

**CASH PLUS, INC.**  
**EXHIBIT "D"**  
**FRANCHISE AGREEMENT**



**FRANCHISE AGREEMENT**  
(00-00-00)

**CASH PLUS, INC.**  
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**CASH PLUS, INC.**  
**FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into by and between CASH PLUS, INC., a California corporation ("Franchisor"), and, \_\_\_\_\_ ("Franchisee"), as of the date signed by Franchisor and set forth below Franchisor's signature at the final page of this Agreement. This Agreement is made with reference to the following recitals:

**RECITALS**

A. Franchisor, as the result of the expenditure of time, skill, effort and money has developed and owns a unique and distinctive system ("System") for the establishment and operation of CASH PLUS Stores, or CASH STOR Stores in Canada, (collectively referred to herein as "CASH PLUS Stores"), which provide check cashing, payday advances and other related services.

B. The distinguishing characteristics of the System include, without limitation, unique and specialized training, uniform plans, processes, trade secrets, and styles for the layout and operation of CASH PLUS Stores, including equipment layouts, advertising, sales techniques and materials, signs, interior and exterior decoration and decor, personnel management and control system, bookkeeping and accounting methods and specialized equipment and accessories, and in general, a style, system and method of business operation and procedure developed through and by reason of Franchisor's business experience (the "CASH PLUS System"), all of which may be changed, improved, and further developed by Franchisor from time to time.

C. Franchisor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin ("Proprietary Marks"), including but not limited to the name and mark "CASH PLUS", "CASH STOR" in Canada and such other names, marks and indicia as may now or hereafter be designated by Franchisor in writing for use in connection with the System.

D. Franchisor continues to develop, use, and control the use of the Proprietary Marks in order to identify for the public the source of services and products marketed thereunder and to represent the high standards of quality associated therewith.

E. Franchisee desires to establish and operate a CASH PLUS business ("Franchised Business") in accordance with the System and for that purpose wishes to obtain a franchise from Franchisor. Franchisee understands and acknowledges the importance of Franchisor's high standards of quality and service and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

NOW, THEREFORE, in consideration of the premises and the mutual undertakings and commitments set forth herein, Franchisor and Franchisee hereby agree as follows:

**ARTICLE I. REPRESENTATIONS OF FRANCHISEE**

**Section 1.1.** Franchisee acknowledges and represents to Franchisor, to induce Franchisor to enter into this Agreement, the following:

(a) Franchisee has read this Agreement and Franchisor's Uniform Franchise Offering Circular and understands and accepts the terms, conditions, and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's standards of quality and service and the uniformity of those standards in order to protect and preserve the CASH PLUS System and the goodwill of the Proprietary Marks;

(b) Franchisee has conducted an independent investigation of the business contemplated by this Agreement. Franchisee recognizes that the specific methods of operation conducted at its CASH PLUS Store may, pursuant to Franchisor's directions in accordance with this Agreement, be required to change over time; that an investment in the Franchise which is the subject of this Agreement involves business risks; and that the success of the venture depends primarily upon Franchisee's business ability and efforts;

(c) Franchisee has not received or relied upon any guarantee, express or implied, about the revenues, profits or success of the business venture contemplated by this Agreement;

(d) No representations, either written or oral, have been made by Franchisor or by its officers, directors, employees or agents, that are contrary to the statements made in the Uniform Franchise Offering Circular previously received by Franchisee or to the terms contained in this Agreement;

(e) In all the dealings with Franchisee, the officers, directors, employees and agents of Franchisor have acted, and continue to act, only in a representative capacity, not in an individual capacity, and this Agreement and all business dealings between Franchisee and such individuals as a result of this Agreement are solely between Franchisee and Franchisor; and

(f) The application made by Franchisee to Franchisor to acquire the Franchise is true and correct. Franchisee has made no incorrect statement on the application or failed to make any statement, which is necessary in order to make the statements in the application not misleading.

## ARTICLE II. GRANT OF FRANCHISE

### Section 2.1. Grant.

(a) Franchisor grants to Franchisee during the term of this Agreement a non-exclusive and personal license to use the CASH PLUS System and the Proprietary Marks described in this Agreement (hereinafter collectively referred to as the "Franchise") only in connection with the operation of a CASH PLUS Store ("Franchise Business"). Franchisee accepts this grant, and the right to use the CASH PLUS System and Proprietary Marks in connection with the operation of the CASH PLUS Store operated by Franchisee pursuant hereto, upon the terms and subject to the provisions of this Agreement and all documents ancillary hereto. Franchisee agrees at all times to faithfully, honestly and diligently perform its obligations hereunder and to continuously exert its best efforts to promote and enhance, to its fullest potential, the business of the Franchise Store and the goodwill associated with the Proprietary marks and the CASH PLUS System.

(b) The Franchise granted by this agreement applies to the Store Site specified in Section 3.2 below, and to no other site. Franchisee shall use the CASH PLUS System and the Proprietary Marks solely in connection with, and exclusively for the promotion and conduct of, the CASH PLUS Store in accordance with the terms and conditions of this Agreement, the Manuals and with all instructions, rules and procedures which may be prescribed by Franchisor from time to time with respect to this Agreement. The Proprietary Marks shall be used solely in connection with the sale of, and only to identify, services and products designated by Franchisor. Nothing contained herein shall be construed to authorize or permit the use by Franchisee of the CASH PLUS System or the Proprietary Marks at any other location or for any other purpose.

### Section 2.2. Franchisor's Reservations.

(a) Franchisor reserves the right to improve and change the CASH PLUS System from time to time in its sole discretion. In the event of any change to the CASH PLUS System, Franchisee shall, at its own cost and expense, promptly adopt and use only those parts of the CASH PLUS System specified by Franchisor and shall promptly discontinue the use of those parts of the CASH PLUS System which Franchisor directs are to be discontinued.



(b) Franchisee acknowledges and agrees that Franchisor, in its sole discretion, may modify or vary aspects of the System with respect to any Franchisee or group of Franchisees based on conditions or circumstances that Franchisor determines appropriate including local site conditions, state or local Laws, property use restrictions, sales potential, demographics, local economic conditions, competition and local business practices. Franchisee acknowledges that Franchisor has no obligation to disclose or offer the same or similar modifications or variances to Franchisee.

(c) Franchisor reserves the right, in its sole discretion, to manufacture, produce, distribute or license through any channel of distribution, retail, wholesale or otherwise, any goods or services, regardless of whether or not such goods or services are now, or at any time hereafter, authorized for use at CASH PLUS Stores under the Proprietary Marks or incorporated as part of the CASH PLUS System. Franchisor furthermore is free to determine whether or not to distribute any such goods or services, or to allow them to be distributed and sold under the Proprietary Marks or under a different name or mark. The Franchisor does not grant to Franchisee any right to participate, directly or indirectly, in the activities, which Franchisor has reserved to itself pursuant to this Section 2.2. (c).

### ARTICLE III. FRANCHISE LOCATION AND EXCLUSIVE TERRITORY

**Section 3.1. Franchise Area.** The CASH PLUS Store shall be located within the geographical area (the "Franchise Area") which is described in the document attached hereto as Exhibit "A" and incorporated herein by reference.

**Section 3.2. Franchise Location.**

(a) Franchisee shall conduct the Franchised Business solely at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(\*the "Store Site" to be determined)

(b) If no Store Site has been inserted in Section 3.2 (a) at the time of execution of this Agreement, Franchisee shall acquire through purchase or lease within ninety (90) days following the execution hereof a Store Site meeting Franchisor's then-current standards and specifications, as determined by Franchisor's sole discretion exercised in good faith. At the time the exact Store Site has been selected by Franchisee, then the address shall be provided to Franchisor immediately, and such Store Site shall be subject to Franchisor's prior approval.

In the event that Franchisee fails to lease or purchase an approved Store Site within the aforesaid ninety (90) day period, Franchisor shall have the right to rescind this Agreement in accordance with the procedure established in Article V, Section 5.2 (b) below; provided, further however, that Franchisor may agree upon an extension of said ninety (90) day period, not to exceed thirty (30) days, in the event that in Franchisor's subjective judgment Franchisee's failure to locate an approved Store Site within the prescribed time period did not result from Franchisee's failure to exercise due diligence or use its best efforts.

(c) Franchisee shall not locate the CASH PLUS Store within one (1) mile from any other CASH PLUS Store.

**Section 3.3. Exclusive Territory.** Except as otherwise provided herein, Franchisor shall not operate a CASH PLUS Store, or franchise others to operate a CASH PLUS Store, within the Franchise Area, during the term hereof.

**Section 3.4. Relocation of the Cash Plus Store.** In the event Franchisee loses the right to occupy the premises of the CASH PLUS Store, without fault of Franchisee, at any time during the term hereof, then Franchisee shall relocate the CASH PLUS Store, upon the terms and conditions set forth herein. Franchisee shall, no later than sixty (60) days after closing the CASH PLUS Store, procure a new site in the Franchise Area and commence the construction and equipping of a new CASH PLUS Store. Such site shall be subject to the terms of this Article III and the approval by Franchisor, which approval shall not be unreasonably withheld. Franchisee shall complete the construction and equipping of, and shall open, the CASH PLUS Store within ninety (90) days after the date upon which the Franchisor approves the site.

#### **ARTICLE IV. TERM AND RENEWAL OF FRANCHISE**

**Section 4.1. Initial Term.** Unless sooner terminated in accordance with the provisions of this Agreement, the term of this Agreement shall commence on the date of approval by Franchisor and shall continue for a period of ten (10) years commencing on the date set forth opposite Franchisor's signature (which date is referred to as the "Date of Approval"), unless sooner terminated by Franchisor as provided for in this Agreement.

**Section 4.2. Renewal Options.** In the event that this Agreement has not been terminated prior to its expiration, Franchisee may, at its option, renew this Agreement for two (2) additional terms of five (5) years, subject to the terms and conditions of new or renewing franchises then being granted by Franchisor in the state or states where the Exclusive Area is located on the date each renewal option is exercised, except as otherwise specified in this Section 4.2. The exercise of each renewal option by Franchisee is subject to the following conditions:

(a) Franchisee shall have fully performed all Franchisee's obligations under this Agreement, any amendment thereof, or any other agreement between Franchisee and Franchisor, or its subsidiaries and affiliates, and shall have received no more than two (2) notices of default during any twelve (12) month period during the Initial Term, whether or not defaults in excess of the two were cured;

(b) At the time of renewal, Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its subsidiaries and affiliates;

(c) Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Store Site for the duration of the renewal term or, in the alternative, shall obtain Franchisor's acceptance of a new location for the Franchised Business;

(d) Franchisee shall make or commit to provide for, in a manner satisfactory to Franchisor, such renovation and modernization of the Store premises as Franchisor may reasonably require, to reflect the then-current standards and image of the System;

(e) Franchisee shall comply with Franchisor's then-current qualification and training requirements for Franchisee and its employees;

(f) Franchisee shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its subsidiaries, affiliates, and their respective officers, directors, shareholders, employees, and agents;

(g) Franchisee shall execute Franchisor's then-current form of renewal franchise agreement, which agreement shall supersede this Agreement (except Section 4.2) in all respects, and the terms of which may differ from the terms of this Agreement; provided, however, that Franchisee shall not be required to pay royalty fees more than two (2) percentage points higher than the royalty fees provided under the expiring franchise agreement; and provided that in lieu of an initial fee Franchisee shall pay a renewal fee of Five Thousand and No/100 Dollars (\$5,000).

**Section 4.3. Form and Manner of Exercising Right to Enter into Renewal Agreement.** Franchisee shall exercise its right to enter into a Renewal Agreement in the following manner:

(a) Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than ninety (90) nor more than one hundred eighty (180) days prior to the expiration of the current term.

(b) Franchisee shall pay Franchisor a renewal fee of Five Thousand and No/100 Dollars (\$5,000) and execute Franchisor's then-current form of Renewal Agreement.

(c) If Franchisee fails to perform any of the acts, or to deliver any of the notices required pursuant to the provisions of this Section 4.3, in a timely manner, such failure shall be deemed an election by Franchisee not to exercise its right to enter into a Renewal Agreement, and such failure shall cause Franchisee's said right to lapse and expire.

(d) Provided that Franchisee has exercised its right to enter into a Renewal Agreement in the form and manner described above, and if on the date of the expiration of the current term, Franchisee has complied with all of the conditions contained in Section 4.2, Franchisor shall execute Renewal Agreement and, promptly after expiration of the current term, shall deliver one fully executed copy thereof to Franchisee.

## **ARTICLE V. FEES AND PAYMENTS TO FRANCHISOR**

**Section 5.1. Initial Franchise Fee.** Upon execution of this Agreement for the granting of a Franchise for the operation of a CASH PLUS Store, Franchisee shall forward to Franchisor a cashier's check in the amount of Thirty Five Thousand and No/100 Dollars (\$35,000) as an Initial Franchise Fee if a new location must be established by the Franchisee or Seventeen Thousand Five Hundred and No/100 Dollars (\$17,500) if the Franchisee currently owns an established independent check cashing Store which is being converted to a CASH PLUS Store.

In addition to the Initial Franchise Fee, upon execution of this Agreement, Franchisee shall pay a Grand Opening Marketing Program Fee of Five Thousand Dollars (\$5,000.00) for the purpose and pursuant to the terms and conditions described in Section 14.5 of this Agreement.

If the Franchisee owns all or part of other independent check cashing stores and is granted a CASH PLUS Store Franchise, then as a condition of granting that Franchise, Franchisee shall execute a Franchise Agreement for each such store and pay the Initial Franchise Fee for converting each store to the CASH PLUS System as specified in this Section 5.1. The Franchisee shall bring the converted stores up to current CASH PLUS operating and graphics standards levels that are acceptable to the Franchisor.

If the Franchisee is granted additional Franchise Areas for CASH PLUS Stores, the Initial Franchise Fee shall be Seventeen Thousand Five Hundred and No/100 Dollars (\$17,500) for each additional Area.

For each additional franchise for an Area, the Franchisee shall pay the required Initial Franchise Fee to the Franchisor upon execution of the then-current Franchise Agreement.

Franchisee understands and acknowledges that Franchisor may, in its sole discretion, choose not to offer to grant Franchisee additional Areas.

### **Section 5.2. Refunds.**

(a) Except as otherwise expressly provided herein, the amounts paid pursuant to Section 5.1 shall be deemed fully earned by Franchisor upon the execution of this Agreement and shall not be refundable in whole or in part under any circumstances. Franchisor has no internal financing arrangements for payment of the Initial Fee.

(b) If Franchisee fails to obtain Franchisor's approval for a Store Site and for the Lease of the approved Store Site, as required by Sections 3.2 (b) and 12.1, within ninety (90) days from the Date of Execution, Franchisor has the right, in its sole discretion, to terminate this Agreement. In the event of termination under this provision, Franchisor will refund seventy five percent (75%) of the Initial Franchise Fee paid, less any out of pocket expenses and sales commissions incurred and paid by Franchisor in regard to this transaction.

**Section 5.3. Continuing Royalty Fee.** If Franchisee operates a CASH PLUS Store, then as a continuing royalty fee (the "Royalty"), Franchisee shall pay to Franchisor a sum equal to six percent (6%) of the monthly Gross Sales of the Franchised Business (as defined in Section 5.5) during each calendar month (or portion thereof) of the term hereof with a minimum monthly payment of Five Hundred and No/100 Dollars (\$500.00) commencing from the first day the store is open to the public.

**Section 5.4. Advertising Fee.** In addition to the sums required to be paid pursuant to Section 5.3 above, Franchisee shall pay to Franchisor a sum equal to three percent (3%) of the first \$16,667 of the monthly Gross Sales of the Franchised Business (as defined in Section 5.5), but in any event, not less than a minimum of Three Hundred and NO/100 Dollars (\$300). Thereafter, 1% of Gross Sales up to \$66,667 during each calendar month or portion thereof, commencing from the first day the store is open to the public as an advertising fee (the "Advertising Fee"). At any time and from time to time, Franchisor may direct Franchisee to pay all or any part of such advertising fee to one or more advertising funds organized under the System or may otherwise place conditions upon the use or payment of such fees.

**Section 5.5. Gross Sales.** As used herein, the term "Gross Sales" shall mean the amount of all fees for services rendered and of sales of all products sold in, on, about or from the CASH PLUS Store, whether for cash or on a charge, barter, credit or time basis, without reserve or deduction for inability or failure to collect, and including income of every kind and nature related to the Franchised Business during the term of this Agreement. Gross sales shall not include the amount of any excise or sales tax levied on retail sales and payable over to the appropriate governmental authority.

**Section 5.6. Manner and Time of Payment.**

- (a) All payments provided for in this Agreement shall be made in US currency in the manner specified by Franchisor at Franchisor's principal place of business.

The method of payment specified by Franchisor may include Automated Clearing House (ACH) direct electronic bank debit system, certified check, bank or other financial-institution check or any other method as Franchisor may designate from time to time.

(b) The full amount of the Royalty and Advertising Fee due to Franchisor for each month shall be due payable by Franchisee on the 15th day of the following month. Franchisor, at Franchisor's sole option, may elect to collect Royalty and Advertising Fee payments from Franchisee on a weekly basis for the prior week's Gross Sales either electronically or by check. All payments shall be accompanied by such reports or statements as are required under Article XIII hereof and submitted to Franchisor's principal place of business, or such other place as Franchisor may designate in writing. Any payment or report not actually received by Franchisor or its designee by the due date shall be deemed overdue.

(c) If Franchisee orders through Franchisor any materials or supplies, Franchisee shall pay Franchisor the amount charged for such items when due. Further, all amounts, if any, advanced by Franchisor or which Franchisor has paid, or for which Franchisor has become obligated on behalf of Franchisee, whether or not paid at Franchisee's request, including without limitations, taxes, any payments made on trade accounts to suppliers to maintain the reputation and goodwill of the CASH PLUS System, and payments for required insurance, shall be repaid by Franchisee to Franchisor in full upon demand.

(d) If Franchisee is delinquent in the payment of any obligation to Franchisor under this Agreement, or under any other agreement with Franchisor, Franchisor shall have the right, but not the obligation, to apply all payments from Franchisee to the oldest obligation due, whether under this Agreement or otherwise, notwithstanding any contrary designation by franchisee as to application.

**Section 5.7. Late Payment Fee, Interest and Returned Check Fee.**

(a) Amounts not paid when due hereunder, in addition to causing a breach of this Agreement, shall accrue interest beginning on the first day following the due date at the rate of interest of two percent (2%) per month or the highest possible legal rate of interest for matters of this sort, whichever is higher, until such amount is paid in full. In addition, Franchisor reserves the right to impose a late charge on any payment which is not paid in full on or before the date due of up to One Hundred and No/100 Dollars (\$100) for each delinquent payment.

(b) Notwithstanding the foregoing, if the amount of the payment fee is greater than the amount permitted by applicable law, then such fee shall be reduced to an amount equal to the maximum lawful fee, it being the intention of the parties that such late payment fee shall in no event be greater than that permitted by law.

(c) Franchisor reserves the right to impose a Twenty Five Dollar (\$25.00) fee on any returned check received from Franchisee's bank.

**ARTICLE VI. SERVICES BY FRANCHISOR**

**Section 6.1. General Services.** Franchisor agrees to make available to Franchisee, or assist Franchisee in obtaining, the following:

(a) Such standard construction plans, specifications and layouts for the structures, equipment, furnishings, decor and signs identified with CASH PLUS Stores as Franchisor makes available to all franchisees from time to time. Franchisee, in all respects, shall comply with all such specifications and criteria. Franchisor shall have the right to approve site plans, working drawings, architectural plans, signs plans, equipment plans and interior and exterior designs for the CASH PLUS Store, which approval shall not be unreasonably withheld.

(b) Guidance in the selection of an acceptable site for the location of the Store.

(c) Initial training in the System, including standards, methods, procedures and techniques, at such time and place as Franchisor may designate for its training program, in its discretion, and subject to the other terms of Article XI.

(d) Such assistance as Franchisor determines is appropriate in connection with the opening of the Store by Franchisee.

(e) The use of the CASH PLUS Confidential Operations Manual, other manuals and training aids, as revised by Franchisor from time to time when, in Franchisor's discretion, modifications are necessary.

(f) Such merchandising, marketing and other data and advice as may from time to time be developed by Franchisor and deemed by Franchisor to be helpful in the operation of the Franchised Business.

(g) Such periodic individual or group advice, consultation and assistance, rendered by personal visit or telephone, or by newsletter or bulletins in either paper copy or electronic transmission form

made available from time to time to all CASH PLUS franchisees, as Franchisor may deem necessary or appropriate.

(h) Such bulletins, brochures, manuals and reports as may from time to time be published by or on behalf of Franchisor, regarding its plans, policies, research, development and activities.

(i) Such other resources and assistance as may hereafter be developed and offered by Franchisor to CASH PLUS franchisees.

**Section 6.2. Equipment, Inventory and Supplies.** Franchisee is required to purchase a check cashing software program specifically customized for Cash Plus. Franchisor will arrange to have franchisee purchase this program from a supplier approved by Franchisor.

Franchisor will provide a list of suggested sources of equipment, inventory and supplies, which are necessary to operate the Franchised Business. Franchisor may make some equipment, inventory, marketing and promotional materials, and supply items available for purchase or lease by Franchisee, which may include a markup or profit to Franchisor. Franchisee may purchase inventory, equipment, and supply items from any responsible source, provided, however, that Franchisor shall have prior approval of such suppliers. Franchisee shall notify Franchisor in writing and submit such samples, information, demonstration units, and or specifications as Franchisor so requests. Franchisor shall have thirty (30) days from the date of delivery of such submission and samples to test such equipment and samples or review such information. Franchisor may charge a reasonable testing fee for the testing of the performance and reliability of any equipment or software. Franchisor shall then notify Franchisee of its approval or disapproval. If Franchisee does not receive notice of disapproval within such thirty (30) day period, approval shall be deemed given. Independent suppliers will be approved provided that their products meet the reasonable quality standards established by Franchisor.

**Section 6.3. Subscriptions and Memberships.** Franchisee is required to subscribe to and use the IFX Intranet System provided by IFX International, Inc., in accordance with the terms and conditions set forth in their subscription agreement and approved by Franchisor. Subscription fees are the sole responsibility of Franchisee and shall be paid directly to IFX International, Inc. or as designated by Franchisor.

Franchisor reserves the exclusive right to the form and content of the Intranet System. Franchisee agrees to use the Intranet System as prescribed by Franchisor in the Operations Manual, other manuals and bulletins, as revised by Franchisor from time to time when, in Franchisor's discretion, modifications are necessary. Franchisee shall not use the Intranet System to engage or cooperate in any conduct that reflects unfavorably on the reputation of Franchisee, Franchisor, or the Cash Plus System.

At its sole discretion, Franchisor may terminate the use of the Intranet System or change the supplier.

## **ARTICLE VII. FRANCHISEE'S FORM OF ORGANIZATION**

**Section 7.1. Legal Entity.** If Franchisee is or becomes a corporation, limited liability company or similar legal entity ("Legal Entity") the Legal Entity shall comply with the following requirements:

(a) The Legal Entity shall confine its activities to the establishment and operation of the Franchised Business.

(b) The Legal Entity's organizational documents filed with the state of organization and its Bylaws, Operating Agreement or comparable governing documents shall at all times provide that its activities are confined exclusively to operation of the Franchised Business and that the issuance and transfer of voting stock, or other ownership interest therein, is restricted by the terms of this Agreement.

(c) Franchisee shall furnish Franchisor prior to formation of the Legal Entity copies of its organizational and governing documents and any other documents Franchisor may reasonably request, and any amendments thereto.

(d) Franchisee shall maintain stop-transfer instructions against the transfer on its records of any ownership interests except in accordance with the provisions of Article XIX (transfer). All stock or other evidence of ownership issued by Franchisee's Legal Entity shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate or other evidence of ownership interest:

"The transfer of these ownership interests is subject to the terms and conditions of a Franchise Agreement with Cash Plus, Inc. Reference is made to said Agreement and to the restrictive provisions of the organizational and other governing documents of this company."

**Section 7.2. Partnership.** If Franchisee is or becomes a general partnership, Franchisee shall furnish Franchisor promptly upon request a copy of its partnership agreement and any other documents Franchisor may reasonably request, and any amendments thereto.

**Section 7.3. Records.** Franchisee shall maintain a current list of all general and limited partners and all owners of record and all beneficial owners of any class of voting stock of Franchisee and shall furnish the list to Franchisor promptly upon request.

**Section 7.4. Continuing Guaranty.** Each individual who holds a five percent (5%) or greater ownership interest in Franchisee (including each individual holding a 50% or greater interest in any partnership or corporation having a controlling interest in Franchisee) shall enter into a continuing guaranty agreement under seal, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of the obligations of Franchisee under this Agreement

## ARTICLE VIII. CONFIDENTIALITY

**Section 8.1. Confidential Relationship.** Franchisee expressly understands and agrees that a confidential relationship is established between Franchisor and Franchisee under this Agreement and that, as a result thereof, Franchisor will be disclosing and transmitting to Franchisee certain confidential and proprietary information in connection with the System and Franchisee's operation of the Franchised Business. Franchisee hereby agrees that:

(a) Franchisee shall treat and maintain such information as confidential during the term of this Agreement and thereafter.

(b) Franchisee shall use such information only for its operations under this Agreement.

(c) Franchisee shall disclose such information only to its employees or agents and not to anyone else.

(d) Franchisee shall advise its employees and agents of the confidential nature of such information and the obligation not to disclose it.

(e) At Franchisor's request, Franchisee shall obtain and deliver to Franchisor signed confidentiality agreements from any or all of Franchisee's employees or agents who may have access to confidential information. Such agreements shall be in a form satisfactory to Franchisor and shall identify Franchisor as a third-party beneficiary with the independent right to enforce them.

**Section 8.2 Prior Knowledge.** Any and all information, knowledge, techniques, and know-how, including any and all records and copies thereof in any form, which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate

came to its attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee, was a part of the public domain; or which, after the time of disclosure by Franchisor to Franchisee, becomes a part of the public domain through publication or communication by persons other than Franchisee, its employees or agents.

**Section 8.3 Franchisor Remedy.** Franchisee acknowledges that any failure to comply with the requirements of this Article VIII will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable legal fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of the requirements of this Article VIII.

## ARTICLE IX. CONFIDENTIAL OPERATIONS MANUALS

**Section 9.1. Operations Manuals.** To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the Proprietary Marks, Franchisee shall conduct its business strictly in accordance with the standards and procedures set forth in Franchisor's Confidential Operations Manuals. Franchisor shall loan to Franchisee, concurrently with the commencement of Franchisee's training program, one (1) copy Franchisor's current Operations Manuals. The Operations Manuals, any amendments or additions thereto, and all supplemental manuals, bulletins, notices, and memoranda which prescribe standard methods or techniques of operation and which Franchisor may from time to time deliver to Franchisee, shall be deemed collectively to constitute the "Operations Manuals."

**Section 9.2. Modification of the Operations Manuals.** Franchisor retains the right to modify the Operations Manuals. Any revisions to the contents of the Manuals shall be deemed effective upon receipt, unless otherwise specified by Franchisor. The provisions and requirements set forth in the Operations Manuals, and any additions, deletions or revisions thereto, may not in any event alter Franchisee's fundamental rights and obligations under this Agreement. Franchisee shall at all times insure that its copy of the Manuals are kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by the Franchisor at its headquarters shall be controlling.

**Section 9.3. Confidentiality.** Franchisee agrees to maintain the confidentiality of the contents of the Operations Manuals. The Operations Manuals are the property of the Franchisor, and may not be duplicated or copied in whole or in part in any manner. Upon the termination of this Agreement, Franchisee shall return to Franchisor all copies of the Operations Manuals in its possession.

## ARTICLE X. PROPRIETARY MARKS

**Section 10.1. Non-Ownership of Proprietary Marks.** Franchisor is the owner of all right, title, and interest in and to the Proprietary Marks. Franchisee has no right, title or interest in or to any of the Proprietary Marks, except for franchisee's privilege and license during the term hereof to display and use the Proprietary Marks. Franchisee acknowledges that Franchisee now asserts no claim and later shall assert no claim to any goodwill, reputation or ownership of the Proprietary Marks by virtue of Franchisee's use of them, or otherwise.

**Section 10.2. Acts in Derogation of the Proprietary Marks.** Franchisee agrees that Franchisee shall not do or permit any act or thing to be done in derogation of any of the rights of Franchisor in connection with the Proprietary Marks, either during the term of this Agreement or after, and that Franchisee shall use the Proprietary Marks only for the uses and in the manner licensed under, and as provided in, this Agreement.

**Section 10.3. Prohibition Against Disputing Franchisor's Rights.** During or after the term of this Agreement, Franchisee shall not in any way dispute or impugn the validity of the Proprietary Marks. The



right and license of the Proprietary Marks granted under this Agreement is non-exclusive, and Franchisor thus may:

- (a) Grant other licenses and franchises for the Proprietary Marks, in addition to those licenses already granted;
- (b) Use the Proprietary Marks in connection with marketing and selling products and services;
- (c) Reserve the right to substitute different proprietary Marks for use in identifying the System and the business operating thereunder;
- (d) Develop and establish other systems for the same or similar Proprietary Marks, or any other Proprietary marks, and grant licenses or franchises thereto without providing any rights therein to Franchisee.

**Section 10.4. Use of Proprietary Marks.**

(a) Franchisee shall use only the mark "CASH PLUS" (or "CASH STOR" in Canada) and such other Proprietary Marks as are designated in writing by Franchisor for Franchisee's use, provided that Franchisee shall identify itself as the independent owner of the CASH PLUS Store in the manner prescribed by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor. Any unauthorized use of the Proprietary Marks shall constitute an infringement of Franchisor's rights and a violation of this Agreement.

(b) Franchisee shall affix to the CASH PLUS Store, at such places within or without the CASH PLUS Store as shall be designated by Franchisor in its Operations Manual and as may permissibly be affixed in accordance with Franchisee's lease (if Franchisee is leasing the premises at which the CASH PLUS Store is located), signs containing Franchisor's Proprietary Marks. Except as expressly permitted in the Operations Manual, Franchisee shall not erect or display any other signs, or display any other servicemarks, logo-types, symbols or trademarks in, upon, or in connection with the CASH PLUS Store without Franchisor's prior written approval.

(c) Upon the termination of this Agreement for any reason, Franchisee forthwith shall deliver and surrender to Franchisor each and all of the Proprietary Marks, and any physical objects bearing or containing any of the Proprietary Marks. Alternatively, at Franchisee's election, Franchisee shall obliterate or destroy any Proprietary Marks in Franchisee's possession.

**Section 10.5. Non-Use of Proprietary Marks.** If Franchisee is a corporation, it shall not use Franchisor's Proprietary Marks, or any words or symbols that are confusingly similar to them, in whole or in part, in Franchisee's corporate name.

**Section 10.6. Proprietary Marks Changes.** Franchisor reserves the right to substitute different proprietary marks for use in identifying the System and the business operating thereunder. Franchisee shall accept, use and display, as may be applicable, such modified Proprietary Marks in accordance with the procedures, policies, rules and regulations contained in the Operations Manual or otherwise in writing, as though such modifications were specifically set forth in this Agreement. Franchisor shall not be obligated to compensate Franchisee for any costs incurred by Franchisee in connection with any such modification.

**Section 10.7. Defense of Mark By Franchisor.** Franchisor shall have the sole right to handle disputes with third parties concerning use of the CASH PLUS System, or any part of the CASH PLUS System, including, without limitation, the Proprietary Marks. If Franchisee receives notice, or is informed, of : (i) any claim, suit or demand against it on account of any alleged infringement, unfair competition or similar

matter by reason of its use of the CASH PLUS System in accordance with this Agreement, including, without limitation, its use of the Proprietary Marks, or (ii) any claim by any person of any rights in all or any part of the CASH PLUS System or in any Proprietary Mark, Franchisee shall promptly notify Franchisor in writing of such claim, suit or demand. Franchisee has no right to settle or compromise any such claim, suit or demand. Franchisor shall have sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation, Patent and Trademark Office or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to the CASH PLUS System or any Proprietary Mark. Franchisor shall have the right to defend, compromise or settle any such claim at Franchisee's sole cost and expense, using attorneys of its own choosing. Franchisee shall cooperate fully with Franchisor and execute such documents and perform such actions as may, in the judgment of the Franchisor, be necessary, appropriate or advisable in the defense of such claims, suits or demands and to protect and maintain the interests of the Franchisor in the CASH PLUS System and/or in the Proprietary Marks which are the subject of challenge. Franchisor will indemnify Franchisee for all actual damages (other than those of income) and out-of-pocket expenses incurred by Franchisee in connection with any claim made by any third party for infringement, unfair competition or similar matter arising out of Franchisee's use of The Proprietary Marks or the CASH PLUS System; provided, however, the foregoing obligation of Franchisor to reimburse Franchisee exists only if Franchisee has used the name or mark which is the subject of the controversy in strict accordance with the provisions of this Agreement, the Manuals and any other written procedures, requirements or instructions of Franchisor, has notified Franchisor of the challenge as set forth above, and has otherwise fully cooperated with Franchisor in the defense of any such action.

Franchisee irrevocably grants authority and power of attorney to Franchisor to defend or settle all such claims, demands or suits. Franchisee may participate at Franchisee's own expense in such defense or settlement, but Franchisor's decision with regards to defense or settlement shall be final.

**Section 10.8. Prosecution of Infringers.** If Franchisee receives notice or is informed or learns that any third party, which Franchisee believes to be unauthorized to use the Proprietary Marks, is using the Proprietary Marks or any variant of them, Franchisee promptly shall notify Franchisor of the facts relating to such alleged infringing use. Thereupon, Franchisor, in its sole discretion, shall determine whether or not it wishes to take any action against such third person on account of such alleged infringement of Franchisor's Proprietary Marks or to prosecute any claim of any kind or nature whatsoever against such alleged infringer of Franchisor's Proprietary Marks for or on account of such infringement.

**Section 10.9. Abandonment.** Upon expiration or termination of this Agreement, Franchisor may, if Franchisee does not do so, execute in Franchisee's name an abandonment of the use of all Proprietary Marks which have been registered as assumed or fictitious names by Franchisee.

**Section 10.10. Assignment of Rights.** Franchisee acknowledges and agrees that any patents, trademarks, copyrights, inventions, processes and/or proprietary information developed by Franchisee, its agents, representatives or employees, during the course of its ownership of the Franchise having application to the operation of a CASH PLUS Store shall be the exclusive property of the Franchisor. Franchisee shall immediately notify Franchisor of the discovery or creation of such information and take all steps required by Franchisor to protect and develop such rights and information and to ensure Franchisor's ownership of same, including, but not limited to, execution of any and all required documentation.

## **ARTICLE XI. MANAGEMENT AND TRAINING**

**Section 11.1. Management of the Franchised Business.** Except as Franchisor may otherwise expressly permit in writing, Franchisee (or, if Franchisee is a corporation, a general partnership or a limited liability company, ("Legal Entity") a principal of Franchisee) shall devote full time, energy, and best efforts to the supervision and management of the Franchised Business (and, if applicable, to other CASH PLUS franchised businesses owned and operated by Franchisee). Franchisee shall ensure that the Franchised Business is at all times under the management and supervision of a trained person acceptable to Franchisor.

**Section 11.2. Initial Training.** Promptly following the execution of this Agreement, and prior to Franchisee's commencement of operation of the Franchised Business, Franchisee (or, if Franchisee is a corporation, a general partnership or other Legal Entity, a principal of Franchisee) and Franchisee's designated Manager shall attend and complete, to Franchisor's satisfaction, the initial franchise management training program offered by Franchisor. Such training shall be given at the time and date scheduled by Franchisor at a CASH PLUS Store or training center designated by Franchisor, over a period of time, which Franchisor deems appropriate in its discretion. Franchisee shall be paid no compensation for any services performed by Franchisee during such training period.

Franchisor may require any other principal or employee of Franchisee who is, or subsequently becomes, actively involved in the management of the Franchised Business, to attend and satisfactorily complete such training program as Franchisor may require. If Franchisee or any such person fails to attend and satisfactorily complete a required program, Franchisee may designate a substitute trainee acceptable to Franchisor.

**Section 11.3. Additional Training.** Franchisor shall have the right from time to time to require Franchisee and/or its personnel to attend and complete additional training courses or programs which Franchisor deems to be of major importance to the operation of the Franchised Business by its Franchisee. Such supplementary training may relate to, by way of illustration and not limitation, marketing, bookkeeping, accounting and general operating procedures and the establishment, development and improvement of computer systems and programs. The time and place of such training shall be determined by Franchisor in its sole discretion.

**Section 11.4. Expenses.** Franchisee or its employees shall be responsible for all personal expenses incurred by them in connection with training programs, including, without limitation, costs and expenses of transportation, lodging, meals, and wages and employee benefits. Franchisor reserves the right to charge reasonable fees for materials and/or participation in any training courses or seminars offered by or on behalf of Franchisor, except that no fee shall be charged for the attendance by up to two (2) persons representing Franchisee at the initial franchise management training program.

## ARTICLE XII. OPERATIONS

### **Section 12.1. Location and Lease of Store Site.**

(a) **Timing.** Franchisee, at its sole cost and expense, shall acquire through purchase or lease the approved Location for the CASH PLUS Store no later than ninety (90) days after the effective date of this Agreement

(b) **Location of Store Site.** If the location of the Store Site is not described in Section 3.2. Franchise Location, on the date of execution of this Agreement, Franchisee shall, no later than ninety (90) days following the effective date of this Agreement, select a location acceptable to Franchisor which meets Franchisor's then-current guidelines for site selection. Franchisee acknowledges that it is solely responsible for site selection. Franchisee shall submit to Franchisor in writing the street address of each proposed site. Franchisor shall notify Franchisee within ten (10) days following receipt thereof of its approval or disapproval of each proposed site. Franchisor's approval of a proposed site shall not be unreasonably withheld. Franchisor's failure to notify Franchisee within said ten (10) day period of its approval of the proposed site shall constitute its disapproval. Upon Franchisor's written approval of the location, the parties shall complete Section 3.2. to set forth the street address of the Store Site.

(c) **Lease of Store Site.** Upon Franchisor's approval of the Store Site, Franchisee shall diligently pursue and complete negotiation of the Lease, which Lease shall be subject to Franchisor's prior written approval before Franchisee may execute it. Franchisee shall submit a copy of the proposed Lease to Franchisor, and Franchisor shall have ten (10) days from the date the proposed Lease is submitted to it in which to approve or disapprove the proposed Lease. Franchisor's approval of the proposed Lease shall not

be unreasonably withheld. Franchisor's failure to notify Franchisee within said ten (10) day period of its approval of the proposed Lease shall constitute its disapproval. Following Franchisor's approval, the Lease shall be duly executed by Franchisee and the landlord on all of the material terms and conditions as submitted to Franchisor. Franchisor shall issue its approval of the proposed Lease if all of the following terms and conditions, and those as may be otherwise in writing and provided to Franchisee by Franchisor, are included in the Lease:

(i) A provision stating that the landlord shall consent to Franchisee's assignment of the Lease to any person or entity to whom Franchisee is permitted to assign its rights under this Agreement, provided the proposed assignee agrees in writing to assume all of the terms, covenants and conditions to be performed by Franchisee under the Lease and provides the Landlord with adequate assurance of its ability to perform such obligation for the balance of the Lease term.

(ii) A provision providing for a Lease term, together with one or more renewal options, which in the aggregate permits possession of the Store Site for a period equal to or exceeding the Term of this Agreement, unless Franchisor approves, in writing, a shorter Lease term.

(iii) A provision acknowledging that the Lease does not impose any obligations on Franchisor.

(iv) A provision which declares that upon Franchisor's notice to Franchisee and to the landlord that this Agreement has been terminated or has expired, regardless of whether termination is by Franchisor, by mutual agreement or for any other reason, Franchisor or its nominee shall have the right, at its sole discretion, to receive an assignment of the leasehold interest without the further consent of the landlord being required. Accordingly, the Lease shall contain the following automatic assignment provision:

"This Lease is immediately assignable by (name of Franchisee) to Cash Plus, Inc. or to its nominee, upon Cash Plus Inc.'s written request in the event the Franchise Agreement is terminated or expires. Landlord's consent to the assignment is hereby deemed granted."

(v) A provision requiring the landlord to give Franchisee: (i) written notice of any breach or claim or breach of the Lease by Franchisee, and (ii) a reasonable opportunity to cure the breach. The Lease shall obligate the landlord to deliver a copy of said written notice concurrently to Franchisor. The notice shall specify the existence and nature of the breach and the length of time permitted under the Lease for Franchisee to cure the default. In the event Franchisee fails to timely cure said default, the Lease shall require the landlord to give Franchisor the right, but not the obligation, for a reasonable period of time, to cure said breach and, upon such completion, to succeed to Franchisee's leasehold interest.

(vi) A provision stating that no amendment, modification or waiver of any provision of the Lease by the landlord or Franchisee shall conflict with the conditions set forth in this Section 12.1.

(vii) A provision whereby Franchisee shall irrevocably appoint Franchisor as Franchisee's attorney-in-fact to execute in Franchisee's name and on Franchisee's behalf all documents appropriate or necessary to assign its rights in and to the Lease to Franchisor pursuant to the terms and conditions contained in this Agreement and in such Lease and, further, to carry out the other obligations set forth in the Lease described herein.

(viii) A provision whereby the landlord agrees not to lease premises in the immediate vicinity of the CASH PLUS Store to competing retail establishments that sell check cashing services, payday advances and related services without Franchisor's prior written consent.

**Section 12.2. No Representation.** Neither Franchisor's approval of a site selected by Franchisee as the Store Site, nor Franchisor's approval of the Lease, constitutes a warranty or guarantee by Franchisor of the location's potential for success.

**Section 12.3. Construction of the CASH PLUS Store.**

(a) Following Franchisor's approval of the Lease, Franchisee promptly shall construct the CASH PLUS Store at the approved location in strict conformity with the specifications delivered by Franchisor to Franchisee and in strict accordance with the final plans, drawings and specifications provided by Franchisee and approved by Franchisor in writing, which approval shall not be unreasonably withheld.

(b) Within ninety (90) days after construction begins, Franchisee shall complete construction and installation of all fixtures, signs, furnishings, machinery, and equipment, and shall obtain all business and other permits, acquire necessary inventory, employ all personnel, and do all other acts necessary to make the CASH PLUS Store ready to commence business. Franchisee shall not open the CASH PLUS Store until it has been inspected, and approved in writing, by Franchisor, and that Franchisee is approved and authorized to offer a minimum of services that will be determined, from time to time, by Franchisor.

(c) Franchisee shall be excused from timely performance of Franchisee's obligations set forth in Subsection (a) and (b) above only because of causes beyond the reasonable control of Franchisee, such as strikes, material shortages, fires and other acts of God, which Franchisee, by exercise of due diligence, could not have avoided.

**Section 12.4. Inspection.** Franchisee shall permit Franchisor or its agents to enter and inspect the Store premises at any reasonable time. Franchisee shall cooperate fully with Franchisor and its agents in such inspections and render such assistance as they may reasonably request. Immediately upon notice of any deficiencies detected in such inspections by Franchisor or its agents, Franchisee shall take such steps as may be necessary to correct such deficiencies, including the temporary closing of the Store if so directed by Franchisor. Without limiting Franchisor's other rights and remedies, Franchisor shall have the right, if Franchisee fails or refuses to act promptly, to make or cause to be made such corrections as may be required and to collect the costs and expenses of correction from Franchisee.

**Section 12.5. Destruction of Premises.** If the CASH PLUS Store is damaged or destroyed by fire, earthquake, flood, or other such occurrences, Franchisee shall, to the extent permitted by Franchisee's lease repair and restore the CASH PLUS Store in accordance with the then-existing plans and specifications of Franchisor as soon as possible. Franchisee shall commence such reconstruction within thirty (30) days after such occurrence, and shall complete said reconstruction within ninety (90) days after its commencement, excluding delays of a non-financial nature beyond Franchisee's reasonable control.

**Section 12.6. Operating Standards.** Franchisee understands and acknowledges that every detail of the System and the Franchised Business is important to Franchisee, Franchisor, and other CASH PLUS franchisees to maintain high and uniform operating standards, to increase the demand for the services and products sold by all franchisees, and to protect the reputation and goodwill associated with the Proprietary Marks. Franchisee further covenants and agrees that:

(a) Franchisee shall use the Store solely for the operation of the Franchised Business, shall keep the Store open and in normal operation for such minimum hours and days as Franchisor may from time to time specify or approve in writing, and shall refrain from using or permitting the use of the Store premises for any other purpose or activity at any time without the express prior written consent of Franchisor.

(b) Franchisee shall install and use in and about the Store only such equipment, fixtures, furnishings, interior and exterior signs, inventory and supplies, and other items (collectively the "CASH PLUS Materials") including, but not limited to, computer station(s), digital photo system and the Answers, etc. operating software program, as strictly conform to the standards and specifications for CASH PLUS Stores as set forth in the Manuals or otherwise in writing and revised by Franchisor from time to time.

(c) Franchisor shall have the right, at any time during the term hereof, to require Franchisee to acquire new equipment or fixtures for the CASH PLUS Store, in addition to or in replacement of the equipment and fixtures acquired pursuant to this Agreement, if Franchisor determines, in its business judgment reasonably exercised, that due to changes in technology or in its products or services, or for other business reasons, it is appropriate or necessary that Franchisee acquire such new equipment or fixtures. Franchisor shall exercise its said right in good faith, and shall require the same acquisitions of all CASH PLUS Stores similarly situated. Franchisor shall deliver to Franchisee a notice in writing specifying such new equipment or fixtures, the standards and specifications therefore, and the terms of any financing or leasing plans Franchisor may make available to its franchisees for their acquisition. Franchisee shall acquire all such new equipment or fixtures at such time as Franchisor shall specify.

(d) Franchisee shall, commencing six (6) months prior to the expiration of the fifth year of the initial term of this Agreement, refurbish and remodel the Franchised Location in the same manner and under the same terms and conditions as is required and as is described in the immediately preceding paragraph, provided that renovation pursuant to this paragraph may include, but not be limited to, repair or replacement of the equipment, fixtures, furnishings, interior and exterior signs, inventory and supplies and may include major structural changes in the Franchise Location and building design so as to conform as closely as possible to the Franchisor's plans and specifications.

(e) Franchisee shall maintain the Store premises and all adjacent areas in good, clean, attractive and safe condition at all times. Franchisee shall, at its expense, undertake all maintenance and make all repairs, replacements, alterations, and additions as may be required for that purpose, including, without limitation, periodic cleaning, repainting and repairs.

(f) Franchisee shall offer and sell from the Store all services and products authorized by Franchisor and shall not offer or sell any other services or products of any kind or character without the express prior written consent of Franchisor. Franchisee shall discontinue offering any services or products (whether or not previously authorized by Franchisor) promptly upon notice from Franchisor.

(g) Franchisee shall use and display sales, marketing, and promotional materials provided by Franchisor from time to time, in the manner and for the time periods designated by Franchisor. Franchisee shall ensure that all forms, stationery, signs and other printed materials used in connection with the Franchised Business bear the Proprietary Marks in the form, colors, location and manner prescribed by Franchisor and otherwise comply with the standards and specifications prescribed by Franchisor from time to time in the Manuals or otherwise in writing.

**Section 12.7. Conduct.** Franchisee shall not engage or cooperate in any conduct that reflects unfavorably on the reputation of Franchisee, Franchisor, or the System or impairs the goodwill associated with the Proprietary Marks, including conduct which jeopardizes Franchisee's good relations with the owners of Host Sites or the customers and creditors of the Franchised Business, or which constitutes a deceptive or unfair trade practice or otherwise violates applicable law or regulations.

**Section 12.8. Insurance.** Franchisee shall purchase, and at all times during the term hereof maintain, policies of insurance with such minimum standards, coverage, and limit (or such additional limits of types of coverage) as Franchisor may from time to time prescribe in the Operations Manual or otherwise in writing. As proof of such insurance, a certificate of insurance shall be submitted by Franchisee for Franchisor's approval prior to Franchisee's commencement of operations under this Agreement and upon each renewal or change of Franchisee's insurance policy. Upon request, Franchisee shall deliver to Franchisor or its agent a complete copy of Franchisee's then-prevailing policy of insurance at any time during or after the term of this Agreement.

**Section 12.9. Suggested Prices.** Franchisor shall endeavor to ascertain those prices and/or fees, which Franchisor believes will maximize the profits of Franchisee, and Franchisor shall advise Franchisee, from time to time, as to the various suggested prices and/or fees in this regard. Franchisor and Franchisee hereby

agree that any such list or schedule of prices and/or fees furnished to Franchisee by Franchisor is by way of recommendation only, and is not to be construed as binding or mandatory upon Franchisee. Nothing contained herein, however, shall be deemed a representation by Franchisor that Franchisee's use of Franchisor's suggested prices and/or fees will in fact maximize profits.

**Section 12.10 Employee Hiring.** During the term of this Agreement and for a period of two (2) years after its termination or expiration, Franchisee covenants that Franchisee shall not, either directly or indirectly, employ or seek to employ any person who is at that time (or was within the previous six (6) months) employed by Franchisor or any other CASH PLUS franchisee, or franchise developer without the prior express permission of such employer, or otherwise directly or indirectly induce any such employee to leave his or her employment. The parties agree that in the event of a breach of this covenant, actual damages would be extremely difficult to compute, and accordingly, in the event of such a breach, the breaching party agrees to pay the employer of such person liquidated damages equal to the greater of (a) such person's prior annual salary or (b) the annual salary and any bonus and other benefits paid or to be paid by the breaching party to such person during the first year of employment.

**Section 12.11 Crisis Situations.**

(a) If an unusual event ("Crisis Situation") occurs in regard to Franchisee's Store that has caused or may reasonably cause harm or injury to its customers, guests or employees or may materially damage the System, the Marks or our reputation (such as robbery, shooting, hostage, threats of or acts causing death or serious bodily injury, sabotage, natural disaster or other newsworthy situation), You agree to (1) contact the appropriate emergency, police or other governmental agencies immediately to assist you in responding to any harm or injury; and then (2) inform us immediately by telephone and/or telefax of the Crisis Situation. You agree that neither you nor any of your employees or representatives will make any internal or external announcement, comment or other communication to the news media regarding the Crisis Situation unless specifically authorized by us or by an authorized public official and will instruct your employees.

(b) You agree that if we deem it necessary or appropriate, we may in our sole and absolute discretion control the manner of handling the Crisis Situation, including, without limitation, conducting all communications with the news media, offering care, benefits and/or immediate compensation for any injured persons and, if reasonably deemed necessary, closing your business temporarily. You acknowledge that in the management of any Crisis Situation, we may engage the services of attorneys, doctors, testing laboratories, experts, public relations agencies and other firms and individuals as we deem appropriate. You agree that you, your employees and all other representatives acting on your behalf will cooperate fully with us in our efforts and activities to respond to any Crisis Situation, will provide access to all information available to you regarding the Crisis Situation and will follow all then existing Crisis Situation procedures developed by us.

**ARTICLE XIII. ACCOUNTING AND RECORDKEEPING**

**Section 13.1. Daily Reports.** Franchisee shall prepare a Revenue and Royalty Calculation report or other such report or form which shall be prescribed by Franchisor pursuant to the Operations Manual, setting forth Gross Sales, and such other data as Franchisor may reasonably request, for each month's business operations at the CASH PLUS Store. With respect to each month during the term hereof, Franchisee shall deliver the Revenue and Royalty Calculation form or other such report or form, assembled for each such month, to Franchisor no later than the 15th day of the following month.

**Section 13.2. Financial Statements.** Within twenty-five (25) days after the expiration of each calendar month, Franchisee shall furnish Franchisor with a profit and loss statement, the form of which shall be described by Franchisor, of the Franchised Business for such previous calendar month. No later than thirty (30) days after the expiration of each calendar year, Franchisee shall, at its expense, furnish to Franchisor, in such form as may be required by Franchisor pursuant to the Operations Manual or otherwise in writing, a statement of profit and loss and balance sheet of the Franchised Business for the calendar year. All such financial statements shall be prepared in accordance with the format established by Franchisor, in

accordance with generally accepted accounting principles and certified to be true and correct by Franchisee. Franchisor reserves the right to require submission of audited or review financial statements prepared, at Franchisee's expense, by an independent certified public accountant acceptable to Franchisor.

**Section 13.3. Accounting Records.** Franchisee shall maintain during the term of this Agreement, and shall preserve for at least three (3) years after the dates of their preparation, complete and accurate books and records for all business activities conducted at the Cash Plus Store, prepared in accordance with generally accepted accounting principles, and in accordance with such other requirements as may be set forth in the Operations Manuals or otherwise in writing from time to time.

**Section 13.4. Examination of Records.** Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, and tax returns of Franchisee and the Franchised Business. Franchisor shall also have the right, at any time, to have an independent audit made of the books of the Franchised Business. If an examination or audit should reveal that any Gross Sales have been understated in any report to Franchisor, then Franchisee shall pay Franchisor the continuing royalty and advertising fees due on such understated Gross Sales immediately upon demand, together with interest at the rate provided in Section 5.7 above. In addition, if an examination or audit reveals that Gross Sales of Franchisee were understated by two percent (2%) or more during the period audited, Franchisee shall reimburse Franchisor for all costs and expenses in connection with the audit. The foregoing remedies shall be in addition to any other remedies available to Franchisor.

**Section 13.5. Other Reports.** From time to time, Franchisor shall have the right to require Franchisee to produce and provide such other reports as applies to, but not limited to, list of customers, demographic customer profiles, advertising/marketing/public relation data, and any and all business information data that, in Franchisor's sole determination, will contribute to evaluating the performance of the Cash Plus System in general and that of individual Franchisees. Franchisor shall have the right to access Franchisee's computer database system and information to secure such information.

#### **ARTICLE XIV. ADVERTISING, PROMOTION, AND MARKETING**

**Section 14.1. Contribution.** Franchisee shall contribute for advertising, promotion, and marketing purposes an amount equal to three percent (3%) of its monthly gross sales, allocated as follows:

(a) If a System fund ("System Fund") is established at any time or from time to time under the System, Franchisee shall contribute an amount designated by Franchisor, but not to exceed three percent (3%) of gross sales, to the System Fund.

(b) If both a System Fund and a regional advertising fund ("Regional Fund") for the region in which the Franchised Business is located are established, Franchisee shall contribute such amounts as Franchisor may designate from time to time to each fund, but not to exceed a total of three percent (3%) for both.

**Section 14.2 Establishment and Direction of the Funds.** Franchisee agrees that Franchisor shall have the right, in its sole discretion to establish a System Fund and any number of Regional Funds (collectively, the "Funds"), to be maintained and administered by Franchisor and/or its designees as follows:

(a) Franchisor shall direct all advertising, promotional and marketing programs with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Funds are intended to maximize general public recognition and acceptance of the Proprietary Marks for the benefit of all CASH PLUS franchisees, and that Franchisor and its designees are not obligated in administering the Funds to make expenditures for Franchisee benefits directly or pro rata from expenditures by the Funds.



(b) The Funds, all contributions thereto, and any earnings thereon shall be used exclusively to meet any and all costs of maintaining, administering, researching, directing, and preparing advertising, promotional and marketing activities (including, among other things, the cost of creating, producing, placing, and conducting television, radio, and print advertising campaigns; creating, producing and distributing promotional materials for use on and off the Store premises, including signs and posters, direct mail, promotional brochures, and outdoor billboard advertising; marketing surveys and research; public relations activities; and employing advertising agencies and consultants to assist therein).

(c) Franchisee shall contribute to the System Fund and any Regional Fund for Franchisee's region by separate checks made payable to each Fund. All sums paid into the Funds shall be kept in accounts separate from the other monies of Franchisor and shall not be used to defray any of Franchisor's general expenses, except for such reasonable administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration and direction of the Funds and advertising programs for Franchisees and the System. The Funds and their earnings shall not otherwise inure to the benefit of Franchisor. Franchisor or its designees shall maintain separate bookkeeping accounts for the Funds.

(d) Franchisor is not obligated to spend all of the contributions to the Funds in any calendar year. If advertising, promotional and marketing costs exceed or fall short of the aggregate advertising funds collected for such calendar year, the excess or shortfall shall be carried over to the succeeding calendar year.

(e) Upon the written request of the Franchisee, Franchisor shall provide Franchisee with a written statement indicating on a calendar year basis (or fiscal year basis at Franchisor's sole option) the total amount of the contributions collected and the total costs incurred by Franchisor related to advertising and promotions. If such accounting is made by an independent accounting firm, the expenses thereof shall be paid from the Fund.

(f) Although each Fund is intended to be of perpetual duration, Franchisor maintains the right to terminate any Fund. No Fund shall be terminated, however, until all monies in the Fund have been expended for the purposes described above or returned to contributors on a prorated basis of their contributions.

(g) Franchisee acknowledges that nothing in this Agreement creates any duty by Franchisor to account to Franchisee for the collection or disposition of the Funds or creates any trust or beneficial interest in the Fund on the part of the Franchisee.

**Section 14.3. Approval.** All advertising, promotional, and marketing activities conducted by Franchisee in its local market area shall be subject to the prior approval of Franchisor. Franchisee shall submit to Franchisor (by personal delivery or certified mail, return receipt requested) for its prior approval (except with respect to prices to be charged) all local advertising, promotional and marketing plans and samples of all local advertising materials not prepared or previously approved by Franchisor or its designated agents. If written disapproval thereof is not received by Franchisee within ten (10) business days after the date of receipt by Franchisor, such plans and materials shall be deemed approved. If any plans or materials previously approved by Franchisor are later disapproved, Franchisee shall discontinue their use promptly upon notice from Franchisor.

**Section 14.4. World Wide Web.** Franchisee is strictly prohibited from developing and establishing a World Wide Web site or engaging in any form of World Wide Web advertising, listing, promotion or participation, of any kind, for the purpose of promoting the Cash Plus business, without the express written consent of Franchisor. In the event Franchisee breaches this Section, notwithstanding all other remedies available to Franchisor under this Agreement, Franchisee grants Franchisor the Power of Attorney to take any and all actions deemed necessary by Franchisor to cure the breach.

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Franchisee Initials

**Section 14.5. Grand Opening Marketing Program.** Upon execution of this Agreement, Franchisee shall pay a Grand Opening Marketing Program Fee of Five Thousand Dollars (\$5,000.00). This fee will be credited to expenses incurred by Franchisee in the performance of the Grand Opening Marketing Program outlined in the Operations Manual or other written directives by Franchisor. Upon completion of the Grand Opening Marketing Program, which Franchisee agrees to complete no later than sixty (60) days from the date of the Store opening, Franchisee shall provide Franchisor with written evidence of expenditures in the conduct of the Grand Opening Marketing Program and Franchisor shall reimburse Franchisee up to the maximum Grand Opening Marketing Program fee paid by Franchisee. Any balance due Franchisee shall be paid within thirty (30) days following completion of Franchisee's Grand Opening Marketing Program activities, and submission to Franchisor of a final accounting statement prepared by Franchisee. Notwithstanding any other remedies provided for in this Agreement, in the event Franchisee fails to complete the Grand Opening Marketing Program within the prescribed time, Franchisor shall have the right to control and direct the reasonable use of the Grand Opening fee on behalf of Franchisee, without time limitation, for marketing, sales and promotion activities deemed, in Franchisor's sole discretion, to be in the best interests of Franchisee.

## ARTICLE XV. COVENANTS NOT TO COMPETE

**Section 15.1.** Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information concerning the operational, sales, promotional and marketing methods and techniques of Franchisor and the System. Franchisee covenants as follows:

(a) During the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, or for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity, own, maintain, operate, engage in, be employed by, or have any interest in any business similar to the Franchised Business (except pursuant to other franchise agreements between Franchisee and Franchisor). Franchisee also shall cause its shareholders, directors, officers, and employees to refrain from such activities. This prohibition applies not only to direct competition, but also all forms of indirect competition, such as consultation of competitive businesses, or any assistance or transmission of information of any kind or nature whatsoever that would be of any material assistance to a competitor. Notwithstanding the foregoing, nothing in this Agreement shall prevent Franchisee or its shareholders, directors, officers or employees from owning for investment purposes, up to an aggregate of five percent (5%) of the outstanding capital stock of any such competitive business provided such business, is a publicly held corporation whose stock is listed and trades on a national or regional stock exchange.

(b) For a period of two (2) years immediately following the termination of this Agreement, Franchisee shall not, either directly or indirectly, have any interest in any business similar to the business franchised hereunder, or engage in any business which offers any services which are competitive with CASH PLUS, either as a proprietor, a partner, shareholder, director, officer, employee, principal, agent, advisor or consultant, at a location within the Franchise Area designated hereunder, or within twenty-five (25) miles of any CASH PLUS Store in existence or planned as of the time of termination or expiration of this Agreement. Franchisee also shall cause its shareholders, directors, officers, and employees to refrain from such activities. This prohibition applies not only to direct competition, but also to all forms of indirect competition, such as consultation for competitive businesses, or any assistance or transmission of information of any kind of nature whatsoever that would be of material assistance to a competitor. Notwithstanding the foregoing, nothing in this Agreement shall prevent Franchisee or its shareholders, directors, officers or employees from owning for investment purposes, up to an aggregate of five percent (5%) of the outstanding capital stock of any such competitive business, provided such business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange.

**Section 15.2.** The parties agree that each of the foregoing covenants shall be construed as independent of every other covenant or provision of this Agreement. If all or any portion of a covenant in this Article XV is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made part of this Article XV.

**Section 15.3.** Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article XV. Franchisee shall pay all costs and expenses (including, without limitation, reasonable legal and accounting fees) incurred by Franchisor in connection with the enforcement of this Article XV.

**Section 15.4.** Franchisee acknowledges that Franchisee's violation of the terms of this Article XV would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article XV.

**Section 15.5.** At Franchisor's request, Franchisee shall obtain and deliver executed covenants similar to those set forth in this Article XV from any and all persons who have or may have an ownership interest in Franchisee or in the Franchised Business or who receive or have access to training and other information under the System. Such covenants shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them.

## ARTICLE XVI. TAXES, PERMITS, INDEBTEDNESS

**Section 16.1. Tax Filings and Payments.** Franchisee shall prepare and file all necessary tax returns, and shall pay any and all city, county, state and federal sales and use taxes imposed or incurred, or levied or assessed by any governmental body, in connection with any part of this Agreement or any of the services furnished by Franchisee in connection with the Franchised Business, promptly, in full, and when due.

**Section 16.2. Disputes.** In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business or any improvements thereon.

**Section 16.3. Compliance with Laws, Rules and Regulations.** Franchisee shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses to do business, fictitious name registration, sales tax permits, and other permits, certificates, and licenses that may be required.

**Section 16.4. Notification of Proceedings.** Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, that may adversely affect the operation or financial condition of the Franchised Business.

## ARTICLE XVII. RELATIONSHIP OF THE PARTIES

**Section 17.1. Control Over Franchise Business.** Franchisee understands and agrees that Franchisor's control over the operation of the franchise business is limited to Franchisee's strict adherence and compliance to the policies, procedures, systems, forms and other operational mandates set forth in the Cash Plus Operations Manuals, bulletins, operation updates and other written and electronically transmitted operation directives issued by Franchisor, and the terms and conditions of this Agreement. Franchisee further understands and agrees that any deviation from the operation policies and procedures established by Franchisor in the operation of the franchise business and the servicing of customers may have irreparable and injurious consequences to Franchisor. In the event of any such deviation by Franchisee resulting in any third party attempting to hold Franchisor liable for acts committed by Franchisee, in direct violation of the established and mandated operation policies and procedures established by Franchisor, Franchisee shall hold itself solely responsible, to third-party complainant, for its actions and absolve and hold harmless Franchisor of any liabilities or obligations.

**Section 17.2. Independent Contractor.** It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them; that Franchisee shall be an independent contractor; and that nothing in this Agreement is intended to constitute either party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

**Section 17.3. Posting of Notice.** During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Store premises and on stationery and written or graphic materials, the content and form of which Franchisor reserves the right to specify.

**Section 17.4. Liability for Acts and Omissions.** It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on behalf, or to incur any debt or obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Franchised Business or for any claim or judgment arising therefrom against Franchisee or Franchisor.

## ARTICLE XVIII. INDEMNIFICATION

**Section 18.1. Indemnification and Hold Harmless.** Franchisee shall, at all times, protect, defend, indemnify and hold harmless to the fullest extent permitted by law Franchisor, its subsidiaries, affiliates, successors and assigns and the respective directors, officers, employees, agents and representatives of each (collectively, the "indemnitees") from and against any and all cost, expenses (including attorney's fees and court costs), losses, liabilities, damages, claims and demands of every kind or nature incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted which arises in any way out of Franchisee's operation of the Cash Plus Store or is based upon any of the following:

- (a) Franchisee's violation, breach or asserted violation or breach of any contract, federal, state or local law, regulation, rule, order, standard or directive, or of any industry standard;
- (b) Libel, slander or any other form of defamation by Franchisee;
- (c) Franchisee's violation or breach of any warranty, representation, agreement or obligation in this Agreement;
- (d) Acts, errors or omissions of Franchisee or any of its agents, servants, employees, contractors, partners, affiliates or representatives.

**Section 18.2. Notification.** Franchisee shall promptly notify Franchisor of any action, suit, proceeding, claim, demand, inquiry or investigation as described above. If Franchisor is or may be named as a party in any such action, Franchisor may elect (but under no circumstances will be obligated) to undertake the defense and/or settlement thereof. No such undertakings by Franchisor shall, in any manner or form, diminish Franchisee's obligation to indemnify Franchisor and to hold it harmless.

**Section 18.3. Remedy Rights.**

(a) With respect to any action, suit, proceeding, claim, demand, inquiry or investigation, Franchisor may, at any time and without notice, in order to protect persons or property or the reputation or goodwill of Franchisor or others, order, consent or agree to any settlement or take any remedial or corrective action as Franchisor deems expedient, if, in Franchisor's sole judgment, there are reasonable grounds to believe that:

- (i) any of the acts or circumstances enumerated in Section 18.1 have occurred; or
- (ii) any act, error, or omission of Franchisee may result directly or indirectly in damage, injury or harm to any person or any property.

(b) All losses and expenses incurred under this Article XVIII shall be chargeable to and paid by Franchisee pursuant to its obligations of indemnity hereunder, regardless of any actions, activity or defense undertaken by Franchisor or the subsequent success or failure of such actions, activity or defense.

(c) Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee. Franchisee agrees that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by the Indemnitees from Franchisee.

**ARTICLE XIX. TRANSFER OF INTEREST AND RIGHT OF FIRST REFUSAL**

**Section 19.1. Transfer by Franchisee.**

(a) Franchisee understands and acknowledges that the rights and duties of Franchisee set forth in this Agreement are personal to Franchisee and that Franchisor has granted this franchise in reliance on the business skill, financial capacity, and personal character of Franchisee and Franchisee's principals. Accordingly, Franchisee agrees that Franchisor's express prior written consent shall be a necessary condition precedent to the sale, assignment, transfer, conveyance, gift, pledge, mortgage, encumbrance, or hypothecation of any of the following:

- (i) any direct or indirect interest in this Agreement or the franchise and license granted hereunder;
- (ii) any direct or indirect interest in Franchisee;
- (iii) all or substantially all of the assets of the Franchised Business.

Except as specifically provided in this Article XIX, any purported assignment or transfer, by operation of law or otherwise, not having the express prior written consent of Franchisor shall be null and void and shall constitute a material breach of this Agreement. Franchisee acknowledges and agrees that each condition required to be met by a proposed transferee hereunder is necessary to assure the transferee's full performance of its obligations as "Franchisee" hereunder.

(b) If Franchisee is an individual or a general partnership, Franchisee shall be entitled to transfer the franchise and Franchisee's interest in this Agreement to a corporation, limited liability company or limited partnership ("Legal Entity") formed for convenience of ownership. Franchisor will charge no transfer fee for the first such transfer; however, Franchisor's consent to any such transfer shall be subject to the following conditions:

(i) Franchisee shall be the owner of ownership interests in the Legal Entity, and, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the Legal Entity as he or she had in Franchisee prior to the transfer, and

(ii) Franchisee shall comply with the terms and conditions set forth for franchisee Legal Entities under Article VII.

**Section 19.2. Conditions for Consent to Transfer.**

(a) Franchisor will not unreasonably withhold its consent to a transfer of any interest in Franchisee, this Agreement, or in the franchise; provided, however, that Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval:

(i) Franchisee shall have fully complied with all of the terms and provisions of this Agreement or any other agreement with Franchisor, its subsidiaries and affiliates, and, at the time of transfer, shall not be in default thereof;

(ii) All of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor, its subsidiaries and affiliates shall be satisfied;

(iii) If the obligations of Franchisee were guaranteed by the transferor(s), the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

(iv) Franchisee and the transferor(s) shall execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its officers, directors, shareholders, employees, and agents, in their corporate and individual capacity, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances.

(b) If a transfer, alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring financial or management control of Franchisee or the franchise, Franchisor may require, in its sole discretion and in addition to the conditions provided in Section 19.2 (a), any or all of the following as conditions of its approval:

(i) The transferee (or, if the transferee is a corporation or partnership, the principals of the transferee) shall demonstrate to Franchisor's satisfaction that they meet Franchisor's then-current standards for new franchisees under the System; possess good moral character, business reputation, and credit rating; have the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise); and have adequate financial resources and capital to operate the Franchised Business;

(ii) The transferee shall execute a new franchise agreement, the standard form of franchise agreement then being offered by Franchisor and such other ancillary agreements as Franchisor may require, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, higher royalty and advertising fees; provided, however, that no initial franchise fee shall be required;

(iii) If requested by Franchisor, the transferee shall make or commit to provide for, in a manner satisfactory to Franchisor, such renovations and modernization of the Store premises as Franchisor may reasonably require to reflect the then-current standards and image of the System;

(iv) The transferee shall assume all of the obligations of Franchisee under the lease or leases, if any, for the CASH PLUS Store operated pursuant hereto;

(v) The transferee, or its designated manager, shall satisfactorily complete the initial training program then required of all new franchisees of Franchisor, unless such training is waived by Franchisor, in writing, by reason of the transferee's prior experience or training.

**Section 19.3. Transfer Fee.** Franchisee or transferee shall pay to Franchisor a nonrefundable transfer fee to compensate Franchisor for its costs and expenses in connection with each proposed transfer subject to Section 19.2, as follows:

(a) A fee not to exceed Three Thousand Five Hundred Dollars (\$3,500) for any transfer of a non-controlling interest governed solely by Section 19.2 (a), or for the transfer of a controlling interest to (i) a person whose full-time occupation during the two (2) years immediately preceding the proposed transfer has been serving as the manager of the Franchised Business, or (ii) a current CASH PLUS franchisee who has satisfied all obligations and substantially complied with all material requirements under its agreements with Franchisor, its subsidiaries and affiliates up to and including the time of the proposed transfer;

(b) A fee not to exceed Five Thousand and No/100 Dollars (\$5,000) for any other transfer of a controlling interest to a person other than those specified in Section 19.3 (a), provided, however, that such person is not a new franchisee located and acquired by Franchisor on behalf of Franchisee. In such event, Franchisee shall pay Franchisor a transfer fee equivalent to the then-current Initial Franchise Fee being charged to new Franchisees at that time.

**Section 19.4. Death or Incapacity of Franchisee.** The transfer of Franchisee's interest to the Franchisee's heirs, personal representatives or conservators, as applicable, in the event of the death or legal incapacity of Franchisee, shall not constitute an Assignment requiring Franchisor's consent and does not give rise to the Franchisor's right of first refusal as provided in Section 19.5, provided that the heirs, personal representatives or conservators, as applicable, meet Franchisor's standards for new franchisees, agree to be bound by the terms and conditions of the agreement then in effect between Franchisor and Franchisee, and execute in writing a consent to be so bound, and provided further that within ninety (90) days after the death of Franchisee (or death of a principal shareholder of Franchisee if Franchisee is a corporation), a person designated by Franchisee's heirs, personal representatives or conservator (as applicable) shall have satisfactorily completed Franchisor's then-current initial training program. If at the time of such death, Franchisee has employed a manager who has satisfactorily completed such a training program, such manager shall be deemed to have satisfied such training requirements. All such transfers shall be subject to the same conditions as any inter vivos transfer; however, no transfer fee will be charged in the case of a transfer by devise or inheritance.

If the heirs or beneficiaries of the deceased or legally incapacitated Franchisee are unable to meet the conditions set forth in this Article XIX, the executor, administrator, or personal representative shall have a reasonable time to dispose of the deceased or legally incapacitated Franchisee's interest, which disposition shall be subject to the same conditions as any inter vivos transfer. If such interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement.

**Section 19.5. Right of First Refusal.**

(a) Any person ("seller") who receives and desires to accept a bona fide offer from a third party to purchase all or part of the seller's interest in Franchisee, this Agreement, or the franchise shall notify Franchisor in writing (certified mail, return receipt requested) of each such offer. Franchisor is hereby granted the right of first refusal in regard to any such offer or transfer to purchase such interest on the same terms and conditions. If the consideration, terms or conditions offered by a third party are such that

Franchisor may not reasonably be required to furnish the same, Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the cash consideration, Franchisor may appoint an independent appraiser, whose determination shall be binding.

(b) To enable Franchisor to determine whether it will exercise its option, Franchisee and the seller shall provide such information and documentation, including complete details of all of the terms, conditions and provisions of the proposed transfer, copies of all agreements which may be assumed by or assigned to the transferee, as Franchisor may require. After receipt of all such information, Franchisor shall have thirty (30) days after actual receipt of such offer within which to accept or reject it. If Franchisor does not exercise its option as provided hereunder, the seller may sell the interest, subject to Franchisor's consent as otherwise required under this Article XIX. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of an initial offer.

**Section 19.6. Assignment by Franchisor.** This Agreement shall inure to the benefit of Franchisor, its heirs, successors, and assigns, and Franchisor shall have the right to transfer and assign all or any part of its interest herein, including its rights under Section 19.5, to any person or legal entity.

## ARTICLE XX . RESCISSION, DEFAULT AND TERMINATION

**Section 20.1. Rescission Due to Failure to Obtain Location or to Complete Initial training.** If Franchisee fails to obtain lawful possession of an approved Location for the CASH PLUS Store by lease, purchase or other method within ninety (90) days after execution of this Franchise Agreement, or if, during the Initial Training, the Franchisor, in its sole discretion, determines that Franchisee is unable to successfully complete the instruction course to Franchisor's satisfaction, Franchisor shall have the right to disqualify Franchisee and terminate this Agreement. Such termination shall be effective upon delivery to Franchisee of written notice of rescission under this section. Within ten (10) business days after such rescission, Franchisor shall return to Franchisee seventy five percent (75%) of the Initial Franchise Fee paid, less any out of pocket expenses and sales commissions incurred and paid by Franchisor and related to the Franchisee.

**Section 20.2. Termination Without Notice.** Except as otherwise required or prohibited under applicable statute, this Agreement and all rights granted to Franchisee hereunder shall automatically terminate, without prior notice to Franchisee, upon the occurrence of any or all the following events, each of which shall be deemed to be an incurable breach of this Agreement which Franchisee shall have no right or opportunity to cure:

(a) If Franchisee abandons the CASH PLUS Store.

(b) If Franchisee becomes insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or filed against Franchisee and not opposed by Franchisee; or if Franchisee is adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law are instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if a suit to foreclose any lien or mortgage against the premises or equipment of the Franchised Business is instituted against Franchisee and not dismissed within thirty (30) days; or if execution is levied against Franchisee's business or property; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable;



(c) If Franchisee or any partner or shareholder in Franchisee purports to sell, assign, transfer, pledge, hypothecate, or encumber, in whole or in part, this Agreement or the CASH PLUS Store in violation of the terms hereof;

(d) If an audit or investigation conducted by Franchisor discloses that Franchisee has knowingly understated Gross Sales or withheld the reporting of same as herein provided;

(e) If Franchisee defaults in any material obligation as to which Franchisee has previously received two (2) notices of default from Franchisor within the preceding twelve (12) months, whether or not such repeated default is cured;

(f) If in the Franchisor's reasonable judgment, Franchisee's continued operation of the Franchised Business will result in an imminent danger to public health or safety;

(g) If Franchisee (or if Franchisee is a corporation, general partnership or limited liability company ("Legal Entity"), any principal of Franchisee) makes or has made any material misrepresentations relating to its acquisition of the franchise or engages in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchised Business, the System, the Proprietary Marks, and the goodwill associated therewith;

(h) If Franchisee (or if Franchisee is a corporation or general partnership or limited liability company ("Legal Entity"), any principal of Franchisee) is convicted of a felony, a fraud, a crime involving moral turpitude, or found liable in a civil claim for fraud or any unfair or deceptive act or practice that Franchisor believes is reasonably likely to have an adverse effect on the Franchised Business, the System, the Proprietary Marks, and the goodwill associated therewith, or

(i) If Franchisee fails, for a period of ten (10) days after notification of noncompliance, to comply with any federal, state, or local law or regulation applicable to the operation of the Franchised Business.

**Section 20.3. Termination with Notice.** Except as otherwise required or prohibited under applicable statute, Franchisee shall be deemed to be in default, and Franchisor at its option may terminate this Agreement and all rights granted Franchisee hereunder, effective immediately upon receipt of notice by Franchisee and without affording Franchisee any opportunity to cure the default, upon the occurrence of any of the following events:

(a) If Franchisee fails to commence construction or remodeling of the Store, or fails to open the Store for business within the time periods specified in Section 3.4 and Section 12.1;

(b) If Franchisee (or if Franchisee is a corporation general partnership or limited liability company ("Legal Entity"), any principal of Franchisee) fails to comply with the covenants not to compete in Article XV;

(c) If Franchisee or its designee fails to attend and complete the initial franchise management training program required by Franchisor, as provided in Section 11.2;

(d) If an approved transfer is not effected within a reasonable time, as required under Section 19.4, following Franchisee's death or mental incapacity, or

(e) If Franchisee repeatedly fails to pay on a timely basis its taxes or other governmental charge, rent, lease payments, or payments to suppliers or other trade creditors.

**Section 20.4. Termination with Notice and Right to Cure Default.** Except as provided in Sections 20.2 and 20.3 hereof, and except as otherwise prohibited or required under applicable statute, Franchisor shall have the right to terminate this Agreement for "good cause". As used herein, "good cause" means a breach

by Franchisee of any material obligation of this Agreement. Franchisor shall exercise its right to terminate this Agreement upon notice to Franchisee upon the following circumstances and in the following manner:

(a) Except with respect to Franchisee's failure to pay any of the sums due Franchisor hereunder, or except as herein expressly provided, Franchisor may terminate this Agreement only upon fifteen (15) days prior written notice to Franchisee, setting forth the material breach complained of. If Franchisee cures said breach, prior to the end of such period, Franchisor's right to terminate this Agreement shall cease; provided, however, that if, because of the nature of the breach, Franchisee is unable to cure the same within the fifteen (15) day period, Franchisee shall be given such additional time as shall be reasonably necessary within which to cure the breach, upon condition that Franchisee shall, upon receipt of such notice from Franchisor, immediately commence to cure the breach and continue to use its best efforts to do so.

(b) With respect to any default by Franchisee of his obligation to pay any sums due Franchisor under this Agreement or any related or ancillary agreement, Franchisor may terminate this Agreement upon not less than five (5) days prior written notice of such default. If Franchisee cures the default prior to the end of such period, Franchisor's right to terminate shall cease.

(c) The description of any default in any notice served by Franchisor hereunder upon Franchisee shall in no way preclude Franchisor from specifying additional or supplemental defaults in any action, arbitration, hearing or suit relating to this Agreement or the termination thereof.

**Section 20.5. Notice Required By Law.** Notwithstanding anything to the contrary contained in this Article, if any valid applicable law or regulation of a governmental authority having jurisdiction over this franchise and the parties limits Franchisor's rights of rescission or termination under this Agreement or requires longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon rescission or termination required by such laws and regulations. Franchisor shall not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination thereof.

**Section 20.6. Cross Default.** Any default by Franchisee of any other agreement between Franchisor or its parent or affiliated companies or the owners of a Host Site and Franchisee shall be deemed a default under this Agreement, and any default by Franchisee of this Agreement shall be deemed a default under any and all other agreements between Franchisor and Franchisee. If the nature of such default under any other agreement would have permitted Franchisor to terminate this Agreement, had the default occurred hereunder, Franchisor shall have the right to terminate this and all of the other agreements between Franchisor or its parent or affiliated companies and Franchisee in the same manner as provided herein for termination of this Agreement.

**Section 20.7. Obligations Upon Termination and Expiration.** In the event of rescission or termination of this Agreement, whether by reason of default, lapse of time or other cause, Franchisee shall comply with all of the following requirements and hereby appoints the then-acting President of Franchisor as its attorney-in-fact to carry out any of the requirements which Franchisee refuses to perform:

(a) Franchisee must pay to Franchisor within ten (10) days after the effective date of termination or expiration, the amounts due to Franchisor including, any unpaid Royalty Fees, Advertising Fees and all other amounts owed to Franchisor or to Franchisor's principals or affiliates for purchases or otherwise, which are then unpaid together with interest and late charges due on such payments.

(b) Franchisee must immediately modify the design, decor and operating methods of the Store in a manner acceptable in writing to Franchisor so that such design, decor and appearance no longer suggests or indicates a connection with the CASH PLUS System. De-identification of the Store shall require, among other things, that Franchisee change color schemes, counter tops, wall and floor coverings,

and remove all lobby, storefront and window signs, any laminate, wood or other trim decor as specified in the Cash Plus standard store design as defined in the Operations Manuals and other physical objects, including, without limitation, displays, materials, inventory items and other articles which bear or display any of the Proprietary Marks.

(c) After termination or expiration Franchisee must:

(i) not directly or indirectly at any time or in any manner identify itself or any other business which it owns as a current or former CASH PLUS Store or CASH PLUS Franchisee or as otherwise being associated with Franchisor;

(ii) not use any of Franchisor's Marks or colorable imitations thereof or other indicia of a CASH PLUS Store in any manner or for any purpose, including using the words "Cash" or "Plus" or any style of dollar-sign symbol in any business name or signage, including using red, blue or similar colors in any marks, symbols or logos, or utilize for any purpose any trade name, mark or symbol which suggests or indicates a connection or association with Franchisor;

(iii) take such action as may be required to cancel all fictitious names or equivalent registrations relating to Franchisee's use of any of the Proprietary Marks;

(iv) immediately return to Franchisor its copy of the Manuals and all copies of the reporting forms, completed customer application forms and other written materials pertaining to the Franchised Business in Franchisee's possession;

(v) immediately cease using Trade Secrets of Franchisor disclosed to Franchisee pursuant to this Agreement; and

(vi) cancel or change all telephone numbers, internet addresses and other communication equipment listings used in operating the CASH PLUS Store, or assign such listings to Franchisor or to its designee as Franchisor directs. Franchisee hereby grants to Franchisor his power of attorney to cause such assignment.

Franchisee's Initials: \_\_\_\_\_

(d) All obligations of the parties that expressly or by their nature survive the expiration or termination of this Agreement continue in full force and effect subsequent to such termination or expiration until they are satisfied in full.

(e) Any action described in this Section 20.7, which is not carried out to completion within thirty (30) days after termination or expiration may be taken at Franchisee's expense by Franchisor or its agents, except that Franchisor may immediately, upon termination or expiration, remove or cover all of the signs and other physical objects which bear any of the Proprietary Marks. Franchisee grants Franchisor and its agents the right to enter the CASH PLUS Store in order to exercise the rights retained by Franchisor herein.

(f) Franchisee remains fully liable for any and all obligations of the Franchise Business and the CASH PLUS Store incurred prior to the effective date of termination or expiration and for so long as Franchisee remains in possession of the Store Location, including, without limitation, obligations arising under this Agreement or under any other agreement which Franchisee has with Franchisor, Franchisor's principals or its affiliates relating to the Franchised Business, obligations owed to third parties, obligations for the payment of salaries, taxes, and other expenses associated with the Franchised Business.

(g) Within fifteen (15) days after the date of termination or expiration of this Agreement, Franchisor may arrange for an inventory, at Franchisor's cost, of all personal property, fixtures, equipment, supplies, and inventory located at the Store or used in connection with the Franchised Business, including,

without limitation, any and all items bearing the Proprietary Marks or Cash Plus trade name. Franchisor shall have the option, exercisable in thirty (30) days after termination or expiration, to purchase any and all such items from Franchisee at fair market value. If the parties cannot agree on a fair market value within a reasonable time, Franchisor may designate an independent appraiser, whose determination shall be binding. If Franchisor elects to exercise any option to purchase hereunder, it shall have the right to set off all amounts due from Franchisee under this Agreement and the cost of the appraisal, if any, against any payment for items purchased.

(h) Franchisee and each of its officers, directors, partners and shareholders, as appropriate, must execute a general release in a form satisfactory to Franchisor, dated as of the effective date of termination or expiration, in favor of Franchisor and its officers, directors, shareholders, employees and affiliates, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

**Section 20.8. Option to Purchase Franchise Assets.** If this Agreement terminates for any reason, Franchisor shall have the right, but not the obligation, to purchase the Franchise Business from Franchisee at fair market value as of the time of termination, exclusive of personalized materials with no value to Franchisor, and inventory and supplies not reasonably required in the operation of the business. If Franchisee and Franchisor cannot agree upon a purchase price, then the purchase price will be the average of three independent appraisals of Franchisee's business. Franchisor and Franchisee shall each select an appraiser qualified to evaluate a business of this kind and the third appraiser will be agreed upon by the other two appraisers. Both parties shall share equally in the appraisers' charges. In the event Franchisor elects to purchase the business from Franchisee, the Franchisor shall pay Franchisee 30% of the purchase price in cash upon transfer of ownership, the remaining 70% shall be paid in seven (7) equal payments during the subsequent seven (7) month period. In the event Franchisor purchases the Franchise Business from Franchisee, it is understood and agreed by Franchisee that the purchase price will include a 5-year non-compete agreement. If a price cannot be arrived at within sixty (60) days after the termination of this Agreement, then Franchisor may withdraw its election to exercise its option under this Section.

**Section 20.9. Early Termination.** If this Agreement is terminated as a result of repudiation, default or other action by Franchisee without material default by Franchisor, and Franchisor, in Franchisor's sole opinion decides not to purchase Franchisee's assets in accordance with Section 20.8 above, then Franchisee agrees in addition to any other remedy or right Franchisor may have, to pay Franchisor in lump sum as liquidated damages the amount of fourteen percent (14%) times the gross sales (as defined in Section 5.5 above) of the Franchised Business for the twelve months immediately preceding termination of this Agreement or 24 times the monthly Continuing Royalty Fee (as defined in Section 5.3 above), whichever is greater. The parties hereby acknowledge and agree that the precise amount of Franchisor's actual damages in such event would be extremely difficult to ascertain and that the foregoing sum represents a reasonable estimate of such actual damages, based upon the approximate time it would take Franchisor to establish another franchised Cash Plus store in the vicinity. Such liquidated damages shall not apply if this Agreement is terminated as a result of Sections 19.4 or 19.5 above.

## ARTICLE XXI. ARBITRATION

**Section 21.1. Submission to Arbitration.** Except as set forth in this Section 21.1 and Section 21.2, any dispute between the parties which involves this Agreement and cannot be resolved by the parties themselves will be submitted to binding arbitration in accordance with the rules of the American Arbitration Association applicable to commercial arbitration. Such arbitration will be held within the county where Franchisor's executive headquarters are located (the "Home County"), and judgment upon the decision of the arbitrator may be entered in any court having jurisdiction upon the decision of the arbitrator may be entered in any court having jurisdiction over the matter. However, arbitration will not be used for any dispute which involves Franchisee's continued usage of any of the Marks or the Franchise System or any issue involving injunctive relief against Franchisee, all of which issues will be submitted initially to a court

within the Home County. The parties expressly consent to personal jurisdiction in the Home County as set forth above and agree that such court(s) will have exclusive jurisdiction over any such issues not subject to arbitration. If any legal action is necessary to enforce the terms and conditions of this Agreement and is brought before binding arbitration, the prevailing party shall be entitled to recover reasonable compensation for preparation, investigation and arbitration costs and reasonable attorney's fees, as fixed by the arbitrator. The parties each agree that prior to arbitration, they will attempt to resolve the dispute through mediation, using any available mediation service satisfactory to both parties. Both parties shall share equally in the mediator's charges.

**Section 21.2. Exceptions to Arbitration.** Any claim or controversy involving or contesting the validity of any of the Proprietary Marks shall not be submitted to Arbitration. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the state of California in the judicial district in which Franchisor has its principal place of business and do hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

## **ARTICLE XXII. GENERAL PROVISIONS**

**Section 22.1. Governing Law.** This Agreement shall be interpreted and construed under the laws of the state where the Store Site is located, which laws shall prevail in the event of any conflict of law.

**Section 22.2. Entire Agreement.** This Agreement and the documents referred to herein constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede all prior negotiations, understanding, representations and agreements, if any. Franchisee acknowledges that it is entering into this Agreement as a result of its own independent investigation and not as a result of any representations of Franchisor, or its agents, officers, or employees, not contained in any offering circular, prospectus, disclosure document, or other similar document required or permitted to be given to Franchisee pursuant to applicable law.

**Section 22.3. Amendment.** This Agreement may not be amended orally but may be amended only by a written instrument signed by the parties. Franchisee expressly acknowledges that no oral promises or declarations were made to franchisee and that the obligations of the Franchisor are confined exclusively to the terms in this Agreement. Franchisee understands and assumes the business risks inherent in this enterprise.

**Section 22.4. Notices.** All notices and other communications required or permitted to be given hereunder will be deemed given when delivered in person, sent by telefax to such person's telefax number, sent by registered or certified mail addressed to the recipient at the address set forth below, unless that party will have given such written notice of change of address to the sending party, in which event the new address so specified will be used. If mailed, such notice shall be deemed to have been received three days after mailing, and if sent by overnight delivery, such notice shall be deemed to have been received the day following sending.

Notices to Franchisor:

**CASH PLUS, INC.**  
**Attn: Legal Department**  
**3002 Dow Avenue, Suite 120**  
**Tustin, CA 92780**

Notices to Franchisee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telefax: \_\_\_\_\_

**Section 22.5. Construction And Interpretation.**

(a) The titles and subtitles of the various sections and paragraphs of this Agreement are inserted of convenience and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement.

(b) If any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning that renders it valid.

(c) The words “Franchisor” and “Franchisee”, may be applicable to one or more parties, the singular includes the plural, and the masculine includes the feminine and neuter. If there is more than one party or person referred to as Franchisee under this Agreement, then their obligations and liabilities are joint and several.

(d) The word “shall” as used in this Agreement is used as a command. The wording “including” as used in this Agreement is used in a nonexclusive sense.

**Section 22.6. Severability.** Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provision of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any part, article, section, paragraph, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement shall not fail on account of such holding, and the balance of this Agreement shall continue in full force and effect.

**Section 22.7. Effect of Waiver.** No failure of Franchisor to exercise any power reserved to it by this Agreement or to insist on strict compliance by Franchisee with any obligation or condition under this Agreement, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of Franchisor’s right to demand exact compliance with any of the terms in this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not affect or impair Franchisor’s rights with respect to any subsequent default of the same, similar, or different nature. Any delay, forbearance, or failure of Franchisor to exercise any power of right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants of this Agreement, shall not affect or impair Franchisor’s rights under this Agreement, or right to declare any subsequent breach or default and to terminate this Agreement.

**Section 22.8. Attorney’s fees.** Franchisee shall pay all damages, costs and expenses (including, without limitation, reasonable legal and accounting fees) incurred by Franchisor in connection with the enforcement of this Franchise Agreement, including non-judicial collection matters, confidentiality requirements, covenants not to compete, and post-termination requirements. If any legal action is necessary to enforce the terms and conditions of this Agreement and is litigated before a court of competent jurisdiction, the prevailing party shall be entitled to recover reasonable compensation for preparation, investigation and court costs and reasonable attorney’s fees, as fixed by a court of competent jurisdiction, except as otherwise provided under Article XXI, Section 21.1, Submission to Arbitration.

**Section 22.9. Remedies Cumulative.** The parties shall be entitled to any and all remedies at law or in equity, in addition to any remedies set forth in this Agreement.

**Section 22.10. Guaranty.** If Franchisee is a corporation, a partnership, or more than one individual, each shareholder, general partner, or individual, as the case may be, shall jointly, severally and unconditionally guaranty Franchisee’s performance hereunder pursuant to the Guaranty Agreement attached as Exhibit “B” hereto. A material breach of such Guaranty Agreement shall be deemed a material breach of this Agreement.

**Section 22.11. Effectiveness of Agreement.**

(a) The submission of this Agreement does not constitute an offer and this Agreement shall become binding upon Franchisor only upon the execution of it by an authorized officer of Franchisor.

(b) The acknowledgment by Franchisor shall not be deemed to be nor constitute an acceptance hereof by franchisor. No sales representative of franchisor has any authority whatsoever to modify any of the terms of provisions of this Agreement or any of the agreements and/or documents herein described, or to execute any of the same on behalf of Franchisor, unless expressly authorized in writing by Franchisor.

**Section 22.12. Legal Entity Franchisee.**

(a) If Franchisee is a corporation, there are set fourth below, the name and address of each director of Franchisee:

Name	Address
_____	_____
_____	_____
_____	_____
_____	_____

(b) If Franchisee is any other legal entity there are set forth below the name and address of each person owning an interest in Franchisee:

Name	Address	Percentage Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(c) There are set forth below the names, and addresses and titles of Franchisee's principal officers or partners who shall be devoting their full time to Franchisee's business:

Name	Address
_____	_____
_____	_____
_____	_____
_____	_____

(d) The address where Franchisee's records are maintained is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(d) Franchisee shall notify Franchisor in writing within ten (10) days of any change in the information set forth in subsections (a) through (d) above.

**Section 22.13. No Guarantee of Success.** The success of the business venture contemplated to be undertaken by Franchisee by virtue of this Agreement is speculative and depends, to a large extent, upon the ability of Franchisee to operate a check cashing store in accordance with the terms and provisions of this Agreement as well as other factors. **Franchisee hereby declares that neither the Franchisor, nor any of its agents or representatives, has made any representation or warranty as to the potential success of the business venture contemplated herein and have made no financial projections of any kind with respect to the income potential of said venture.**

**Initials of Franchisee specifically acknowledging Section 22.13. \_\_\_\_\_**

**Section 22.14. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

Franchisee confirms that he has read all of the foregoing Agreement and hereby accepts and agrees to each and all of the provisions, covenants and conditions thereof. Franchisee hereby acknowledges receipt of a copy of this Agreement and of a full disclosure statement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year set forth below.

Witness \_\_\_\_\_ **FRANCHISEE:** \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date of Execution: \_\_\_\_\_, \_\_\_\_\_

Witness \_\_\_\_\_ **FRANCHISEE:** \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date of Execution: \_\_\_\_\_, \_\_\_\_\_

Witness \_\_\_\_\_ **FRANCHISOR: CASH PLUS, INC.**  
By: \_\_\_\_\_  
Craig W. Wells,  
Title: President, Cash Plus, Inc.  
APPROVED on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_



**EXHIBIT "A" TO FRANCHISE AGREEMENT**

**FRANCHISE AREA**

The Franchise Area referred to in Section 3.1 shall be:

**FRANCHISEE:** \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_, \_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date of Execution: \_\_\_\_\_, \_\_\_\_\_

**FRANCHISOR: CASH PLUS, INC.**

By: \_\_\_\_\_

Craig W. Wells,

Title: President, Cash Plus, Inc.

APPROVED on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

**EXHIBIT "B" TO FRANCHISE AGREEMENT**

**PERSONAL GUARANTEE AND ASSUMPTION OF OBLIGATIONS**

THIS PERSONAL GUARANTY AND ASSUMPTION OF OBLIGATIONS (Guaranty) is given this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_, Guarantor(s).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement to which this Guaranty is attached as an exhibit (the "Agreement") by Cash Plus, Inc. ("Franchisor"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that \_\_\_\_\_, ("Franchisee"), its successors and assigns, shall faithfully perform and fulfill each and every obligation, undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for, the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. Said personal guaranty by the undersigned shall commence upon the date of any default under the Agreement by Franchisee.

Each of the undersigned consents and agrees that: (1) his or her liability under this Guaranty shall be joint and several; (2) he or she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

This Guaranty is a guaranty of payment and performance and not of collection. Upon failure of any kind by Franchisee to make any payment due under the Agreement, Franchisor may proceed directly and at once without notice against the undersigned Guarantor(s) to collect and recover the full amount due under the Agreement or any portion thereof without proceeding first against Franchisee. In the event of any action at law or in equity between Franchisor and Franchisee to enforce any of the provisions and/or rights hereunder, the unsuccessful party to such litigation covenants and agrees to pay to the successful party, all costs and expenses including reasonable attorney's fees incurred therein by such successful party and if such successful party shall recover final judgment in any such action or proceeding, such costs, expenses and attorney's fees shall be included in and as a part of such judgment.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his or her signature on the same day and year as the Agreement was executed by Franchisee.

GUARANTOR(S)

GUARANTOR(S)

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