, trade dress and emblems associated with the System including, without limitation, signs, trade dress, and emblems bearing the Licensed Marks; and (c) make specific additional changes to Franchisee's Office Facility and Franchisee's Office Location as Franchisor reasonably requests for the purpose of completely de-identifying Franchisee's former Office. Franchisee shall immediately initiate the foregoing actions and complete such actions within the period of time designated by Franchisor, and Franchisee agrees that Franchisor and/or Franchisor's designated agents may enter the premises of Franchisee's Office Facility and Franchisee's Office Location at any time to make foregoing alterations at Franchisee's sole risk and expense. Franchisee further agrees that Franchisee's failure to timely make modifications and alterations to Franchisee's Office Facility and Franchisee's Office 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: (a) provide and assign to Franchisor the Business Management System, the Business Management System Data, and all customer lists, customer information, and customer data; and (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 Office 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 6;

(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; and

(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 under this Agreement that 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 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 Owner 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. 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.

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ARTICLE 18 ENFORCEMENT AND CONSTRUCTION

18.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

(1) Except as expressly provided to the contrary in this Agreement, each and every term and provision of this Agreement shall be interpreted or otherwise construed to be independent of each other and severable. Although each term and provision of this Agreement is considered by the

parties to be reasonable and intended to be enforceable, if any such term or provision of this Agreement is found by a court of competent jurisdiction, agency, or other government 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 “redlined” 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, including, but not limited to, natural disaster, tornados, earthquakes, wildfires, and pandemics 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 six 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 a 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 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. NON-BINDING MEDIATION AND BINDING ARBITRATION

- (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 (“AAA”) in accordance with the AAA’s then current rules for the mediation of commercial disputes. All mediation proceedings shall be conducted in Clark County, Nevada or, if a mediator is not available in Clark County, Nevada then at a suitable location selected by the mediator that is located closest to Clark County, 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 AAA. Mediation shall be conducted within 45 days of AAA’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% of the mediator’s fee and AAA’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 AAA for binding arbitration. Arbitration shall be conducted by one arbitrator in accordance with AAA’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 Clark County, Nevada or, if suitable AAA facilities are not available in Clark County, Nevada then at a suitable AAA location selected by the arbitrator that is located closest to Clark County, 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; and
 - (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 Clark County or the county closest to Clark County. Franchisor and Franchisee do hereby irrevocably consent to and waive any objection to 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 AGREES 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 AND LIMITATION OF 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 FOR DAMAGES: (A) ALLOWED BY FRANCHISOR OR FRANCHISEE FOR ATTORNEY’S FEES OR COSTS AND EXPENSES UNDER THIS AGREEMENT; AND/OR (B) FOR LOST PROFITS, FEES, AND/OR OTHER PAYMENTS OR OBLIGATIONS THAT OTHERWISE WOULD HAVE BEEN PAYABLE AND DUE UNDER THIS AGREEMENT BY FRANCHISOR OR FRANCHISEE AND/OR THE OWNERS UPON OR ARISING OUT OF A BREACH RESULTING IN 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, and the Schedules and Exhibits to this Agreement, as executed and, as applicable, 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, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits, and its amendments. The foregoing shall not constitute and does not constitute any disclaimer as to the express representations made by Franchisor in the Franchise Disclosure Document disclosed to Franchisee in connection with this Franchise Agreement.

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. NO CLASS ACTION OR 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 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 agrees and represents that prior to the signing of this Agreement that Franchisor recommended and that Franchisee had the opportunity to~~ Franchisor recommends that Franchisee have this Agreement and the Franchise Disclosure Document reviewed by Franchisee's lawyer, accountant and other business advisors, prior to signing this Agreement.

18.R. NO PERSONAL LIABILITY BY FRANCHISOR'S EMPLOYEES, OFFICERS OR AGENTS

Franchisee 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. The foregoing shall not be construed to imply that Franchisor and/or Franchisor's agents have made any oral promises as pursuant to Article 18.M. of this Agreement, this written Agreement represents the sole Agreement between Franchisor and Franchisee.

18.S. NON-UNIFORM AGREEMENTS

Franchisee agrees that Franchisor makes no representations or warranties that all other agreements with Toro Taxes Franchise, LLC franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisee 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~~ 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

Each party agrees, 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, AND MULTIPLE COPIES

This Agreement may be executed electronically. This Agreement may be executed in counterparts, all of which counterparts shall be deemed originals and taken together shall constitute a single agreement. Executed electronic or print duplicates of this Agreement, if any, and their respective signatures shall be deemed originals.

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

The parties agree that the recitals and representations contained on the first page of this Agreement constitute a part of this Agreement and are hereby fully incorporated into the terms of this Agreement.

ARTICLE 19 **NOTICES**

All written notices and reports permitted or required to be delivered by this Agreement shall be deemed so delivered, at the time delivered by hand, one business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or three 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 and/or electronically, as designated by Franchisor. 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. Notwithstanding the foregoing, the ~~operations manual~~Operations Manual and modifications to the ~~operations manual~~Operations Manual may be delivered and/or noticed to Franchisee by such means selected by Franchisor, including electronic notice and email.

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, unless otherwise expressly proscribed in this Agreement, 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 as of the Effective Date set forth in the first paragraph of this Agreement.

Franchisor:

Toro Taxes Franchise, LLC

Franchisee:

By: _____

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

Signature

Name (please print)

Dated



Franchise Agreement – Schedule 1
Office Location and Designated Territory Acknowledgment

Pursuant to the Franchise Agreement dated _____, 20__ by and between Toro Taxes Franchise, LLC, as Franchisor, and _____, as Franchisee (the “Franchise Agreement”), Franchisor and Franchisee agree:

(a) Franchisee’s Office Location – “Franchisee’s Office Location,” as such term is defined in the Franchise Agreement, including, but not limited to Articles 1 and 2.A., is identified, as follows:

[To be Effective this Schedule Must be Completed and Signed by Franchisor. If not completed and signed at time of signing Franchise Agreement, may be completed in the future pursuant to the terms of the Franchise Agreement].

(b) Franchisee’s Designated Territory – Franchisee’s “Designated Territory,” as such term is defined in the Franchise Agreement, including, but not limited to Articles 1 and 2.A., is designated as follows:

[To be Effective this Schedule Must be Completed and Signed by Franchisor. If not completed and signed at time of signing Franchise Agreement, may be completed in the future pursuant to the terms of the Franchise Agreement.]

If there is any inconsistency or conflict between the terms of this Acknowledgment and the Franchise Agreement, the Franchise Agreement shall take precedence and govern.

Dated: _____

Franchisor:
Toro Taxes Franchise, LLC

Franchisee: _____

By: _____
Signature

Signature

Name and Title

Name (please print)

Signature

Name (please print)



Franchise Agreement – Schedule 2
Statement of Franchise Owners

Franchisee represents that the following schedule is complete and accurately identifies Franchisee’s Owners, Franchisee’s Managing Owner, and their respective ownership interests in Franchisee. Defined terms shall have the meanings set forth in the Franchise Agreement between Franchisor and Franchisee.

| If Franchisee is a Corporate Entity, Franchisee represents and affirms to Franchisor that the following list identifies each and every Owner of Franchisee and their respective ownership interests. | | |
|--|---------------|-------------------------------|
| Owner Name | Owner Address | Ownership Interest Percentage |
| | | |
| | | |
| | | |
| | | |
| Name of designated Managing Owner: | | |

Dated: _____

Franchisor:
Toro Taxes Franchise, LLC

Franchisee:

Signature

Name (please print)

By: _____
Signature

Name and Title

Signature

Name (please print)



Franchise Agreement – Exhibit 1
Franchise Owner and Spouse Agreement and Guaranty



FRANCHISE OWNER AND SPOUSE AGREEMENT AND GUARANTY

This Franchise Owner and Spouse Agreement and Individual Guaranty (the “Agreement”) is individually entered into by you as either an owner of _____ (hereinafter referred to as “Franchisee”), Franchisee, or the spouse of the owner of franchisee and is given and signed by you in favor of Toro Taxes Franchise, LLC, franchisor of the Toro Taxes franchise system and in favor of Toro Taxes Franchise, LLC’s successors and assigns, upon the terms and conditions set forth in this Agreement. In this Agreement Toro Taxes Franchise, LLC is referred to as “us”, “our” or “we”, and each individual that signs this Agreement is referred to as “you”.

Recitals and Representations

WHEREAS, you agree that we have developed a distinctive and proprietary system (the “System”) for the establishment, development and operation of a Toro Taxes Office, services for the preparation and filing of income tax returns, and other products and services that the Franchisor authorizes (the “Approved Services and Products”) under the Licensed Marks (defined below) (each, a “Toro Taxes”);

WHEREAS, Franchisee has entered into a Toro Taxes Office Franchise Agreement (the “Franchise Agreement”) for the ownership, development and operation of a Toro Taxes Office (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 that you are (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 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; and

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:

“**Approved Services and Products**” shall have the meaning defined in the “Recitals” section of this Agreement and shall further refer to and mean those products and services that we authorize for sale by Toro Taxes Offices. We shall exclusively designate and determine the Approved Services and Products and we, in our Reasonable Business Judgment, may change, modify, reduce or supplement the Approved Services and Products 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~~ **Operations Manual**, subject to changes that we may make from time to time and our right to change and modify the Approved Services and Products, shall designate the Approved Services and Products that must be offered and sold by the Franchised Business. The Franchised Business may only offer and sell the Approved Services and Products.

“**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.

“**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; and/or (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 (i) 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~~ (ii) offers, sells, and/or provides ~~services and/or products and/or services similar~~ related to the ~~Approved Services~~ preparation and filing of income tax returns, real estate brokerage services, life insurance services, and Products, as, the Approved Services and Products 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, property casualty insurance services.

“**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 Offices; (b) information concerning consumer preferences for services, products, materials and supplies used or sold by Toro Taxes Offices, and specifications for and knowledge of suppliers of inventory, equipment, products, supplies and procedures used or sold by Toro Taxes Offices; (c) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Toro Taxes Offices; (d) Business Management System Data; (e) current and future information contained in the ~~operations manual~~ **Operations Manual**; and (f) 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 Office franchisees to use, sell or display in connection with the development, marketing and/or operation of a Toro Taxes Office, 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, TikTok, and YouTube, 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 Offices, the Franchised Business, the Licensed Marks, the System and/or us. Digital Media further includes the System Website, web pages and website subdomains 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.

“**Franchised Business**” refers to and means Toro Taxes Office 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 Office Facility**” refers to and means the Office Facility from which Franchisee establishes, operates and manages the Franchised Business.

“**Franchisee’s Office Location**” refers to and means the location of Franchisee’s Office Facility, from which ~~Franchisee’s~~Franchisee 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 Office including, but not limited to, methods, techniques, inventory, products and services standards and specifications 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~~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” trademark, Toro Taxes 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 Offices and the Approved Services and Products, 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.

“**Office Facility**” refers to and means the fixed commercial business facilities, including the fixtures and improvements, from which Toro Taxes Offices are established, operated and managed.

“**Office Location(s)**” refers to and means the location(s) from which Toro Taxes Offices are established, operated and managed.

“**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 Offices including, but not limited to, the policies, procedures and requirements for the development and operation of Toro Taxes Offices. The ~~operations manual~~ 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~~ Operations Manual shall, among other things, designate the Approved Services and Products that must be offered and sold by the Franchised Business. Only Approved Services and Products may be offered and sold by the Franchised Business. Only System Supplies 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 and/or in any Corporate Entity that maintains 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 Office.

“**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 Offices, Franchisee’s Office 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 Offices, 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 36 month 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, in compliance with the terms of the Franchise Agreement, 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, in compliance with the terms of the Franchise Agreement, 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, in compliance with the terms of the Franchise Agreement, 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 24 month 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, in compliance with the terms of the Franchise Agreement, 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, in compliance with the terms of the Franchise Agreement, 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, in compliance with the terms of the Franchise Agreement, ceases to be an Owner of Franchisee.

“Restricted Territory” refers to and means the geographic area: (a) comprising Franchisee's Designated Territory; (b) within a 25 mile radius surrounding Franchisee's Designated Territory or, if Franchisee is not granted a designated territory, then a 25 mile radius surrounding Franchisee's Office Location; (c) within a 25 mile radius surrounding the Office Locations for all other Toro Taxes Offices operating and/or under development as of the Effective Date; and (d) within a 25 mile radius surrounding the Office Locations for all other Toro Taxes Offices that are in operation or under development during all or any part of the 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 or designated a designated territory, then a 25 mile radius surrounding Franchisee’s Office Location.

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

“**System**” refers to and means our system for the development, establishment and operation of Toro Taxes Offices including, but not limited to: (a) the Approved Services and Products, System Supplies 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 Office; (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 Office; (f) ~~operations manual~~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 Supplies**” refers to and means all: (a) merchandise, inventory, products, supplies, and/or goods constituting or comprising the Approved Services and Products or, a portion thereof, authorized for sale by the Franchised Business or designated for the preparation of Approved Services and Products; (b) products, supplies, services, and/or goods used to prepare, provide, offer, and/or sell services constituting or comprising the Approved Services and Products; (c) products, supplies, and/or goods as designated by Franchisor for the marketing, sale, provision, and/or delivery of the Approved Services and Products including, without limitation, uniforms, point of sale displays, packaging; (d) furniture, fixtures, and equipment designated by Franchisor; and (e) other items as designated by us in the ~~operations manual~~Operations Manual, and, as may be modified and supplemented by us from time to time, in our Reasonable Business Judgment, as being required for the development and operation of the Franchised Business.

“**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 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 Offices.

“**Toro Taxes(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 Offices”, 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.

“**Trade Dress**” refers to and means the Office 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~~ 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 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 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 Office 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 a 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 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 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 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 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 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 and 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 (“AAA”) for binding arbitration. Arbitration shall be conducted by one arbitrator in accordance with the AAA’s then current rules for commercial disputes, except as may be otherwise required in this Agreement. All arbitration proceedings shall be conducted in Clark County, Nevada or, if suitable AAA facilities are not available in Clark County, Nevada then at a suitable AAA location selected by the arbitrator that is located closest to Clark County, 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
- (v) 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 Clark County or the county closest to Clark County. You do hereby irrevocably consent to and waive any objection to 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.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each undersigned has executed this Agreement as of the dates set forth below.

Owner/Spouse:

Signature of Owner/Spouse

Name (please print individual name)

Date

Owner/Spouse:

Signature of Owner/Spouse

Name (please print individual name)

Date

Signature of Owner/Spouse

Name (please print individual name)

Date

Signature of Owner/Spouse

Name (please print individual name)

Date



Franchise Agreement – Exhibit 2
Confidentiality Agreement

[THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE]



CONFIDENTIALITY AGREEMENT (Sample Only)

This Agreement (the “Agreement”) is entered into by the undersigned (“you”) in favor of:

[Insert on the Line Below Name of Franchisee that Owns and Operates Toro Taxes Franchised Business]

_____ (hereinafter referred to as “us”, “our” or “we”)

Recitals and Representations

WHEREAS, we are the owners of a licensed Toro Taxes Business (hereinafter referred to as the “Toro Taxes Business”) that we independently own and operate as a ~~franchisee~~Franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a Toro Taxes Business that is independently owned and operated by us;

WHEREAS, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

WHEREAS, our franchisor, Toro Taxes Franchise, LLC is not a party to this agreement and does not own or manage Toro Taxes Business but is an intended third party beneficiary of this Agreement; and

WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with Toro Taxes Business.

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 software and/or internet or cloud based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of Toro Taxes Business.

“Business Management System Data” refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of Toro Taxes Business.

“Confidential Information” refers to and means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development,

establishment, marketing, promotion and operation of Toro Taxes Business; (b) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of Toro Taxes Business; (c) customer lists and information related to Toro Taxes Business; (d) Business Management System Data; (e) current and future information contained in Toro Taxes ~~operations manual~~Operations Manual made available to the Toro Taxes Business by Toro Taxes Franchise, LLC; and (f) merchandise, inventory, and service procedures that are not disclosed to the public but used by the Toro Taxes Business.

“Digital Media” refers to and means any interactive or static electronic document, application or media including, but not limited to, www.torotaxes.com, social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, SnapChat, TikTok, YouTube, 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 Business or other Toro Taxes Business.

“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” word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a Toro Taxes Business.

“Operations Manual” refers to and means the confidential ~~operations manual~~Operations Manual made available to Toro Taxes Business by our franchisor or as otherwise designated by us. The ~~operations manual~~Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet based list-service, intra-net, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced or supplemented.

“Trade Dress” refers to and means Toro Taxes designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of Toro Taxes Business.

3. Your Access to Confidential Information. In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer and/or director of Toro Taxes Business that you will be gaining access to, among other things, the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

4. Protection of the Confidential Information. You agree that: (i) you will not use the Confidential Information in any business or capacity other than the Toro Taxes Business; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing the Confidential Information; (iv) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

5. Reasonableness of Covenants and Restrictions. You 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 to us and to our franchisor Toro Taxes Franchise, LLC, and other Toro Taxes franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us or our Franchisor Toro Taxes Franchise, LLC to injunctive relief. You agree that we and/or our Franchisor Toro Taxes Franchise, LLC 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 a 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, you 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 ~~file~~ file 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) 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.

(c) YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT.

(d) YOU ACKNOWLEDGE AND AGREE THAT OUR FRANCHISOR, TORO TAXES FRANCHISE, LLC, IS NOT A PARTY TO THIS AGREEMENT BUT IS AN INTENDED THIRD PARTY BENEFICIARY OF THIS AGREEMENT.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

Individual Signature of Restricted Party

Individual Signature of Restricted Party

Name (please print)

Name (please print)

Date: _____

Date: _____



Franchise Agreement – Exhibit 3
Site Selection Acknowledgment



TORO TAXES SITE SELECTION ACKNOWLEDGMENT

(THIS DOCUMENT DOES NOT CONSTITUTE THE APPROVAL OF AN OFFICE 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, LLC, as Franchisor, and _____, as Franchisee (the “Franchise Agreement”), Franchisee has identified a potential area in which Franchisee may seek to identify a potential office location for Franchisee’s Toro Taxes Office. 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 Office 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 OFFICE LOCATION AND DOES NOT AFFORD FRANCHISEE ANY TERRITORIAL RIGHTS.

Franchisor:

Toro Taxes Franchise, LLC

By: _____
Signature

Name and Title (please print)

Dated





Franchise Agreement – Exhibit 4
Lease Agreement Rider



TORO TAXES LEASE AGREEMENT RIDER

(for the benefit of Toro Taxes Franchise, LLC 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, LLC (the “Franchisor”) is the franchisor of the Toro Taxes franchise system (the “Toro Taxes Franchise System”);

WHEREAS, Franchisor’s mailing and notice address (the “Notice Address”) is 6130 Elton Avenue, Las Vegas, Nevada 89107;

WHEREAS, Toro Taxes Franchise System relates to and includes an Office services for the preparation and filing of income tax returns, and other products and services that the Franchisor authorizes under the “Toro Taxes” name and marks (the “Intended Use”);

WHEREAS, Tenant is a franchisee of Franchisor pursuant to the terms of a Franchise Agreement entered into between Franchisor and Tenant (the “Franchise Agreement”) and the Leased Premises is to be used and operated by Tenant for the purpose of developing, establishing and operating a Toro Taxes Office in accordance with the Toro Taxes franchise system; and

WHEREAS, Franchisor and Franchisor’s successors and assigns (collectively referred to as “Franchisor”) is/are 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 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 amendment, 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 amendment, 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; (b) the expiration, without renewal, of the Franchise Agreement; (c) Franchisor's exercise of Franchisor's Right of First Refusal granted to Franchisor in the Franchise Agreement; (d) Tenant's default under the terms of the Lease; and/or (e) Tenant's failure to exercise an option period 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 Toro Taxes 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, real estate taxes and common area maintenance charges. In the event Franchisor assumes Tenant's leasehold interest in the Lease pursuant to the terms of this Agreement and subsequently assigns the Lease and its leasehold interest to a Toro Taxes franchisee approved by Landlord, Franchisor shall not be responsible for any obligations, debts, liabilities or payments arising and/or accruing under the Lease after the effective date of such assignment. Landlord agrees that any assignment of the Lease and Tenant's leasehold interests in the Lease by Tenant to Franchisor and/or assumption by Franchisor of the Lease and such leasehold interests shall not require Landlord consent and shall not require any payment of any assignment fee or similar charge or result in any increase in rent or other fees as a result of such assignment and/or assumption.

4. Landlord must provide Franchisor, at the same time that Landlord provides Tenant, with a copy of all lease amendments and assignments, and a copy of all letters and notices that Landlord sends to Tenant relating to the Lease or the Premises. Subject to the rights set forth in Section "3" of this Rider, Landlord agrees to notify Franchisor by nationally recognized overnight courier 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 an additional 15 day period to cure any monetary default by Tenant under the Lease and an additional 30 day period to cure any non-monetary default by Tenant under the Lease. In the event that the non-monetary default cannot reasonably be cured within such period and if diligent efforts to cure promptly commence, then the cure period shall continue as long as such diligent efforts to cure continue, but not beyond 180 days from the date notice is provided.

5. Upon expiration and non-renewal or termination of the Lease or the Franchise Agreement, Franchisor shall have the right, upon notice to Landlord, to enter the Premises and remove any interior and exterior signs containing Franchisor's trademarks and trade fixtures. Landlord further agrees that Franchisor's rights to any such signs or fixtures shall be superior to any rights Landlord may have to such signs or fixtures (by lien or otherwise) set forth in the Lease or otherwise.

6. 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. Franchisor makes no representations or warranties regarding this Rider or in connection with the Lease and Franchisor's approval of Tenant's Lease only indicates that the proposed Lease meets Franchisor's minimum criteria, and the parties agree that Franchisor's approval or disapproval of the Lease will not impose any liability or obligation on Franchisor. Tenant must have a competent real estate attorney review the Lease, at Tenant's expense.

7. Upon request of Franchisor, the Landlord will subordinate any lien and/or security interest in Tenant's property to the security interest of Franchisor.

[SIGNATURE PAGE TO FOLLOW]

Landlord:

Tenant:

Signature

Signature

Name and Title (please print)

Name and Title (please print)

Dated

Dated



Franchise Agreement – Exhibit 5
Collateral Assignment of Lease



COLLATERAL ASSIGNMENT OF LEASE

(for the benefit of Toro Taxes Franchise, LLC and its assigns)

For Value Received, the undersigned (“Assignor”) hereby assigns and transfers to Toro Taxes Franchise, LLC (“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 Office franchisee) under the terms and conditions of the Toro Taxes Office 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 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 ~~term~~term of ~~the~~ or ~~renewal~~ ~~of~~renew 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.

Assignor:

Signature

Name and Title (please print)

Dated

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



Franchise Agreement – Exhibit 6
Assignment of Telephone Numbers and Digital Media Accounts



ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS

(for the benefit of Toro Taxes Franchise, LLC and its assigns)

THIS ASSIGNMENT OF TELEPHONE NUMBERS AND DIGITAL MEDIA ACCOUNTS ASSIGNMENT (“Assignment”) is entered into between _____ (the “Assignor”) and Toro Taxes Franchise, LLC and its successors and assigns (the “Assignee”).

WHEREAS, Assignee is the franchisor of the Toro Taxes Office franchise system (the “Toro Taxes Office Franchise System”);

WHEREAS, Assignor, as franchisee, and Assignee, as franchisor, are parties to a Toro Taxes Office 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, TikTok, YouTube, 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 Office, Toro Taxes Offices, Assignor’s Toro Taxes Office and/or trademarks associated with Toro Taxes Franchise System and/or Assignee. Digital Media further includes the Toro Taxes Office website, web pages and website subdomains (including those related to, associated with and/or a part of Toro Taxes Office Franchise System) associated with and/or related to Assignor’s Toro Taxes Office and all web pages, blog posts, videos, articles, information, sub-domains, and all other media and/or publications relating to Toro Taxes Office Franchise System that is displayed and/or transmitted digitally”; and

WHEREAS, in connection with Assignor’s establishment and operation of a Toro Taxes Office, 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 Office 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 Office;
- (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 Toro Taxes Office 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 agrees 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.

Assignee: Toro Taxes Franchise, LLC

Assignor:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated



Franchise Agreement – Exhibit 7
ACH Authorization Form



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, LLC ("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



Franchise Agreement – Exhibit 8
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, LLC, 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, RELEASOR’S 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 RELEASOR’S hand 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



Franchise Agreement – Exhibit 9
Conversion Program Addendum

**ADDENDUM TO TORO TAXES FRANCHISE AGREEMENT
CONVERSION PROGRAM ADDENDUM**

BETWEEN TORO TAXES FRANCHISE, LLC AND _____

THIS ADDENDUM TO TORO TAXES FRANCHISE, LLC FRANCHISE AGREEMENT (this “Addendum”) is attached to and incorporated into the Toro Taxes Franchise Agreement dated _____ by and between Toro Taxes Franchise, LLC, 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 down payment 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 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 Addendum constitute a material part of this Addendum and are hereby fully incorporated into the terms and conditions of this Addendum.
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. **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 the 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 ~~\$3035,000~~ 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 forgive the IFF Balance (the “Balance Forgiveness”). Franchisee acknowledges and agrees that the Balance Forgiveness set forth herein is contingent upon Franchisee’s execution of this Addendum and Franchisee obtaining at least 100 customers 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 100 client files from the Existing Business to the Franchised Business, 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 Balance 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, LLC

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.

This Promissory Note (this “Note”) is entered into on [[Month]]_____, [[Year]] (“Effective Date”), by [[Borrower Name]], with an address at [[Borrower Address]], and [[Owner Name]], an individual with an address at [[Owner Address]] (collectively referred to as “Borrower”).

HAS RECEIVED AND PROMISES TO PAY: Toro Taxes Franchise LLC (or its successors or assigns) of 6130 Elton Ave, Las Vegas, Nevada, 89107 (the “Lender”) the sum of \$~~3035~~,000 (the “Borrowed Money”) with interest accruing on the unpaid balance at a rate of 9.12.9% per annum (the “Interest Rate”) commencing on the Payment Start Date (as defined below) under the following terms and conditions:

2. PAYMENTS. The Borrowed Money shall be repaid via monthly installments every month in the amount \$~~586.98~~520.53 per month with any remaining balance payable on the Due Date (as defined below). The monthly installments shall commence on the first day of the first full month following the Effective Date in the event the Effective Date is during Tax Season (as defined below) or the first day of the first Tax Season (as defined below) after the Effective Date if the Effective Date is not during Tax Season (as defined below) (the “Payment Start Date”). For purposes of this Note, the term “Tax Season” shall mean those days, weeks, and months occurring from January 1st through April 30th of each calendar year. Monthly installments shall continue for ~~60~~120 consecutive months following Payment Start Date at which point the full balance of this Note, including any accrued interest and late fees, is due and payable (the “Due Date”).

If the Lender does not receive payment on-time for any installment there shall be a late payment fee of \$50 every day payment is late or the maximum amount permitted by law. In addition, money that is not paid on-time for any installment will be charged an interest rate equal to the lesser of 18% per annum or the highest rate permitted by applicable law beginning on the day payment was due and ending when the payment is made.

The parties acknowledge and agree that the Borrowed Money shall be forgiven if Borrower complies with the obligation to convert or otherwise obtain 100 individual tax filing clients, as determined and qualified by Lender, on or before the commencement of the first Tax Season following the Effective Date.

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 equipment, lease rights, telephone numbers, and customer list (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 term 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 18% 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 the principal of the Borrowed Money.

6. PREPAYMENT. Borrower may prepay this Note without penalty.

7. ACCELERATION. If the Borrower is in default under 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 of this Note.

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, or (b) 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:

The above individual(s), hereby referred to as the "Guarantor(s)", agree 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 are guaranteeing the payment of the Borrowed Money, late fees, and all accrued interest and penalties 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.

Borrower:

By: _____
Name:
Title:

Guarantor:

By: _____
Name:



Franchise Agreement – Exhibit 10
Promissory Note - Initial ~~Location Initial~~ Franchise Fee Financing

**FRANCHISE FEE ~~INITIAL LOCATION~~ PROMISSORY NOTE
FOR INITIAL FRANCHISE FEES**

1. THE PARTIES.

This Promissory Note (this “Note”) is entered into on [[Month]]_____, [[Year]] (“Effective Date”), by [[Borrower Name]], with an address at [[Borrower Address]], and [[Owner Name]], an individual with an address at [[Owner Address]] (collectively referred to as “Borrower”).

HAS RECEIVED AND PROMISES TO PAY: Toro Taxes Franchise LLC (or its successors or assigns) of 6130 Elton Ave, Las Vegas, Nevada, 89107 (the “Lender”) the sum of \$~~3035~~,000 (the “Borrowed Money”) with interest accruing on the unpaid balance at a rate of 9.12.9% per annum (the “Interest Rate”) commencing on the Payment Start Date (as defined below) under the following terms and conditions:

2. PAYMENTS. The Borrowed Money shall be repaid via monthly installments every month in the amount \$~~586.98~~520.53 per month with any remaining balance payable on the Due Date (as defined below). The monthly installments shall commence on the first day of the first full month following the Effective Date in the event the Effective Date is during Tax Season (as defined below) or the first day of the first Tax Season (as defined below) after the Effective Date if the Effective Date is not during Tax Season (as defined below) (the “Payment Start Date”). For purposes of this Note, the term “Tax Season” shall mean those days, weeks, and months occurring from January 1st through April 30th of each calendar year. Monthly installments shall continue for ~~60~~120 consecutive months following Payment Start Date at which point the full balance of this Note, including any accrued interest and late fees, is due and payable (the “Due Date”).

If the Lender does not receive payment on-time for any installment there shall be a late payment fee of \$50 every day payment is late or the maximum amount permitted by law. In addition, money that is not paid on-time for any installment will be charged an interest rate equal to the lesser of 18% per annum or the highest rate permitted by applicable law beginning on 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 equipment, lease rights, telephone numbers, and customer list (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 term 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 18% 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 the principal of the Borrowed Money.

6. PREPAYMENT. Borrower may prepay this Note without penalty.

7. ACCELERATION. If the Borrower is in default under 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 of this Note.

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, or (b) 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:

The above individual(s), hereby referred to as the "Guarantor(s)", agree 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 are guaranteeing the payment of the Borrowed Money, late fees, and all accrued interest and penalties 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.

Borrower:

By: _____
Name:
Title:

Guarantor:

By: _____
Name:



Franchise Agreement – Exhibit 11
Security Agreement

SECURITY AGREEMENT

This Security Agreement (this “Security Agreement”) is entered into on [[Month]] _____, [[Year]] (“Effective Date”), by [[Borrower Name]], with an address at [[Borrower Address]], and [[Owner Name]], an individual with an address at [[Owner Address]] (collectively referred to as “Debtor”) and Toro Taxes Franchise, LLC, a Nevada limited liability company with a principal place of business located at 6130 Elton Avenue Las Vegas, Nevada 89107 (the “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 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 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.

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.

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 five days of receiving written notice.

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 Franchised Business 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.

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 Location (as such terms are defined in the Franchise Agreements).

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.

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 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) Electronic Signatures. 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:

Secured Party: Toro Taxes Franchise, LLC

By: _____

Name:

Title:



Franchise Agreement – Exhibit 12
Business Division Services Addendum



Toro Taxes Business Division Services Addendum

BETWEEN TORO TAXES FRANCHISE, L.L.C AND _____

THIS ADDENDUM TO TORO TAXES FRANCHISE, LLC FRANCHISE AGREEMENT (this “Addendum”) is attached to and incorporated into the Toro Taxes Franchise Agreement dated _____ by and between Toro Taxes Franchise, LLC, 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. Franchisee and Franchisor agree that the recitals and representations contained on the first page of this Addendum constitute a material part of this Addendum and are hereby fully incorporated into the terms and conditions of this Addendum.
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. Franchisee has also requested to add the Business Division Software Module to prepare business tax returns. The Business Tax Software Module fee is \$999.00 (the “Business Tax Software Module Fee”) and will be ordered and paid for at the franchise portal during the Tax Season Franchisee provides Business Division Services. Franchisor shall provide Franchisee with access to the Business Division Software as soon as the Business Tax Software is ordered and Business Tax Software Module Fee paid for. 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. **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 Business Tax Software Module Fee 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, LLC

Franchisee:

By: _____

Franchisee Signature

Title

Name (please print)



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT F

MULTI-UNIT DEVELOPMENT AGREEMENT LIST
OF FRANCHISEES



~~TORO TAXES~~
~~MULTI-UNIT DEVELOPMENT AGREEMENT~~

| |
|------------------------|
| FRANCHISEE: |
| |

Toro Taxes Multi-Unit Development Agreement

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Schedule

Schedule A — Development Information Sheet

~~Toro Taxes~~
~~**MULTI-UNIT DEVELOPMENT AGREEMENT**~~

~~This Multi-Unit Development Agreement (the “Agreement”) is made and entered into on _____, 20__ (“Effective Date”), by and between Toro Taxes Franchise, LLC, 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 establishment, development and operation of a business that provides services for the preparation and filing of income tax returns, and other products and services (each, a “Franchised Business” or “Office”);~~

~~WHEREAS, the System and, therefore, each Office is identified by the Marks (defined below) 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;~~

~~WHEREAS, simultaneous or prior to the execution of this Agreement, Franchisor and Franchisee have entered into an Office Franchise Agreement for Franchisee’s development and operation of an Office (the “First Development Office”) to be located within a territory located within the Development Area (defined below);~~

~~WHEREAS, Franchisee has requested the right to develop and operate multiple Offices (each a “Development Office”) to be located with a defined geographical area (the “Development Area”) in accordance with a development schedule that must be strictly adhered to, with each Office within the Development Area being opened and operating utilizing the Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor’s then current Franchise Agreement for Toro Taxes Offices (each, a “Franchise Agreement”); and~~

~~WHEREAS, Franchisee agrees that adherence to the terms of this Agreement, each and every Office individual unit Franchise Agreement, Franchisor’s operations manual, and Franchisor’s System standards and specifications, are essential to the operation of all Toro Taxes Offices and the System as a whole.~~

~~NOW THEREFORE, the parties, in consideration of the mutual undertakings and commitments of each party set forth herein, agree, as follows:~~

~~**SECTION 1**
~~**DEFINITIONS**~~~~

~~Supplementing the definitions contained in the Recitals, above, the following terms will have the meaning as defined below:~~

~~“**Abandonment**” refers to and means the conduct of the Franchisee, including acts of omission as well as commission, indicating the willingness, desire or intent of the Franchisee to discontinue the development and/or operation of Toro Taxes Offices in the Development Area in accordance with the terms of this Agreement.~~

~~“Affiliates” means individually or collectively, any and all entities controlling, controlled by, or under common ownership with Franchisor.~~

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

~~“Cumulative Development Offices” shall, respectively, have the meaning defined and set forth in Section 4.4 of this Agreement.~~

~~“Development Area” shall have the meaning defined and set forth in Section 2.1 of this Agreement.~~

~~“Development Area Fee” shall have the meaning defined and set forth in Section 4.1 of this Agreement.~~

~~“Development Information Sheet” refers to and means the Development Information Sheet attached to this Agreement as Schedule A. The Development Information Sheet is incorporated into this Agreement.~~

~~“Development Office” shall have the meaning defined and set forth in Section 2.1 of this Agreement.~~

~~“Development Office Initial Franchise Fee” shall have the meaning defined and set forth in Section 4.2 of this Agreement.~~

~~“Development Period” shall, respectively, have the meaning defined and set forth in Section 4.4 of this Agreement.~~

~~“Development Schedule” shall have the meaning defined and set forth in Section 4.4 of this Agreement.~~

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

~~“First Development Office” refers to and means the Office to be developed by Franchisee as the first Development Office to developed and operated by Franchisee within the Development Area.~~

~~“Franchise Agreement” refers to and means Franchisor’s individual unit Toro Taxes Office Franchise Agreement as designated and determined by Franchisor from time to time.~~

~~“Marks” means such service marks, trademarks, trade dress, trade names, logos, commercial symbols and all configurations and derivations thereof, as may presently exist, or which may be modified, changed, or acquired by Franchisor or Franchisor’s affiliates, in connection with the operation of Offices.~~

~~“Newly Opened Development Office(s)” shall, respectively, have the meaning defined and set forth in Section 4.4 of this Agreement.~~

~~“Office” shall have the meaning set forth in the Recitals and shall refer to all Offices operating under the System and Marks, whether owned by us or any Affiliate, or licensed or franchised by us or any Affiliate.~~

~~“Office Location(s)” refers to and means the fixed locations from which Toro Taxes Offices are established, operated and managed.~~

~~“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 Offices including, but not limited to, the policies, procedures and requirements for the development and operation of Toro Taxes Offices. 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 Approved Services and Products that must be offered and provided by 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 as of the Effective Date; (b) the managing member(s) or manager(s) of Franchisee as of the Effective Date, if franchisee is a limited liability company; and (c) all holders of a 5% or more direct or indirect ownership interest in Franchisee as of the Effective Date and/or of any entity directly or indirectly controlling Franchisee;~~

~~“System” means Franchisor’s business format and systems for the development and operation of a business offering and providing services for the preparation and filing of income tax returns other products and services, including, the methods, proprietary merchandise products, services, procedures, signs, designs, layouts, equipment, standards, specifications, Marks, and operations manual, including, the contents thereof as they exist and as they are modified and supplemented, marketing and advertising methods, vendor lists, trade secrets and confidential information as the same may be modified, amended or replaced from time to time hereafter by Franchisor.~~

~~“Term” refers to and means the period of time set forth and defined in Section 3.1 of this Agreement.~~

~~“Toro Taxes Office(s)” shall have the meaning defined in the Recitals section of this Agreement and, without limitation to the Recitals section definition of “Toro Taxes Offices”, shall further include, 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.~~

~~“Total Development Offices” refers to and means the aggregate number of Development Offices as defined in Section 2.1 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; (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; and/or (c) the legal and/or equitable transfer and/or sale of an Owners interests and/or voting rights in Franchisee.

SECTION 2 **DEVELOPMENT RIGHTS**

2.1 — DEVELOPMENT GRANT AND DEVELOPMENT OBLIGATIONS

Franchisor grants to Franchisee the right, and Franchisee accepts the right and undertakes the obligation to develop ~~Toro Taxes Offices, each to be developed, opened and operated by Franchisee within the Development Area (each, a “Development Office”), provided that Franchisee develops, opens and operates such Development Offices in strict accordance with the Development Schedule, and, in accordance with the terms and provisions of each respective Franchise Agreement.~~

The aggregate number of Development Offices (including the First Development Office) (collectively, referred to as the “Total Development Offices”) that are authorized by this Agreement and required for development, subject to the terms of this Agreement and each respective Franchise Agreement, is set forth and defined in the Development Information Sheet.

The Development Area is and shall constitute the geographic area set forth and identified in the Development Information Sheet.

The Development Information Sheet is attached as Schedule A to this Agreement and is incorporated into and made a part of this Agreement. To be effective the Development Information Sheet must be completed and signed by Franchisor.

Franchisee agrees that Franchisee must: (a) open and commence the operations of each new Development Office in accordance with the Development Schedule for each respective Development Period, as set forth in this Agreement; and (b) maintain in operation the minimum cumulative number of Development Offices in accordance with the Development Schedule for each respective Development Period. Franchisee agrees that “*time is of the essence*” with respect to Franchisee’s development obligations under this Agreement, and that Franchisee’s failure to comply with the Development Schedule is grounds for immediate termination of this Agreement and, any future development rights granted under this Agreement.

~~During the Term of this Agreement, provided that Franchisee is in compliance with the terms and provisions of this Agreement including, but not limited to, the Development Schedule, and each respective Franchise Agreement, Franchisor will not open, operate, or license any third party the right to open or operate Toro Taxes Offices within the Development Area. Franchisee agrees that the designated territory for each Development Office shall be determined by the Franchise Agreement for each respective Development Offices and that, in aggregate, the operating territories for Franchisee’s Development Offices may be smaller than the Development Area.~~

2.2 — LIMITED EXCLUSIVITY AND RESERVED RIGHTS

Except as provided in Section 2.1 of this Agreement, the rights granted in this Agreement are non-exclusive. Franchisor, on Franchisor’s own behalf and on behalf of Franchisor’s affiliates, successors and assigns, reserves all other rights not expressly granted to Franchisee in this Agreement.

2.3 — PERSONAL RIGHTS

Franchisee does not and shall not have or possess the right to franchise, subfranchise, license, sublicense and/or otherwise Transfer Franchisee’s rights under this Agreement. The rights and privileges granted and conveyed to the Franchisee in this Agreement may not be Transferred, and, among other things, relate only

to Development Area and subject to the terms and conditions of each respective Franchise Agreement for each Development Office.

SECTION 3 **TERM AND TERMINATION**

3.1 — TERM

This Agreement will be for a term (the “Term”) that commences as of the Effective Date and, unless earlier terminated by Franchisor, will automatically end on the earlier of (a) the last day of the calendar month that the final Development Office is required to be opened and operating under the Development Schedule, (b) the day the final Office is open, or (c) the date of termination of this Agreement pursuant to the terms of this Agreement. Upon expiration or termination of this Agreement for any reason, Franchisee will not have any rights within the Development Area other than territorial rights that may have been granted to Franchisee and maintained by Franchisee pursuant to the terms of any and/or each respective Franchise Agreement. The Term may not be renewed or extended.

3.2 — TERMINATION BY FRANCHISOR

Franchisor possesses the right, at Franchisor’s option, to terminate this Agreement and all rights granted to Franchisee hereunder, without affording Franchisee with any opportunity to cure such default, effective upon written notice to Franchisee, or automatically upon the occurrence of any of the following events: (a) if Franchisee Abandons Franchisee’s obligations under this Agreement; (b) if Franchisee for four consecutive months, or any shorter period that indicates an intent by Franchisee to discontinue Franchisee’s development of Offices within the Development Area; (c) if Franchisee becomes insolvent or is adjudicated bankrupt, or if any action is taken by Franchisee, or by others against the Franchisee, under any insolvency, bankruptcy or reorganization act, or if Franchisee makes an assignment for the benefit of creditors or a receiver is appointed by the Franchisee; (d) if Franchisee fails to meet its development obligations under the Development Schedule for any single Development Period including, but not limited to, Franchisee’s failure to establish, open and/or maintain the cumulative number of Toro Taxes Offices in accordance with Development Schedule; and/or (e) in the event that any one Franchise Agreement is terminated respecting any Development Office and/or any other Franchise Agreement between Franchisor and Franchisee.

SECTION 4 **DEVELOPMENT AREA FEE, INITIAL FEES AND DEVELOPMENT SCHEDULE**

4.1 — DEVELOPMENT AREA FEE

In exchange for the rights set forth and granted pursuant to the terms of this Agreement, upon execution of this Agreement, Franchisee shall pay to Franchisor a development area fee (the “Development Area Fee”). The Development Area Fee is not refundable.

The amount of the Development Area Fee is set forth in the Development Information Sheet.

Franchisee agrees that the Development Area Fee is not a franchise fee and, that at the time of signing each respective Franchise Agreement, Franchisee shall pay to Franchisor an initial franchise fee and all other fees in accordance with the terms and conditions of each respective Franchise Agreement, except that the initial franchise fee shall conform to the amounts set forth in Section 4.2 of this Agreement. If the then current standard Franchise Agreement to be signed by the Franchisee respecting a Development Office to be established and operated by Franchisee specifies an initial franchise fee that is greater than or different from the initial franchise fee specified in Section 4.2, below, then the amount of the initial franchise fee as

~~specified in Section 4.2 shall govern. However, all other terms and provisions of each respective Franchise Agreement, as to each Respective Development Office, shall take precedence and govern.~~

~~4.2 — DEVELOPMENT OFFICE INITIAL FRANCHISE FEES~~

~~The initial franchise fee for each respective Development Office (the “Development Office Initial Franchise Fee”), to be developed and operated pursuant to the terms and conditions of each respective Franchise Agreement, shall be comprised of the applicable fixed sums set forth in the Development Information Sheet.~~

~~4.3 — PAYMENT OF INITIAL FRANCHISE FEES AND FRANCHISE AGREEMENTS~~

~~The applicable initial franchise fee as set forth in Section 4.2 of this Agreement for the first Development Office shall be payable as set forth in accordance with the terms of the Franchise Agreement for Franchisee’s first Development Office. The applicable initial franchise fees, if any, as may be set forth in Section 4.2 of this Agreement for all other Development Offices authorized by this Agreement, shall be paid in such amounts as set forth in Section 4.2 of this Agreement at the time of signing the Franchise Agreement for each respective Development Office.~~

~~Either prior to or simultaneous to the execution of this Agreement, Franchisee has signed the Franchise Agreement for Franchisee’s first Development Office. Franchisee’s second Development Office and all Development Offices thereafter, respectively, are to be developed and operated by Franchisee pursuant to the terms and conditions of Franchisor’s then current Franchise Agreement which Franchisee must sign, on or before the earlier of: (a) The date Franchisee (subject to Franchisor’s approval of the Office Location) executes a lease for the Office Location for each respective Development Office; (b) The date Franchisee (subject to Franchisor’s approval of the Office Location) enters into a purchase agreement for the real estate for the Office Location for each respective Development Office; or (c) six months prior to the date that each respective Development Office must be open and in operation pursuant to the Development Schedule.~~

~~4.4 — DEVELOPMENT SCHEDULE~~

~~Franchisee agrees that to induce Franchisor to enter into this Agreement, Franchisee agrees to develop, establish and operate Development Offices in strict accordance with the requirements of a development schedule (the “Development Schedule”). The Development Schedule, among other things, sets forth and defines each respective measurement period/measurement periods (each, respectively, a “Development Period”) and the number of Development Offices that Franchisee must establish and open (a “Newly Opened Development Office(s)”) within the respective Development Period and, the minimum number of cumulative Development Offices (the “Cumulative Development Offices”) that must be open and in operation as of the last day of each applicable Development Period.~~

~~The Development Schedule is set forth in the Development Information Sheet.~~

~~Franchisee agrees that, as to the Development Offices, Franchisee shall meet the requirements of the Development Schedule including, without limitation, requirements as to the number of Development Offices that must be timely developed, established, open, and in operation by Franchisee within the Development Area and as to each respective Development Period.~~

~~4.5 — REASONABLENESS OF DEVELOPMENT SCHEDULE~~

~~Franchisee agrees and represents that it has conducted its own independent investigation and analysis of the prospects for the establishment of Toro Taxes Offices within the Development Area, that Franchisee approves of the Development Schedule as being reasonable and viable, and that Franchisee recognizes that failure to achieve the results described in the Development Schedule will constitute a material breach of this Agreement with time being of the essence.~~

~~SECTION 5 OTHER OBLIGATIONS OF FRANCHISEE~~

~~5.1 — EXECUTION OF FRANCHISE AGREEMENTS~~

~~For each Toro Taxes Office owned, developed and opened for business by the Franchisee in the Development Area, Franchisee must execute Franchisor's then current standard Franchise Agreement. A then current standard Franchise Agreement must be executed by the Franchisee for each and each Development Office on or before the earlier of: (a) the date Franchisee (subject to Franchisor's approval of the Office Location) executes a lease for the Office Location for each respective Development Office; (b) the date Franchisee (subject to Franchisor's approval of the Office Location) enters into a purchase agreement for the real estate for the Office Location for each respective Development Office; or (c) six months prior to the date that each respective Development Office must be open and in operation pursuant to the Development Schedule.~~

~~5.2 — ROYALTY FEES AND OTHER FRANCHISE AGREEMENT FEES ACKNOWLEDGMENT~~

~~Franchisee agrees that pursuant to the terms of each respective Franchise Agreement respecting and/or concerning the Development Area and/or this Agreement, that nothing contained in this Agreement shall obviate and/or reduce Franchisee's obligations as set forth in each respective Franchise Agreement including, without limitation, Franchisee's obligations, respectively, to pay royalty and all other fees in accordance with each respective Franchise Agreement. Nothing contained in this Agreement shall modify, reduce or mitigate Franchisee's obligations to Franchisor. The only fee and right contained in the Franchise Agreement that is modified by this Agreement is the fixed one-time initial franchise fee paid by Franchisee to Franchisor at the time of signing the Franchise Agreement, as such initial franchise fee is set forth and defined in Section 4.2 of this Agreement as to the Development Offices.~~

~~5.3 — MODIFICATIONS TO FRANCHISE AGREEMENT~~

~~Franchisee agrees that what constitutes Franchisor's then current Franchise Agreement shall be determined by Franchisor, in Franchisor's exclusive discretion and that, among other things, the Franchise Agreement may be modified from time to time by Franchisor and that reasonable modification and amendments to the Franchise Agreement will not alter Franchisee's obligations under this Agreement.~~

~~5.4 — COMPLIANCE WITH FRANCHISE AGREEMENTS~~

~~Franchisee will operate the Development Offices and all other Toro Taxes Offices in strict compliance the terms and conditions of each respective Franchise Agreement.~~

~~5.5 — SITE SELECTION~~

~~Franchisee will be solely responsible for selecting the site(s) for the Franchisee's Office Locations. In accordance with the terms and conditions of each respective Franchise Agreement, Franchisee must obtain Franchisor's prior written approval as to each potential Office Location selected by Franchisee. Franchisee will retain an experienced commercial real estate broker or salesperson who has sufficient experience in locating Office sites to locate, acquire, purchase or lease the site for the Franchisee's Development Offices. Accordingly, no provision of this Agreement will be construed or interpreted to impose any obligation upon Franchisor to locate a site for the Development Offices, to assist Franchisee in the selection of a suitable~~

site for the Development Offices, or to provide any assistance to the Franchisee in the purchase or lease of the site for the Development Offices.

5.6 — SITE SELECTION CRITERIA

~~Franchisee will not lease, purchase or otherwise acquire an Office Locations for the Development Offices until such information as Franchisor may require regarding the proposed site has been provided to Franchisor by Franchisee and has been approved by Franchisor. Information requested by Franchisor may include, without limitation, information regarding the proposed Office Location as to accessibility, visibility, potential traffic flows, lease terms and other demographic information. Franchisee shall not enter into any lease or purchase agreement with respect to any proposed Office Location until Franchisor has approved the site.~~

SECTION 6 **TRANSFER OF INTEREST**

6.1 — BY 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, 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.~~

6.2 — BY FRANCHISEE

~~Franchisee shall not Transfer and/or assign this Agreement without the express written consent of Franchisor which, Franchisor may withhold in Franchisor's sole discretion and Franchisor's Reasonable Business Judgment. If Franchisee is a Corporate Entity the Owners of Franchisee shall not Transfer their ownership and/or equity interests in Franchisee without the express written consent of Franchisor which, Franchisor may withhold in Franchisor's sole discretion and Franchisor's Reasonable Business Judgment. Any Transfer and/or assignment in violation of the foregoing shall constitute a material default of this Agreement and shall result in the immediate and automatic termination of this Agreement.~~

SECTION 7 **ENFORCEMENT AND CONSTRUCTION**

7.1 — SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

~~(1) Except as expressly provided to the contrary in this Agreement, each term and provision 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.~~

~~7.2 — 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.~~

~~7.3 — 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.~~

~~7.4 — 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.~~

~~7.5 — GOVERNING 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.~~

~~**7.6 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 (“AAA”) in accordance with the AAA’s then current rules for the mediation of commercial disputes. All mediation proceedings shall be conducted in Clark County, Nevada or, if a mediator is not available in Clark County, Nevada then at a suitable location selected by the mediator that is located closest to Clark County, 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 AAA. Mediation shall be conducted within 45 days of the AAA’s designation and/or acknowledgment of the selected mediator or such longer period as may be agreed to between Franchisor and Franchisee in writing 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% of the mediator’s fee and the AAA’s mediation fees.~~

~~Notwithstanding the preceding paragraph, Franchisor and Franchisee agree this Sub-Section 7.6(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; 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-Section 7.6(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, 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 AAA for binding arbitration. Arbitration shall be conducted by one arbitrator in accordance with the AAA’s then current rules for commercial disputes, except as may be otherwise required in this Section 7.6. All arbitration proceedings shall be conducted in Clark County, Nevada or, if suitable AAA facilities are not available in Clark County, Nevada then at a suitable AAA location selected by the arbitrator that is located closest to Clark County, 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 Sections 7.8, 7.9, 7.13, 7.14, 7.17, and 7.23, 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 Section 7.8 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; and~~
- ~~(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 Section 7.~~

~~(3) **Consent to Jurisdiction and Venue**— Subject to the non-binding mediation and arbitration provisions set forth in this Section 7.6, 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 Clark County or the county closest to Clark County. Franchisor and Franchisee do hereby irrevocably consent to and waive any objection to 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.~~

~~7.7 — VARIANCES~~

~~FRANCHISEE AGREES 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.~~

~~7.8 — LIMITATIONS OF CLAIMS~~

~~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.~~

~~7.9 — 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.~~

~~7.10 — 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.~~

~~7.11 — 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.~~

~~7.12 — COMPLETE AGREEMENT~~

~~This Agreement and the Schedule A Development Information Sheet 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, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits, and its amendments.~~

~~7.13 — 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.~~

~~**7.14 — 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 TORO TAXES OFFICE 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.~~

~~**7.15 — ACCEPTANCE BY FRANCHISOR**~~

~~This Agreement will not be binding on Franchisor unless and until an authorized officer of Franchisor has signed it.~~

~~**7.16 — OPPORTUNITY FOR REVIEW BY FRANCHISEE'S ADVISORS**~~

~~Franchisee agrees and represents that prior to the signing of this Agreement that Franchisor recommended 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.~~

~~**7.17 — NO PERSONAL LIABILITY BY FRANCHISOR'S EMPLOYEES, OFFICERS AND/OR AUTHORIZED AGENTS**~~

~~Franchisee 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.~~

~~**7.18 — NON-UNIFORM AGREEMENTS**~~

~~Franchisee agrees that Franchisor makes no representations or warranties that all other agreements with Toro Taxes Franchise, LLC franchisees entered into before or after the Effective Date do or will contain terms substantially similar to those contained in this Agreement. Franchisee agrees that Franchisor may waive or modify comparable provisions of other Franchise Agreements to other System franchisees in a non-uniform manner.~~

~~**7.19 — 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.~~

~~**7.20 — 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.~~

~~7.21 — AUTHORITY TO EXECUTE AND BIND~~

~~Each party agrees, 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.~~

~~7.22 — 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.~~

~~7.23 — 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.~~

~~7.24 — 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.~~

SECTION 8
NOTICES

~~All written notices and reports permitted or required to be delivered by this Agreement shall be deemed so delivered, at the time delivered by hand, one business day after being placed in the hands of a national commercial courier service for overnight delivery (properly addressed and with tracking confirmation), or three 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. 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 as of the Effective Date set forth in the first paragraph of this Agreement.

Franchisor: _____ **Franchisee:** _____
Toro Taxes Franchise, LLC _____

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

Signature

Name (please print)

Dated



Multi-Unit Development Agreement—Schedule A
DEVELOPMENT INFORMATION SHEET

This Development Information Sheet is attached to, is incorporated into, and forms a part of Toro Taxes Multi-Unit Development Agreement between Toro Taxes Franchise, LLC, 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”).

Defined terms shall have the meanings set forth in the Toro Taxes Multi-Unit Development Agreement between Franchisor and Franchisee and are further defined and set forth in this Development Information Sheet.

| If Franchisee is a Corporate Entity, Franchisee represents and affirms to Franchisor that the following is a list of each Owner of Franchisee: | | |
|--|---------------|-------------------------------|
| Owner Name | Owner Address | Ownership Interest Percentage |
| | | |
| | | |
| | | |
| | | |

| Development Area Fee | Total Development Offices |
|----------------------|---------------------------|
| \$ _____ | _____ |

| Development Area |
|--|
| [To be Effective this Schedule Must be Completed and Signed by Franchisor] |

| Development Office Initial Franchise Fee for the First Development Office |
|---|
| FIRST DEVELOPMENT OFFICE : The Development Office Initial Franchise Fee for the First Development Office is: \$35,000, payable and due upon execution of the applicable Franchise Agreement for the First Development Office. This initial franchise fee is separate from and in addition to the Development Area Fee. |

| Development Office Initial Franchise Fee for Other Development Offices |
|---|
| OTHER AUTHORIZED DEVELOPMENT OFFICES : Provided that Franchisee is not in default of the terms of this Toro Taxes Multi-Unit Development Agreement (including but not limited to the Development |

Schedule set forth below) and that neither Franchisee nor Franchisee's affiliates are in default of any Franchise Agreement or other agreement with Franchisor, the Development Office Initial Franchise Fee for each additional Development Office (over and above the First Development Office), is: \$10,000, payable at the time of signing the Franchise Agreement for each Development Office.

| Development Schedule | | |
|--|----------------------------------|--------------------------------|
| Development Period | Newly Opened Development Offices | Cumulative Development Offices |
| Development Period 1: -----TO----- | ----- | ----- |
| Development Period 2: -----TO----- | ----- | ----- |
| Development Period 3: -----TO----- | ----- | ----- |
| Development Period 4: -----TO----- | ----- | ----- |
| Development Period 5: -----TO----- | ----- | ----- |

This Development Information Sheet shall be effective as of the Effective Date of the Toro Taxes Multi-Unit Development Agreement.

Franchisor: _____ **Franchisee:**
 Toro Taxes Franchise, LLC _____

 Signature

 Signature

 Name and Title (please print)

 Name (please print)

 Dated

 Dated

 Signature

 Name (please print)

 Dated



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT G
LIST OF FRANCHISEES

| FRANCHISEES (as of December 31, 2022/2023) | | | |
|---|--|--|-------------------------|
| State | Business Address | Franchisee | Phone Number |
| AZ | 541 E 10 th Street Douglass, AZ 85607 | Alfonso <u>Jesus</u> Munoz | 520-364-7906 |
| | 5832 W San Miguel Avenue, Suite 4 Glendale, AZ 85301 | LP Servicios Comunitarios | 801-828-2745 |
| | 1616 E Main Street, Suite 105 Mesa, AZ 85203 | Mandi Miranda | 602-570-5499 |
| | 45254745 N 12th 7 th Street Phoenix, AZ 85014 | Blanca Lomeli | 623-792-0015 |
| | 6601 W Indian School Road, Suite 30 Phoenix, AZ 85033 | Toro Tax Services, LLC AZ1 | 623-850-0029 |
| | 2747 W McDowell Road Phoenix, AZ 85009 | Toro Tax Services LLC AZ2 | 602-903-0044 |
| | 2855 W Cactus Road, Suite 12 Phoenix, AZ 85009 | Delfin Taxes LLC | 623-206-1228 |
| | 3602 W Bethany Home Road Phoenix, AZ 85019 | Yanet Perchez | 623-498-0886 |
| | 8375 North 7 th Street Phoenix, AZ 85020 | Juan Arellano | 623-200-6318 |
| | 3024 W Van Buren, Suite 116 Phoenix, AZ 85009 | Facil Pro Services | 602-686-0854 |
| | 4141 N 19 th Avenue Phoenix, AZ 85015 | Dora Berenice Torres Armenta | 623-206-8660 |
| | 508 B Archibald Street San Luis, AZ 85349 | Arizona Expansion Investments, LLC | 702-816-0181 |
| | 2855 S 4 th Avenue, Suite 109 Scottsdale, AZ 85257 | Arizona Expansion Investments, LLC | 602-397-5329 |
| | 8550 E McDowell Road, #202 Scottsdale, AZ 85257 | Joaquin Roman Lopez Nieblas | 602-283-6274 |
| | 336 W Main Street, Unit 2 Somerton, AZ 85350 | Arizona Expansion Investments, LLC | 602-397-5329 |
| | 3030 S Rural Road, Suite 106-A Tempe, AZ 85282 | Joaquin Roman Lopez Nieblas | 602-283-6274 |
| | 3908 S 12 th , #B Tucson, AZ 85714 | Alina García Godinez | 520-286-3502 |
| | 1215 West 8 th Street Yuma, AZ 85364 | Arizona Expansion Investments, LLC | 702-728-0294 |
| CA | 1720 S Union, Avenue, Suite 102 Bakersfield, CA 93307 | Janeth Barboza Rivera | 661-201-1828 |
| | 6810 Eastern Avenue, Suite K Bell Gardens, CA 90201 | Victor Manuel Loyola Verduzco | 702-927-8944 |
| | 5623 Whitter Blvd Commerce, CA 90022 | Victor Manuel Loyola Verduzco | 323-230-7707 |
| | 739 W Rosecrans Avenue Compton, CA 90222 | Manuel Pedroza | 310-554-4378 |
| | 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 Ave #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 |
| | 8561 South Broadway Los Angeles, CA 90003 | Downer, LLC | 702-427-8669 |
| | 249 West Pacheco Boulevard, #C Los Banos, CA 93635 | Vanessa Priscilla Rosas Marquez (V&M Enterprises Inc.) | 408-375-2300 |
| | 24525 Alessandro Blvd #C Moreno Valley CA 92553 | Kevin Ramos | 951-200-3416 |
| | 353 E 10th Street North Gilroy, CA 95020 | Silvia Paloma Perez Delgado | 408-889-6209 |
| | 12773 Van Nuys Blvd Pacoima, CA 91331 | Downer LLC | 818-455-2474 |
| | 9100 Van Nuys Boulevard Panorama City, CA 91402 | Downer, LLC | 818-455-2474 |
| | 185 E Ramona Expressway, Suite 3 Perris, CA 92571 | Madrid's Family | 909-212-0411 |
| | 1503 South Garey Avenue Pomona, CA 91766 | Madrid Family | N/A |
| | 1788 University Avenue Suite 116 Riverside, CA 92507 | Juan Cazares | 951-200-3490 |
| | 2364 Paseo de las Americas Suite 104-1741 San Diego, CA 92154 | Jose Octavio GomezGómez Gonzalez & Christian Jesus Navarrete Olivera | +52 1 55 4191 1034 |
| | 459 S Capitol 2652-D Alum Rock Avenue San Jose, CA 9512795116 | Mayra's Services Inc | 408-784-2555 |
| | 1118 E William Street San Jose, CA 95116 | Mayra's Services Inc. | 408-351-1700 |
| | 115 N. 4 th Street, Suite 103 San Jose, CA 95112 | Claudia Reyes | 408-420-1242 |
| | 8116 Long Beach Blvd South Gate CA, 90280 | Jessica Toro | 323-879-6476 |
| | 315 Lincoln Blvd Venice, CA 90291 | Victor Manuel Loyola Verduzco | 310-504-1838 |
| | 1493 Main Street Watsonville, CA 95076 | Yessenia Solano (Zolano's Insurance Services, LLC) | 831-222-5485 |
| CO | 5047 W 64 th Avenue Arvada, CO 80003 | Multiservices Yami | 720-379-8130 |
| | 5310 Ward G-01 Arvada, CO 80003 | Toro Tax Professionals, LLC | 702-288-7440 |
| | 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 Street Aurora, CO 80010 | Maribel Estrada | 720-439-7786 |
| | 1350 Chamber Road, Unit 2016 | Mario Chanta Stephany Rodriguez | 720-633-1832 |

| | | |
|---|---|--------------|
| Aurora, CO 80011 | | |
| 201 S Wilcox Street Castle Rock, CO 80104 | Miriam Rodriguez | 720-317-6877 |
| 223 North Academy Boulevard 3608 Galley Road, #201 Colorado Springs, CO 80909 | Susana Becerril Gomez | 719-694-8184 |
| 1781 B Street Colorado Springs, CO 80906 | Office Services, LLC Aracely Reyes | 720-633-1831 |
| 1817 N Union Boulevard, Unit D Colorado Springs, CO 80909 | Office Services, LLC Nicole Polanco | 719-247-8990 |
| 6755 E 72 nd Avenue Commerce City, CO 80022 | Adela De La Vega | 719-602-7759 |
| 2200 S Federal Blvd. Unit 6 Denver, CO 80219 | Sparkle, LLC | 720-363-6791 |
| 1509 W 84 th Avenue, Suite 71 Denver, CO 80260 | Cruz Tax Services | 303-875-9141 |
| 2028 Speer Boulevard Denver, CO 80211 | Cruz Tax Services | 720-461-8913 |
| 5040 Acoma Street Denver, CO 80216 | Cruz Tax Services | 303-875-9141 |
| 3084 Sur Federal Boulevard Denver, CO 80236 | Cruz Tax Services | 720-550-6959 |
| 3090 S Federal Blvd, Denver, CO 80219 | Rosa Sosa | 720-459-8497 |
| 3049 W Arkansas Avenue Denver, CO 80219 | Rosa Sosa | 305-507-4539 |
| 4000 Morrison Road Denver, CO 80219 | Trebcy's Taxes | 303-934-2867 |
| 4701 Peoria Street, Suite 102 Denver CO, 80239 | Jazzy's Multiservices | 303-574-0568 |
| 435 14 th Avenue Greeley, CCO 80631 | Belky Enriquez | 970-652-8449 |
| 1295 E Brighton Street Green Acres, CO 80601 | Guadalupe Angelica Juarez Ruiz | 720-387-8250 |
| 2544 Sheridan Boulevard Lakewood, CO 80214 | Carlos Alexander Gonzalez Leon | 720-242-6775 |
| 1517 Pierce Street Lakewood, CO 80214 | Celsa Arbaiza | 720-492-8935 |
| 1360 W Littleton Boulevard, Unit H Littleton, CO 80210 | Adrian Solis | 720-239-1161 |
| 809 Main Street Longmont, CO 80501 | Maribel Estrada & Celsa Arbaiza | 720-296-0584 |
| 195 South Main Street, Suite 4 Longmont, Colorado 80501 | Beatriz Solis | 720-276-7188 |
| 311 W 24 th Street Pueblo, CO 81003 | Nicole Polanco | 719-247-8990 |
| 81 W 84 th Avenue, Unit 160 Thornton, CO 80260 | Jaqueline Sosa | 603-756-6344 |
| 2200 E 104 th Avenue, Unit 204 Thornton, CO 80233 | Office Services LLC | 720-633-1831 |
| 30192961 W 74 th 72 nd Avenue | Alonso Rascon & Celsa Arbaiza & Job Ruiz | 720-938-0046 |

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|----|---|--|---|
| | Westminister, CO 80030 6073 W 44 th Avenue Wheat Ridge, CO 80033 | Celsa Arbaiza & David Gramaje <u>Nicole Polanco</u> | 720-550-6959 |
| DE | 20254 Dupont Boulevard Georgetown, DE 19947 | Centro Hispano de Servicios | 302-897-4802 |
| | 2610 Eastburn Center Newark, DE 19711 | Ana Naranjo | 301-683-5450 |
| FL | 8200 NW 41 Street, Suite 315 Doral, FL 33166 | Victor Parra | 786-201-8304 |
| | 8400 NW 36 th Street, Suite 450 Doral, FL 33166 | Diana Marcela Parra Arboleda | 786-447-3543 |
| | 154 Hialeah Drive Hialeah, FL 33010 | Latintax Solutions LLC | 786-558-9044 |
| | 400 Church Street, #109 <u>241 Ruby Avenue, Unit 213</u> Kissimmee, FL 34741 | Pedro Osorio & Adriana Colon <u>Pinilla</u> (Pinilla Mercado Services & Solutions LLC) | 786-586-7362 |
| | 3870 Dairy Road, Suite 103 Melbourne, FL 32904 | Mabegny Alejandra Gutierrez de Brito (Valbia LLC) | 385-299-9471 |
| | 9375 SW 56 th Street Miami, FL 33165 | Hector Romero (NDS Taxes, LLC) | 305-505-7841 |
| | 6883 Collins Avenue Miami Beach, FL 33141 | Adrian Javier Zubeldia (Zubeldia Business LLC) | +54 9 11 4916 9053 |
| | <u>7901 Kingspointe Pkwy, Suite 2</u> <u>Orlando, FL 32819</u> | <u>Zuleika Romo & Walter Parraga</u> | <u>786-586-7362</u> |
| | <u>4690 Lipscomb Street NE, Suite 6F</u> <u>Palm Bay, FL 32905</u> | <u>Mabegny Alejandra Gutierrez de Brito</u> (Valbia LLC) | <u>385-299-9471</u> |
| | 2030 Oakhurst Way Riviera Beach, FL 33404 | J&D Bello Tax Group | 800-867-6829 |
| | 4002 West Waters Ave, Suite 5 Tampa, FL 33614 | Sostenes Baez Castellanos | 317-606-5104 |
| IL | 6337 Cermak Road Berwyn, IL 60402 | Darleen Areli Porras | 708-956-7129 |
| | 4220 S Archer Avenue Chicago, IL 60632 | Jazzis Multiservices | 844-211-9034 |
| | 4731 S Cicero Avenue Chicago, IL 60608 | Israel Esquivel Marin | 773-676-4397 |
| | 7550 S Archer Avenue Justice, IL 60458 | Arturo Carrasco | 773-676-4397 |
| KY | 1634 Holman Avenue <u>118 W 5th Street</u> Covington, KY 41011 | Aguilar Enterprises | 859-512-2350 |
| | 256 Main Street <u>6616 Dixie Highway,</u> Suite B103 Florence, KY 41042 | Aguilar Enterprises | 859-250-4951 |
| MD | <u>1425 W Patrick Street</u> 5462 Annapolis Road Bladensburg Frederick, MD 20710 <u>21703</u> | Ana Gomez <u>Rubymir Romero</u> | 301-378- 8201 <u>202-751-</u> 6602 |
| | 424 N <u>1425 W Patrick Street</u> Frederick <u>Avenue</u> Gaithersburg, MD 21703 <u>20710</u> | Ana Gomez | 301-378- 8201 <u>801-217-</u> <u>9209</u> |

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|-----------|--|--|---|
| | 424 N Frederick Avenue Gaithersburg 101 Washington Boulevard Laurel, MD 2071020707 | Pablo Buitrago Ana Gomez | 801-217- 9209818-532- 5883 |
| | 101 Washington Boulevard Laurel 309 Laurens Way Queen Anne, MD 2070721657 | Pablo Buitrago Daniel Jeffers | 818-532- 5883817-952- 6246 |
| | 309 Laurens Way Queen Anne 6103 Baltimore Avenue, Suite 205 Riverdale Park, MD 2165720737 | Rubymir Romero Daniel Jeffers | 202-751- 6602817-952- 6246 |
| | 11230 Triangle Lane Silver Spring, MD 20902 | Maria Jose Solis | 801-559-7432 |
| <u>MN</u> | 4022 Egan Drive Savage, MN 55378 | Office Services LLC | 855-737-5639 |
| <u>MN</u> | 1633 South Robert Street, Suite C West St. Paul, MN 55118 | Luz Angela Ocampo Santmaria | 612-802-9891 |
| <u>NV</u> | 2470 W Horizon Ridge Parkway, #100 Henderson, NV 89052 | Justin Scott Shaw & Mark Anthony Panganiban Lizada | 775-600-9991 |
| | 3300 S Decatur Boulevard, Suite 12 Las Vegas, NV 89102 | Cristina Firestone | 702-981-8888 |
| | 840 N. Rainbow Boulevard Las Vegas, NV 89107 | Niocon Investments, LLC | 702-675-8238 |
| | 4532 W Charleston Boulevard Las Vegas, NV 89107 | Maria Galindo | 702-208-9976 |
| | 1221 N Decatur Boulevard, Suite A Las Vegas, NV 89145 | RRM, LLC Eulises Martinez & Karina Marcos | 855-938- 0967702-970- 4444 |
| | 4640 E Lakemead Boulevard 3827 E Sunset Road, Suite G Las Vegas, NV 8911589120 | Glenda Fernandez Karina Marcos | 702-335- 3468789-9646 |
| | 3631 W Sahara Avenue Las Vegas, NV 89102 | Yadi Matos | 702-499-8446 |
| | 4250 South Rainbow Blvd, #1007 Las Vegas, NV 89103 | Jair Peña Trejo (TaxTax LLC) | 702-929-4775 |
| | 2522 W Lake Mead Boulevard Las Vegas, NV 89030 | Eppa, LLC | 702-660-0007 |
| | 3297 Las Vegas Boulevard Las Vegas, NV 89115 | HNI Multiservices | 702-823-0924 |
| | 8275 S Eastern Avenue Las Vegas, NV 89123 | Nicole Bunch | 562-706-0972 |
| | 4558 E Tropicana Boulevard Las Vegas 1021 E Gamebird Road, #7 Pahrump, NV 8910289048 | Mota Services & Otero LLC Imra Garcia | 702-930- 5292349-1917 |
| <u>NJ</u> | 31D West Blackwell Avenue Dover, NJ 7801 | Claudia Toro (Latino Consulting Services) | 866-781-0182 |
| | 131 Main Street, #150 Hackensack, NJ 07601 | Claudia Toro (Latino Consulting Services) | 866-781-0182 |
| | 50 East Columbia Avenue Palisades Park, NJ 07650 | Gladys Carbonel & Eduardo Robles | 201-499-1140 |
| | 338 Smith Street Perth Amboy, NJ 07081 | Alba & Tony Villalobos | 201-658-0347 |
| | 354 S Broad Street, Suite 106 | Yalira Castaneda | 844-311-7253 |

| | | | |
|----|--|--|-------------------------|
| | Trenton, NJ 08608 | | |
| | 1213 Hamilton Avenue, Suite 2 Trenton, NJ 86209 | Yalira Castaneda | 215-779-9049 |
| | 527 42nd Street Union City, NJ 07087 | Alba & Tony Villalobos | 888-211-5807 |
| NY | 214 Clveland Street Brooklyn NY 11208 | Ivan Rosario | 877-927-5213 |
| | 3811 33 rd Street Long Island City, NY 11101 | Nelly Sosa | 929-396-0180 |
| | 94-21 Astoria Blvd Queens, NY 11369 | Santa Antonio | 844-922-0849 |
| | 764 Seneca Avenue Ridgewood, NY 11385 | Ivan Tax Pro Corp | 929-276-3038 |
| NC | 1113 East Wendover Avenue, Suite D Greensboro, NC 27405 | Maryann Adams | 310-909-8214 |
| | 1105 East Wendover Avenue, Suite D Greensboro, NC 27405 | Maryann Adams | 703-596-1549 |
| | 237 Drive Dock Loop Mooresville, NC 27405 | Mhayra Linares | 800-867-6829 |
| OH | 11510 Springdale Pike Cincinnati, OH 45246 | Jandy Jisela Escalante Bartolon (Bartolon Staffing & Tax Agency LLC) Jennifer Moralde | 816-349-1120 |
| | 2444 Harrison Avenue Cincinnati, OH 45211 | Tiffany Cocha & Jay Batista | 513-401-9959 |
| | 1180 Nilles Road, #2 Fairfield, OH 45014 | Blanca Aguilar (Aguilar Enterprises, LLC) | 859-512-2350 |
| | 9580 Seward Road, Suite D Fairfield, OH 45014 | Miladys Perez Cardenas (Perez Tax and Financial Services LLC) | 843-784-5417 |
| OK | 7370 South Walker Street Oklahoma City, OK 73139 | 20D, LLC | 405-746-0825 |
| | 10396 East 21st Street Tulsa, OK 74021 | Silvia L. Acosta de Cuellar | 918-327-2353 |
| | 3701 N Macarthur Boulevard Warr Acres, OK 73122 | 20D, LLC | 405-746-0825 |
| OR | 2170 Lancaster Drive NE Salem, OR 97305 | Esteban Rodriguez (Brilliant Location Solutions LLC) | 503-881-2470 |
| PA | 2470 Reel Street Harrisburg, PA 17110 | The Simple Tax Group | 215-294-0725 |
| | 600 W Cypress Street Kennett Square, PA 19348 | Elssy Melo | 210-871-1274 |
| | 2943 N 5 th Street Philadelphia, PA 19133 | DLunar Management, LLC | 803-525-1281 |
| | 541 W. Butler Street Philadelphia, PA 19140 | The Simple Tax Group | 919-759-5465 |
| | 4200 N American Street Philadelphia, PA 19140 | DLunar Management, LLC | 832-702-3189 |
| | 3249 Front Street Philadelphia, PA 19140 | The Simple Tax Group | 215-294-0725 |
| | 3349 I Street Philadelphia, PA 19134 | Evelyn Guzman | 267-475-1330 |
| | 1401 E Bristol St. Store #2 | The Simple Tax Group | 818-960-1454 |

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| | Philadelphia, PA 19124 | | |
| | 4704 Leiper Street Philadelphia, PA 19124 | The Simple Tax Group | 267-265-4398 |
| | 94556 State Road, Suite 111 Philadelphia, PA 19114 | The Simple Tax Group | 267-265-4398 |
| | 6951 Roosevelt Blvd Philadelphia, PA 19149 | Damian Luna | 512-402-6162 |
| SC | 18925 Whyte Hardee Boulevard Hardeville, SC 29927 | Azteca Multiservices | 843-802-9002 |
| TX | 7100 Doniphan, Ste H Anutillo, TX 79835 <u>975 W Ruben M Torres Sr Blvd Suite 1, Brownsville, TX 78520</u> | Alberto T. Velez Miriam Marrufo | 956-346-4735 915-307-6143 |
| | 2815 Valley View, Suite 114 Dallas, TX 75207 <u>2815 Valley View, Suite 1, Brownsville 114 Dallas, TX 78520</u> | Edgar D. Montalvo Alberto T. Velez | 956-346-4735 702-479-8664 |
| | 401/403 West Clayton Dayton, TX 75234 <u>401/403 West Clayton Dayton, TX 75234</u> | Aquarius T. Johnson Edgar D. Montalvo | 832-857-2802 702-479-8664 |
| | 401/403 West Clayton Dayton, Texas 77535 <u>401/403 West Clayton Dayton, Texas 77535</u> | Miriam Marrufo Aquarius T. Johnson | 915-307-6143 832-857-2802 |
| | 1829 Montana Avenue El Paso, TX 79902 | El Paso Expansion <u>Expansión</u> Group, LLC | 915-316-4226 |
| | 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 |
| | 7101 N. Mesa, Suite R El Paso, TX 79912 | Everardo Hernandez (Biz-IQ LLC) | 915-803-4127 |
| | 1201 N Zaragoza Road #129 El Paso, TX 79907 | El Paso Expansión | 915-288-2003 |
| | 3446 Williams Road Fort Worth 3241 N Zaragoza Avenue, Suite A El Paso, TX 76116 <u>3446 Williams Road Fort Worth 3241 N Zaragoza Avenue, Suite A El Paso, TX 76116</u> | Miriam Marrufo Luz Dayana Estrada Medina | 915-307-6143 496-123-9334 |
| | 5601 E Lancaster Avenue, Suite A 3446 Williams Road Fort Worth, TX 76116 <u>5601 E Lancaster Avenue, Suite A 3446 Williams Road Fort Worth, TX 76116</u> | Luz Dayana Estrada Medina | 496-123-9334 |
| | 4301 Saturn Road Avenue, Suite 215A Garland Fort Worth, TX 75041 <u>4301 Saturn Road Avenue, Suite 215A Garland Fort Worth, TX 75041</u> | Dayana Medina Edgar D. Montalvo | 496-123-9334 702-479-9375 |
| | 2045 Forest Lane 4301 Saturn Road, Suite 215 Garland, TX 75041 <u>2045 Forest Lane 4301 Saturn Road, Suite 215 Garland, TX 75041</u> | Edgar D. Montalvo Azua Enterprises, LLC | 702-479-9375 303-246-2105 |
| | 140 N Kenazo, Suite E Horizon 2488 FM 1960 E Houston, TX 79928 <u>140 N Kenazo, Suite E Horizon 2488 FM 1960 E Houston, TX 79928</u> | Azua Enterprises, LLC Miriam Marrufo | 303-246-2105 915-307-6143 |
| | 316 Patton Street Houston 140 N Kenazo, Suite E Horizon, TX 77009 <u>316 Patton Street Houston 140 N Kenazo, Suite E Horizon, TX 77009</u> | Miriam Marrufo Alfredo Peña & Isaura Patiño (Macedolozano LLC) | 915-307-6143 281-928-4524 |

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| | 9009 Long Point Road 316 Patton Street Houston, TX 7705577009 | Alfredo Peña & Isaura Patiño (Macedolozano LLC) RL Solutions, LLC | 346-571- 6922 281-928- 4524 |
| | 8398 N Houston Rosslyn Point Road, Suite B Houston, TX 7708877055 | RL Solutions, LLC | 713-534- 7133 346-571- 6922 |
| | 11544 NW Freeway 8398 N Houston Rosslyn Road, Suite B Houston, TX 7709277088 | RL Solutions, LLC Carlos Julian Correa | 713-417- 9375534-7133 |
| | 1430011544 NW Freeway, Suite A3 Houston, TX 7704077092 | Magaly Yunda & Angie Katherin Ward Carlos Julian Correa | 281-469- 2013 713-417- 9375 |
| | 5921 Bellaire Boulevard Freeway, Suite CA3 Houston, TX 7708477040 | Magaly Yunda & Angie Katherin Ward Samar LLC | 281-469- 2013 832-767- 2232 |
| | 6883 South Gessner 5921 Bellaire Boulevard, Suite C Houston, TX 7703677081 | Samar LLC | 832-767-2232 |
| | 928 East Tidwell 6883 South Gessner Houston, TX 7702277036 | Samar LLC | 832-767-2232 |
| | 7050 Bissonnet Street 928 East Tidwell Houston, TX 7707477022 | Samar LLC | 832-767-2232 |
| | 7100 San Bernardo Avenue Laredo 7050 Bissonnet Street Houston, TX 7804177074 | Samar LLC Hernan Serna Garza (Fox International, Inc.) | 832-767- 2232 956-602- 0535 |
| | 3804 Mirabel Street, Suite 3 Mission 7100 San Bernardo Avenue Laredo, TX 7857478041 | Melissa E. Villarreal Hernan Serna Garza (Fox International, Inc.) | 956-581- 6311 602-0535 |
| | 1817 W 22nd & N County W Odessa 3804 Mirabel Street, Suite 3 Mission, TX 7976478574 | Melissa E. Villarreal Miriam Marrufo | 956-581- 6311 915-307- 6143 |
| | 1914 La Manda Boulevard San Antonio, TX 78201 | Bryan Orona, Pedro Ramirez Garcia, & Carlos Alberto Ramirez Garcia | 720-481-5869 |
| | 1207 SW Military Drive San Antonio, TX 78221 | San Antonio Expansion Manual Salvador Rodriguez Navarrete, Brayan Venzor Orona, Pedro Ramirez Gracia & Carlos Alberto Ramirez Gracia | 210-769-4493 |
| | 3515 SW Freeway, Suite 201 Sugar Land, TX 77578 | Gabriela Guadalupe Caballero Hernández & Rodrigo Ortiz | 832-612-0320 |
| UT | 1187 N 1200 W Orem, UT 84057 | Mario Rafael Rodriguez Clavijo | 385-286-7836 |
| | 5663 S Redwood Road, #3 Taylorsville, UT 84123 | Botero & Botero LLC | 801-637-5170 |
| | 2880 W 4700 South, Suite D West Valley City, UT 84119 | Jose Luis Aguilar Berni & Set Isaac Aguilar Cruz | 385-464-8753 |
| VA | 5510 Cherokee Avenue, Suite 300 Alexandria, VA 22312 | Dapa Advisors | 571-530-7040 |
| | 901 S Highland Street, Suite 335 Arlington, VA 22204 | Pablo Rivera | 866-784-0079 |
| WA | 6325 Evergreen Way, Suite #3 | Washington Expansion Group | 844-332-1921 |

| | | | |
|----|--|----------------------------|--------------|
| | Everette, WA 98203 | | |
| | 409 3 rd Avenue S Kent, WA 98032 | Jazzis Multi Services | 859-903-0855 |
| | 3530 Martin Way E, Suite #E Olympia, WA 98506 | Jazzis Multi Services | 253-220-8843 |
| | 13607 Ambaum Boulevard SW Seattle, WA 98166 | Jazzis Multi Services | 206-693-4856 |
| | 4619 Pacific Avenue, Suite B Tacoma, WA 98408 | Washington Expansion Group | 951-476-1827 |
| WI | 4318 W Foresthme <u>Forest Home</u> Avenue, Suite 2 Milwaukee, WI 53219 | Jazmin Fernandez Otero | 414-929-1562 |

| FRANCHISEES WITH OUTLETS NOT YET OPEN (as of December 31, 20222023) | | | |
|---|---|--|---|
| State | Business Address | Franchisee | Contact Information |
| AZ | 7611 W Thomas Road Phoenix, AZ 85033 | Alina Garcia (TORO TAXES MATG LLC) | 520-286-3502 |
| | 7611 W Thomas Road Phoenix, AZ 85033 | Alina Garcia (TORO TAXES MATG LLC) | 520-286-3502 |
| | <u>1601 N 7th Street, Suite 240 Phoenix, AZ 85006</u> | <u>Jennifer Carolina Molano Teran & Andrew Callejas Buitrago</u> | <u>602-348-5015</u> |
| CA | Tracy, California | Wakar Kahn (FAWA INC) | 209-207-9064 |
| CO | Denver, Colorado | Celsa Arbaiza (CRUZ TAX SERVICES) | 720-373-0676 |
| FL | 400 Church Street <u>3870 Dairy Road, Suite 109103 Kissimmee</u> <u>Melbourne, FL 3474132904</u> | Pedro Pinilla (PINILLA MERCADO SERVICES & SOLUTIONS LLC) <u>Mabegny Gutierrez</u> | 321-367- 3309786-586- 7362 |
| | 3870 Dairy Road, Suite 103 Melbourne <u>9375 SW 56th Street Miami, FL 3290422614</u> | Mabegny Gutierrez <u>Hector Mauricio Romero (NSD TAXES, LLC)</u> | 321-367- 3309305-505- 7841 |
| | 9375 SW 56 th Street Miami, FL 22614 | Hector Mauricio Romero (NSD TAXES, LLC) | 305-505-7841 |
| | 9375 SW 56th <u>1035 North East 125th Street North Miami, FL 2261433161</u> | Hector Mauricio Romero (NSD TAXES) <u>Evangelina Noemi Priotto (EPAL HANKE, LLC)</u> | 305-505- 7841470-862- 2112 |
| IL | 4325 W 26 th Avenue Chicago, IL 60623 | Darleen Porras (J & J Multi Services) | 708-956-7129 |
| | <u>1559 N Mannheim Road, #2 Stone Park, IL 60160</u> | <u>Maricela Medina Sanchez</u> | <u>708-435-3445</u> |
| MD | <u>8830 Stanford Boulevard Columbia, MD 21045</u> | <u>Maria Jose Solis & Armaghan Emami Foroushani (EMAMI, LLC)</u> | <u>410-718-4364</u> |
| MN | <u>1855 E Lake Street Minneapolis, MN 55407</u> | <u>Martha Guadalupe Rebollo Blanco (JOSMAR Ventures LLC)</u> | <u>651-285-1242</u> |
| NE | 1415 South 13 th Street Lincoln, NE 98502 | Luis Antonio Vaquera | 402-904-4625 |
| NV | <u>3430 E. Tropicana Ave, #21</u> | <u>Yanis Rosa Oakley Taureaux</u> | <u>702-352-6963</u> |

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|---------------|---|--|---|
| | Las Vegas, NV 89121 | | |
| NJ | 378 Bergen Boulevard, Suite 204 Fairview, NJ 07022 | Maria Geovana Villacres (GEO MARKETING ALLIANCES GROUP) | 908-723-1005 |
| | 7304 Bergenline Avenue North Bergen, NJ 07047 | Juan Antonio Villalobos & Alba Ruiz Devillalobos (V PROFESSIONAL SERVICES LLC) | 201-658-0342 |
| OH | 1881 Westwood Avenue Cincinnati, OH 45214 | Fabiola Reyes Rodriguez & Bruno Reyes Rodriguez | 513-617-6113 |
| | 1318 Central Avenue Middletown, OH 45044 | Laura Santos Peralta | 513-393-5452 |
| OK | 1152 N York Street, Suite B Muskogee, OK 74403 | Sandra Lorena Escobar Cardona (HISPANO'S SOLUTIONS LLC) | 918-441-1318 |
| OR | 2170 Lancaster Drive NE Salem, OR 97305 | Esteban Lara (BRILLIANT LOCATION SOLUTIONS LLC) | 503-917-4860 |
| PA | 4636 N 5 th Street Philadelphia, PA 19140 | Juan Carlos Colon (THE SIMPLE TAX GROUP) | 215-821-3282 |
| | Philadelphia, PA | Jose Lucian Mejia De Los Santos | 215-602-0253 |
| TX | 5601 E Lancaster Ave, Suite A Fort Worth, TX 76112 | Dayana Medina | 496-123-9334 |
| TX | 2045 Forest Lane Garland, TX 75042 | Jose Azua | 303-246-2105 |
| | 2045 Forest Lane Garland, TX 75042 | Jose Azua | 303-246-2105 |
| | 928 East Tidwell Road Houston, TX 77022 | Sara Claudia Martinez (SAMAR LLC DBA) | 281-974-1978 |
| | 7050 Bissonnett Street Houston, TX 77074 | Sara Claudia Martinez (SAMAR LLC DBA) | 281-974-1978 |
| | 6883 South Gessner Road Houston, TX 77036 | Sara Claudia Martinez (SAMAR LLC DBA) | 281-974-1978 |
| | 5202 Bingle Road Houston, TX 77092 | Jonathan Alexander Bejarano | 832-518-7243 |
| | Houston, TX | Jose Daniel Nava Garcia & Mario Alberto Nava Garcia | 800-867-6829 |
| | 19308 Morton Suite, Suite 110 Katy, TX 77449 | Jose Daniel Nava Garcia & Mario Alberto Nava Garcia | 800-867-6829 |
| | 9019 Mines Road, Unit 1 Laredo, TX 78045 | Dariella Italia Moren Lopez & Irma Gabriela Flores | 956-327-7393 |
| | 24110 Aldine Westfield Road Spring, TX 77373 | Carlos Mauricio Salazar Mendiola & Mariana Barredo Monsalvo (MFORFOUR LLC) | 346-436-2464 |
| | Texas | Leonel Baca Trevino | 915-307-6143 |
| | Texas | Lesbia Figueredo | 904-307-5358 |
| | Texas | Arlene Munoz | 832-946-3324 |
| | 5601 E Lancaster Ave, Suite A Fort Worth, TX 76112 | Dayana Medina | 496-123-9334 |
| UT | 5663 S Redwood Road, #3 Taylorsville, UT | Duvan Botero Montoya | 801-637-5170 |

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FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT **HG**
LIST OF FRANCHISEES
THAT HAVE LEFT THE SYSTEM

| FRANCHISEES THAT HAVE LEFT THE SYSTEM (January 1, 2022 2023 to December 31, 2022 2023) | | | |
|---|---|---|--|
| State | Business Location Address | Franchisee | Contact Information |
| AZCO | 7414 N 51 st Avenue Glendale, AZ 85301 1350 Chamber Road, Unit 2016 Aurora, CO 80011 (Transferred to New Franchisee) | Jason Rodriguez (J ROD ENTERPRISES, LLC) Mario Chanta | 512-789-9469 mariochanta@yahoo.com |
| | 5039 W Olive Avenue Glendale, AZ 85302 | Jason Rodriguez (J ROD ENTERPRISES, LLC) | 512-789-9469 |
| | Arizona | Martha Ramirez | N/A |
| CA | 610 Main Street El Centro, CA | Diana Lugo | 760-679-7677 |
| CO | 11221 Washington 1781 B Street Northglenn Colorado Springs, CO 80233 80906 (Transferred to New Franchisee) | Celsa Arbaiza (CRUZ TAX SERVICES) Office Services, LLC | 720-373-0676 mariochanta@yahoo.com |
| | 2028 Speer Boulevard Denver, CO | Celsa Arbaiza (CRUZ TAX SERVICES) | 720-373-0676 |
| DE | 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 |
| | 704 N Adams, St Wilmington, DE 19801 | Ana Naranjo | 214-717-4157 |
| FL | 9900 West Sample Rd, Suite 300 Cora 1817 N Union Blvd, Unit D Colorado Springs, FL 33065 CO 80909 (Transferred to New Franchisee) | Alvaro Andres Guzman Zuñiga Office Services, LLC | 954-326-5412 mariochanta@yahoo.com |
| | 5880 2961 W 20 th 72 nd Avenue Hialeah, FL 33016 Westminister, CO 80030 (Partial Transfer to New Franchisee) | Aats Of Job Ruiz Florida | 786-488-8405 jruiiz@hotmail.com |
| | 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 6073 W 44 th Avenue #1085 Miami, FL 33015 Wheat Ridge, CO 80033 (Partial Transfer to New Franchisee) | David Gramajo Maria Pimiento | 786-634-5859 David.gramajo@yahoo.com |
| FL | 400 Church Street, #109 6276 Miramar Pkwy Miramar Kissimmee, FL 33024 34741 (Transferred to New Franchisee) | Toro Business Pedro Alfonso Pinilla Osorio & Adriana Paola Mercado Colon (Pinilla Mercado Services Inc & Solutions LLC) | 305-842-0151 pedro.pinilla.osorio@gmail.com |
| | 18220 West Dixie Hwy North Miami Beach, FL 33160 | Carolina Castro & Perla Marina Zabala Santos | 786-327-8606 |

| | | | |
|------------------------|--|--|--|
| | <u>404 Cypress Gardens Blvd</u> <u>Winter Haven Orlando, FL 33880</u> (Transferred to New Franchisee) | <u>Mobile Taxes Express & Financial</u> <u>Pedro Alfonso Pinilla</u> <u>Osorio & Adriana Paola Mercado</u> <u>Colon</u> (<u>Pinilla Mercado Services & Solutions LLC</u> -) | <u>863-268-</u> <u>4466</u> <u>pedro.pinilla.osorio@gmail.com</u> |
| <u>GAM</u> <u>N</u> | <u>4022 Egan Drive</u> <u>Savage, MN 55378</u> <u>425 Atlanta</u> <u>Highway</u> <u>Gainesville, GA 30501</u> | <u>Tondandy</u> <u>Office Services, LLC</u> | <u>770-772-</u> <u>0060</u> <u>mariochanta@yahoo.com</u> |
| <u>NV</u> | <u>8275 S Eastern Avenue</u> <u>Las Vegas, 2003 Riverside</u> <u>Parkway</u> <u>Lawrenceville, GA 30043</u> <u>NJ</u> <u>89123</u> | <u>Nicole Bunch</u> <u>Tondandy, LLC</u> | <u>770-772-0060</u> <u>725-377-1030</u> |
| | <u>809 Rosewell Street</u> <u>Marietta, GA 30060</u> <u>4558 E</u> <u>Tropicana Boulevard</u> <u>Las Vegas, NJ 89102</u> | <u>Tondandy, Mota Services & Otero</u> <u>LLC</u> | <u>770-772-</u> <u>0060</u> <u>javier@tororealty.com</u> |
| | <u>5720 Buford Highway</u> <u>1221 N</u> <u>Decatur Blvd, Suite 309A</u> <u>Norcross, GA 30071</u> <u>Las Vegas,</u> <u>NV 89145</u> (Transferred to New Franchisee) | <u>Eulises Martinez & Karina</u> <u>Marcos</u> <u>Tondandy LLC</u> | <u>770-772-0060</u> <u>702-290-7458</u> |
| <u>IL</u> | <u>4017 W 26th St.</u> <u>Chicago, IL 60623</u> | <u>Celsa Arbaiza & Carla Gartner</u> | <u>844-707-9631</u> |
| | <u>1712 Ashland Avenue</u> <u>Chicago, IL 60608</u> | <u>Bidkar Camacho</u> | <u>817-587-9848</u> |
| | <u>4325 West 26th Street</u> <u>Chicago, IL 60623</u> | <u>Darleen Areli Porras</u> | <u>N/A</u> |
| <u>MD</u> | <u>1908 Forest Drive</u> <u>3827 E Sunset</u> <u>Road, Suite 2GG</u> <u>Annapolis, MD 21401</u> <u>Las Vegas,</u> <u>NV 89120</u> (Transferred to New Franchisee) | <u>Karina Marcos</u> <u>Angel Hernandez</u> | <u>714-594-5389</u> <u>702-290-7458</u> |
| | <u>22010 Stone Pier Ln.</u> <u>Boysds, MD 20841</u> | <u>Marina Rodriguez</u> | <u>301-481-9878</u> |
| <u>NV</u> | <u>314 Vassar Street</u> <u>Reno</u> <u>4250 South Rainbow Blvd,</u> <u>#1007</u> <u>Las Vegas, NV 89502</u> <u>89103</u> | <u>Toro Taxes Reno,</u> <u>Jair Peña Trejo</u> (<u>TaxTax LLC</u> -) | <u>847-737-</u> <u>4737</u> <u>jair@addabra.com</u> |
| | <u>2136 Prate Way</u> <u>Sparks</u> <u>1021 E Gamebird Road, #7</u> <u>Pahrump, NV 89431</u> <u>89048</u> (Transferred to New Franchisee) | <u>Eppa, LLC</u> <u>Felipe Garcia Mendez</u> | <u>775-600-</u> <u>9991</u> <u>AdolfoBarrios@yahoo.com</u> |
| <u>NJOH</u> | <u>169 Somerset Street</u> <u>North Plainfield, NJ 07060</u> <u>11510</u> <u>Springdale Pike</u> <u>Cincinnati, OH 45246</u> (Transferred to New Franchisee) | <u>Jennifer Moralde</u> <u>Heidy Herrera</u> | <u>844-673-</u> <u>2260</u> <u>jennifermoralde@gmail.com</u> |
| <u>NY</u> | <u>852 Cypress</u> <u>2444 Harrison Avenue</u> <u>Ridgewood, NY 11385</u> <u>Cincinnati,</u> <u>OH 45211</u> | <u>Ada Ruiz</u> <u>Tiffany Cocha & Jay</u> <u>Batista</u> | <u>253-204-</u> <u>3241</u> <u>tiffany.concha@yahoo.com</u> |

| | | | |
|----|--|------------------------------|-----------------|
| | 7514 Jamaica Avenue Woodhaven, NY 11421 | Iban Rosario & Emma Melendez | 347-985-1400 |
| PA | 2430 W Union Street Allentown, PA 18104 | Jeremias Nivar | 866-357-2281 |
| | 157 E Lehigh Avenue Philadelphia, PA 19125 | Luis Cordero | 888-805-7377 |
| | 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 |
| | Pennsylvania | Juan Carlos Colon | N/A |
| TX | 424 Yarbrough Drive, Suite A El Paso, TX 79915 | El Paso Expansion Group, LLC | 915-205-1117 |
| | 3705 Ryan Avenue Fort Worth, TX 76110 | Anand Kumar | N/A |
| | 6277 Bissonnet Street Houston, TX 77081 | Luis Cruz | 610-463-0991 |
| | 6128 Gulfton Street Houston, TX 77081 | Luis Cruz | 713-489-5897 |
| | McAllen, TX | Lilian Sánchez Vargas | 52-722-582-3742 |
| | McAllen, TX | Lilian Sánchez Vargas | 52-722-582-3742 |
| UT | 757 West Telegraph St, Suite 128 Washington, UT 84780 | Mariah Leyva | 702-940-9662 |



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT II
STATE SPECIFIC ADDENDA

California FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation or endorsement by the commissioner.

1. Item 17 “Renewal, Termination, Transfer and Dispute Resolution: The Franchise Relationship,” is supplemented by the addition of the following:

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 Sections 20000 through 20043 establish the rights of 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.

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 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.

G. The Franchise Agreement requires application of the laws of the State of Nevada. This provision may not be enforceable under California law.

2. 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.

3. 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).

4. 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).

5. Item 6 “Other Fees.” is supplemented by the addition of the following statement: “The highest interest rate allowed by law in the State of California is 10%.”

6. The following URL address is for the franchisor’s website: www.torotaxes.com.

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.dfpi.ca.gov.

~~The department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collections of all initial fees from California franchisee until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.~~

~~No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on ANY STATEMENT MADE BY ANY FRANCHISOR, FRANCHISE SELLER, OR OTHER PERSON ACTING ON BEHALF OF THE FRANCHISOR. THIS PROVISION SUPERSEDES ANY OTHER TERM OF ANY DOCUMENT EXECUTED IN CONNECTION WITH THE FRANCHISE.~~

7. California’s Franchise Investment Law (Corporations Code ~~sections~~Sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) ~~your~~our ability to rely on any representations it makes to you, or (iii) any ~~violations~~violation of the law.

8. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Connecticut FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

1. Item 3 “Litigation.” is supplemented by the addition of the following:

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.

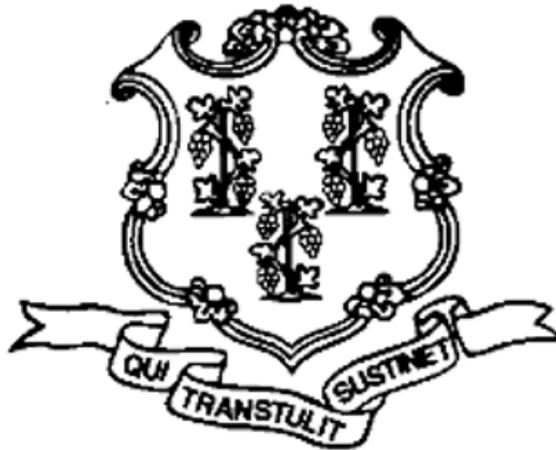
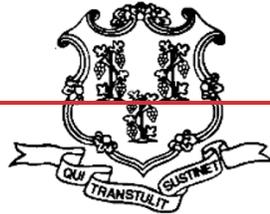
D. Neither Company nor any person identified in Item 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange.

2. Item 4 “Bankruptcy,” is supplemented by the addition of the following:

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.

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract be canceled.

DISCLOSURES REQUIRED BY CONNECTICUT LAW



The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

BUSINESS OPPORTUNITY DISCLOSURE

The following business opportunity disclosure is provided by Toro Taxes Franchise, LLC a registered business in the State of Connecticut.

Disclosure Document is dated: ~~May 31, 2023~~ April 22, 2024

Hawaii FDD Amendment

Amendments to the Toro Taxes
Franchise Disclosure Document

Exhibit ~~KJ~~ "FDD Receipts," is supplemented with the addition of the following:

The Receipt for this Disclosure Document (Exhibit "~~KJ~~") 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.

4. NO STATEMENT, QUESTIONNAIRE OR ACKNOWLEDGMENT SIGNED OR AGREED TO BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL HAVE THE EFFECT OF: (I) WAIVING ANY CLAIMS UNDER ANY APPLICABLE STATE FRANCHISE LAW, INCLUDING FRAUD IN THE INDUCEMENT, OR (II) DISCLAIMING RELIANCE ON ANY STATEMENT MADE BY ANY FRANCHISOR, FRANCHISE SELLER, OR OTHER PERSON ACTING ON BEHALF OF THE FRANCHISOR. THIS PROVISION SUPERSEDES ANY OTHER TERM OF ANY DOCUMENT EXECUTED IN CONNECTION WITH THE FRANCHISE.

Illinois FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

DISCLOSURE REQUIRED BY THE STATE OF ILLINOIS

Illinois Law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois.

Franchisee's 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.

No statement, questionnaire or ~~acknowledgement~~acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on ~~behalf of the Franchisor~~any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial status.~~

Indiana FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

1. Item 8, "Restrictions on Sources of Products and Services." is supplemented by the addition of the following:

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.

2. Item 6, “Other Fees” and Item 9, “Franchisee’s Obligations”, are supplemented, by the addition of the following:

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.

3. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” is supplemented, by the addition of the following:

A. 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.

B. Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

C. 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.

D. 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.

E. 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.

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Maryland FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

~~No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

~~Item 5, "Initial Fees," is supplemented, by the addition of the following:~~

~~Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owned by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.~~

~~Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented, by the addition of the following:~~

- ~~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 three years after the grant of the franchise.~~
- ~~D. 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.).~~

~~No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

Michigan FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

1. 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.

- A. A prohibition of your right to join an association of Franchisees.

B. 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.

C. 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.

D. 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 five 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 six months advance notice of our intent not to renew the franchise.

E. 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.

F. A provision requiring that litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of litigation, to conduct litigation at a location outside this state.

G. 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:

- (i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is our or Sub-franchisor's competitor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) 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.

H. 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).

I. 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.

2. If our most recent financial statements are unaudited and show a net worth of less than \$100,000, 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.

3. 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.

4. 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 FDD Amendment
Amendments to the Toro Taxes
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 SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN 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 6, “Other Fees”, Not sufficient funds are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

B. Item 13, “Trademarks”, Item 13 is supplemented by the addition 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.

C. Item 17, “Renewal, Termination, Transfer and Dispute Resolution.” Item 17 is supplemented by the addition of the following: 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.

D. Item 17 “Renewal, Termination, Transfer and Dispute Resolution.” Item 17 is supplemented by the addition of the following: 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.

E. 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.

~~F. The Minnesota Department of Commerce requires that the franchisor defer the collection of all initial fees from Minnesota franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.~~

~~G.~~ No statement, questionnaire or ~~acknowledgement~~acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) ~~waiting~~waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

New York FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

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 SERVICES OR~~ 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~~THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND ~~NEW YORK~~THE APPROPRIATE STATE ~~DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.~~

OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR ~~CANNOT~~CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS ~~WHICH~~THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

~~Except as provided above, with regard~~With the exception of what is stated above, the following applies 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 one 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.~~

~~5.3.~~ The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for a 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.

~~6.4.~~ 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.

~~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.~~

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~~5.~~ The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”^{2,3} 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

6. Franchise Questionnaires and Acknowledgements - No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7.-Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, 10 business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

North Dakota FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

1. Item 5, “Initial fees”, Item 5 is supplemented by the addition of the following:

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.

2. Item 6, “Other Fees”, Item 6 is supplemented by the addition of the following:

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

3. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17 is supplemented by the addition of the following:

A. 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.

B. 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.

C. 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.

D. 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.

E. 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.

F. 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.

G. 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.

H. 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.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Rhode Island FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17 is supplemented by the addition of the following:

A. 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.

B. 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 FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

~~No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

Item 5, “Initial Fees,” is supplemented by the addition of the following:

~~The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.~~

Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” Item 17(h) is supplemented by the addition of the following:

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 the 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.

No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Washington FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

In recognition of the Washington State Franchise Investment Protection Act, Chapter 19.100 RCW, the following amendments are made to the Franchise Disclosure Document:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. 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.
3. 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.
4. 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.
5. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
6. 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.

7. 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.

8. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Wisconsin FDD Amendment
Amendments to the Toro Taxes
Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.



STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT
~~AND, IF APPLICABLE, MULTI-UNIT DEVELOPMENT AGREEMENT~~

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CALIFORNIA FRANCHISE AGREEMENT AMENDMENT

Amendments to The Toro Taxes Franchise Agreement

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) ~~waiving~~waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have duly executed and delivered this California State amendment to the Toro Taxes Franchise, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Toro Taxes Franchise, LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

HAWAII FRANCHISE AGREEMENT AMENDMENT

Amendments to The Toro Taxes Franchise Agreement

In recognition of the requirements of the Hawaii Franchise Investment Law, the undersigned agree to the following modifications to the Toro Taxes Franchise, LLC Franchise Agreement (the “Franchise Agreement”), as follows:

1. Sub-Article 14.C.(6). Sub-article 14.C.(6), under the Article section titled “Conditions for Approval of Transfer,” is supplemented by the addition of the following language:

; 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 Sub-article contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

2. Sub-Article 15.B.(8). Sub-article 15.B.(8), under the Article section titled “Conditions for Renewal,” is supplemented by the addition of the following:

; 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.

4. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Hawaii State amendment to the Toro Taxes Franchise, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Toro Taxes Franchise, LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

ILLINOIS FRANCHISE ~~AND DEVELOPMENT~~ AGREEMENT AMENDMENT

Amendments to The Toro Taxes Franchise Agreement

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705/1 to 705/45, and Ill. Admin. Code tit. 15, §200.100 et seq., the undersigned agree to the following modifications to the Toro Taxes Franchise, LLC Franchise Agreement (the “Franchise Agreement”) ~~and, if Franchisor and Franchisee both sign the “), as follows: Toro Taxes Franchise, LLC Multi Unit Development Agreement (the “Development Agreement”), as follows:~~

1. ~~Article 18.F. of the Franchise Agreement, and if Franchisee executes a Development Agreement, Article 7.5 of the Development~~ Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added after the end of the last sentence of Article 18.F. of the Franchise ~~Agreement and Article 7.5 of the Development~~ Agreement:

Illinois Addendum: Illinois law governs the agreements between the parties to this franchise.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois.

Franchisee’s 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.

2. ~~Article 18.G. of the Franchise Agreement, and if Franchisee executes a Development Agreement, Article 7.6 of the Development~~ 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 after the end of the last sentence of Article 18.G. of the Franchise ~~Agreement and Article 7.6 of the Development~~ Agreement:

Illinois Addendum: Illinois law governs the agreements between the parties to this franchise.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Franchise Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Franchise Agreement may provide for arbitration to take place outside of Illinois.

Franchisee’s 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.

3. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with

the franchise.

~~4. Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial status.~~

~~5.~~ Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45) are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Illinois amendment to the Toro Taxes Franchise, LLC Franchise Agreement ~~and, if applicable, the Development Agreement~~ on the same date as the Franchise Agreement ~~and Development Agreement were, respectively, was~~ executed.

Franchisor: Toro Taxes Franchise, LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

MARYLAND FRANCHISE ~~AND DEVELOPMENT~~ AGREEMENT AMENDMENT

Amendments to The 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, LLC Franchise Agreement (the “Franchise Agreement²⁾ ~~and, if Franchisor and Franchisee both sign the~~”), ~~as follows: Toro Taxes Franchise, LLC Multi-Unit Development Agreement (the “Development Agreement”), as follows:~~

1. The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

2. 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.

3. Article 18.G. of the Franchise ~~Agreement and, if Franchisee executes a Development Agreement, Article 7.6 of the Development~~ 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. of the Franchise ~~Agreement and Article 7.6 of the Development~~ Agreement:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Article 18.I. of the Franchise ~~Agreement and, if Franchisee executes a Development Agreement, Article 7.8 of the Development~~ Agreement, under the heading “Limitations of Claims,” shall be amended by the addition of the following statement added to Article 18.I. of the Franchise ~~Agreement and Article 7.8 of the Development~~ Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

~~5. Article 18.Q. of the Franchise Agreement does not apply to Maryland franchisees.~~

~~6. Section 7.16 of the Development Agreement does not apply to Maryland franchisees.~~

~~7. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

~~8. Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owned by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.~~

~~9. 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.~~

6. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any

applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Maryland amendment to the Toro Taxes Franchise, LLC Franchise Agreement and, if applicable, the Development Agreement on the same date as the Franchise Agreement and Development Agreement were, respectively, executed.

Franchisor: Toro Taxes Franchise, LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

MINNESOTA FRANCHISE ~~AND DEVELOPMENT~~ AGREEMENT AMENDMENT

Amendments to The 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, LLC Franchise Agreement (the “Franchise Agreement”) ~~and, if Franchisor and Franchisee both sign the Toro Taxes Franchise, LLC Multi-Unit Development Agreement (the “Development Agreement”), as follows:”), as follows:~~

1. Article 14.C of the Franchise Agreement, under the heading “Conditions for Approval of Transfer,” subarticle 14.C(6) is supplemented with the addition of the following language:

; 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.

~~13.~~ 2. Article 15.B of the Franchise Agreement, under the heading “Conditions for Renewal,” subarticle 15.B(8) is supplemented with the addition of the following language:

; 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.

~~13.~~ 3. Under Article 11 of the Franchise Agreement, under the heading “Notification 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 Marks when, in the opinion of Franchisor’s counsel, Franchisee’s rights warrant protection pursuant to Article 11.E. of this Agreement.

~~13.~~ 4. Under Article 14 of the Franchise 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 Franchise Agreement, under the heading “Defaults and Automatic Termination Upon Written Notice Without Cure Period,” 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 Franchise Agreement, under the heading “Defaults and Automatic Termination After 30 Day Cure Period,” the subarticle 16.A.(4)(f), shall be supplemented by the addition of the following:

Subarticle 16.A.(4)(f) will not be enforced to the extent prohibited by applicable law.

7. Under both subarticles 16.A.(2) and 16.A.(4) of the Franchise Agreement, 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 60 days to cure) of this Agreement.

8. Article 18.F. of the Franchise 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 Franchise ~~Agreement and, if Franchisee executes a Development Agreement, Article 7.6 of the Development~~ 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. of the Franchise ~~Agreement and Article 7.6 of the Development~~ Agreement:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Article 18.K of the Franchise ~~Agreement, and if Franchisee executes a Development Agreement, Article 7.10 of the Development~~ 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. of the Franchise ~~Agreement and Article 7.10 of the Development~~ Agreement:

; 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 Franchise ~~Agreement and, if Franchisee executes a Development Agreement, Article 7.8 of the Development~~ 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 Franchise ~~Agreement and if Franchisee executes a Development Agreement, Article 7 of the Development~~ Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.Z. to the Franchise ~~Agreement and Article 7.24 of the Development~~ Agreement:

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. ~~The Minnesota Department of Commerce requires that the franchisor defer the collection of all initial fees from Minnesota franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.~~

~~14. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

~~15. 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.~~

14. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Minnesota State amendment to the Toro Taxes Franchise, LLC Franchise Agreement ~~and, if applicable, the Development Agreement~~ on the same date as the Franchise Agreement ~~and Development Agreement were, respectively, was~~ executed.

Franchisor: Toro Taxes Franchise, LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

NEW YORK FRANCHISE ~~AND DEVELOPMENT~~ AGREEMENT AMENDMENT

Amendments to The 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, LLC Franchise Agreement (the “Franchise Agreement”) ~~and, if Franchisor and Franchisee both sign the Toro Taxes Franchise, LLC Multi Unit Development Agreement (the “Development Agreement”), as follows:”), as follows:~~

1. Under Article 14.C of the Franchise Agreement, under the heading “Conditions for Approval of Transfer,” the subarticle 14.C(6) is supplemented with the addition of the following language:

; 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.B of the Franchise Agreement, under the heading “Conditions for Renewal,” the subarticle 15.B(8) is supplemented with the addition of the following language:

; 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 Franchise ~~Agreement and, if Franchisee executes a Development Agreement, Article 7 of the Development~~ Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.Z. to the Franchise ~~Agreement and Article 7.24 of the Development~~ Agreement:

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, LLC 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, LLC 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.

6. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this New York amendment to the Toro Taxes Franchise, LLC Franchise Agreement ~~and, if applicable, the Development Agreement~~ on the same date as the Franchise Agreement ~~and Development Agreement were, respectively, was~~ executed.

Franchisor: Toro Taxes Franchise, LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

NORTH DAKOTA FRANCHISE AGREEMENT AMENDMENT

Amendments to The Toro Taxes Franchise Agreement

In recognition of the North Dakota Franchise Investment Law, Section 51-19, the parties to the attached Toro Taxes Franchise, LLC Franchise Agreement (the “Franchise Agreement”) agree as follows:

The North Dakota Addendum is only applicable if you are a resident of North Dakota or if your Toro Taxes Office outlet will be located within the State of North Dakota.

1. Article 15 of the Franchise 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 Franchise 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 of the Franchise Agreement are 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 Franchise 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 Franchise 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 Franchise 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 Franchise 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 Franchise 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.

[SIGNATURE PAGE TO FOLLOW]

Franchisor: Toro Taxes Franchise, LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

~~VIRGINIA STATE FRANCHISE AGREEMENT AMENDMENT~~

Amendments to The Toro Taxes Franchise Agreement

No statement, questionnaire or ~~acknowledgement~~**acknowledgment** signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) ~~waiting~~**waiving** any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have duly executed and delivered this ~~Virginia State~~**North Dakota** amendment to the Toro Taxes Franchise, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Toro Taxes Franchise, LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

WASHINGTON STATE FRANCHISE AGREEMENT AMENDMENT

Amendments to The Toro Taxes Franchise Agreement

In recognition of the Washington State Franchise Investment Protection Act, Chapter 19.100 RCW, the parties to the attached Toro Taxes Franchise, LLC Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. 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.
3. 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.
4. 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.
5. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.
6. 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.
7. 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]

8. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any

applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Washington State amendment to the Toro Taxes Franchise, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Toro Taxes Franchise, LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated

VIRGINIA STATE FRANCHISE AGREEMENT AMENDMENT

Amendments to The Toro Taxes Franchise Agreement

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Virginia State amendment to the Toro Taxes Franchise, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: Toro Taxes Franchise, LLC

Franchisee:

Signature

Signature

Name and Title (please print)

Name (please print)

Dated

Dated



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT J
STATE EFFECTIVE DATES



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.



FRANCHISE DISCLOSURE DOCUMENT
EXHIBIT ~~K~~J
RECEIPTS

Toro Taxes Franchise, LLC

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, LLC 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.



Toro Taxes Franchise, LLC
RECEIPT

~~or sooner if required by applicable law. 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, LLC 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, of sooner if required by applicable law.~~

~~Applicable state laws in 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 Toro Taxes Franchise, LLC do not deliver this Disclosure Document on time of 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.~~

~~The Issuance Date of this Disclosure Document is: May 31, 2023~~

~~The franchise sellers for this offering are:~~

| Name | Principal Business Address | Telephone Number |
|-----------------------------|---|-----------------------------|
| Nick Maldonado | 6130 Elton Avenue, Las Vegas, Nevada 89107 | (800)867-6829 |
| Javier Solis | 6130 Elton Avenue, Las Vegas, Nevada 89107 | (800)867-6829 |
| Osear Toro | 6130 Elton Avenue, Las Vegas, Nevada 89107 | (800)867-6829 |
| Carlos Maldonado | 6130 Elton Avenue, Las Vegas, Nevada 89107 | (800)867-6829 |
| | | |

~~I received a Disclosure Document issued on May 31, 2023, that included the following exhibits:~~

| | |
|---|--|
| A. List of State Administrators | G. List of Franchisees |
| B. List of Agents for Service of Process | H. List of Franchisees Who Have Left the System |
| C. Operations Manual Table of Contents | I. State Specific Addenda |
| D. Financial Statements | J. State Effective Dates |
| E. Franchise Agreement | K. Receipts |
| F. Multi-Unit Development Agreement | |

Date

Print Name

Signature

Please sign this copy of the receipt, date your signature, and return it to Toro Taxes Franchise, LLC, 6130 Elton Avenue, Las Vegas, Nevada 89107.

Toro Taxes Franchise, LLC

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, LLC 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, **or sooner if required by applicable law.**

Applicable state laws in 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 Toro Taxes Franchise, LLC does not deliver this Disclosure Document on time of 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 in 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.

The Issuance Date of this Disclosure Document is: **April 22, 2024**

The franchise sellers for this offering are:

| Name | Principal Business Address | Telephone Number |
|------------------|--|------------------|
| Nick Maldonado | 6130 Elton Avenue, Las Vegas, Nevada 89107 | (800)867-6829 |
| Javier Solis | 6130 Elton Avenue, Las Vegas, Nevada 89107 | (800)867-6829 |
| Oscar Toro | 6130 Elton Avenue, Las Vegas, Nevada 89107 | (800)867-6829 |
| Carlos Maldonado | 6130 Elton Avenue, Las Vegas, Nevada 89107 | (800)867-6829 |
| | | |

I received a Disclosure Document issued on ~~May 31, 2023~~ **April 22, 2024**, that included the following exhibits:

| | |
|--|---|
| A. List of State Administrators | GF. List of Franchisees |
| B. List of Agents for Service of Process | HG. List of Franchisees Who Have Left the System |
| C. Operations Manual Table of Contents | HI. State Specific Addenda |
| D. Financial Statements | JI. State Effective Dates |
| E. Franchise Agreement | KJ. Receipts |
| F. Multi Unit Development Agreement | |

| | | |
|-------------|-------------------|------------------|
| Date | Print Name | Signature |
|-------------|-------------------|------------------|

| | | |
|-------------|-------------------|------------------|
| Date | Print Name | Signature |
|-------------|-------------------|------------------|

Please sign this copy of the receipt, date your signature, and return it to Toro Taxes Franchise, LLC, 6130 Elton Avenue, Las Vegas, Nevada 89107.