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FRANCHISE DISCLOSURE DOCUMENT

ESTRELLA FRANCHISING CORP.
A Florida Corporation
3750 West Flagler Street
Miami, Florida 33134
Phone: (305) 443-2829
franchise@estrellainsurance.com (E-mail address)
www.estrellainsurance.com (web address)

As a franchisee, you will operate an insurance agency and financial services business ("Franchised Business") under the ESTRELLA INSURANCE trademark and system. The total initial investment required for each individual Commercial Office Franchised Business ranges from $49,950 to $84,000. This includes a $25,000 franchise fee that must be paid to the franchisor. The total initial investment required for each individual Home-Based Franchised Business ranges from $12,250 to $17,500. This includes a $10,000 franchise fee that must be paid to the franchisor.

We also offer an area development agreement for only Commercial Office Franchised Businesses under which you will pay us an initial fee equal to $25,000 for the first Franchised Business you will develop, plus a deposit of $10,000 for each additional Franchised Business you will develop in your development territory, and each Franchised Business will operate according to its own Franchise Agreement. For each Franchised Business developed after the first one, we will apply $10,000 of the initial fee you paid toward the initial franchise fee due for that Franchised Business, and you must pay the balance of the initial franchise fee: $10,000 for the second Franchised Business and $6,000 for the third and all additional Franchised Businesses, when you sign the Franchise Agreement for that Franchised Business. Your total initial investment will vary based on the number of Franchised Businesses you will develop, own and operate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jose Merille at 3750 West Flagler Street, Miami, Florida 33134, 305-443-2829.

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

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

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

ISSUANCE DATE: May 1, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US ONLY IN FLORIDA BY ARBITRATION AND/OR LITIGATION. OUT-OF-STATE ARBITRATION AND/OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE AND/OR LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT FLORIDA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, FROM YOUR EMPLOYEES OR CONTRACTORS THAT YOU HAVE ENGAGED, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.

4. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULTS IN LOSS OF TERRITORIAL RIGHTS, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: SEE FOLLOWING PAGE

STATE EFFECTIVE DATES

The following states require that this Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates, as amended:

STATE	EFFECTIVE DATE
California	
Illinois	

In all non-franchise registration states, the effective date of the Franchise Disclosure Document is the issuance date of May 1, 2019.

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Exhibit "A"	State Agencies and Administrators/Agents for Service of Process
Exhibit "B"	Franchise Agreement
Exhibit "B-1"	Area Development Agreement
Exhibit "C"	Table of Contents of Confidential Operating Manual
Exhibit "D"	Franchisees as of December 31, 2018
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Exhibit "G"	Financial Statements
Exhibit "H"	Franchisee Disclosure Questionnaire
Exhibit "I"	State Addenda
Exhibit "J"	Release
Exhibit "K"	Receipt

ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "we", "us", or "our" means ESTRELLA FRANCHISING CORP, the franchisor. "You" means the individual who buys the franchise and if married, your spouse. We only enter into franchise agreements with individuals. You may, with our consent, subsequently assign your rights to a business entity, but you will remain personally responsible for all obligations imposed on you under the franchise agreement.

The Franchisor, Its Parent, Predecessors and Affiliates

We are a Florida corporation, incorporated on January 22, 2008. Our principal business address is 3750 West Flagler Street, Miami, Florida 33134. Our agents for service of process are disclosed in Exhibit "A". We do business as ESTRELLA FRANCHISING CORP. and ESTRELLA INSURANCE. We do not do business under any other name(s). We are related through common ownership to Estrella Insurance, Inc. ("Estrella"), a Florida corporation, incorporated on November 11, 1980. Estrella developed the business system that forms the basis for the franchise program described in this Franchise Disclosure Document. Estrella presently has no offices conducting a business similar to that offered in this Franchise Disclosure Document. Our predecessor is Estrella Insurance Franchising Corp. ("Predecessor"), whose principal address is 3750 West Flagler Street, Miami, Florida 33134. Our Predecessor offered franchises providing the type of business you will operate from 1996 until our formation. Our Predecessor did not conduct the type of business you will operate or did it previously or at the present time, offer franchises in other lines of business. We have 4 affiliates: Star Casualty Insurance Co. ("Star"), a Florida corporation incorporated on August 20, 1987; Value Underwriters, Inc. ("Value") incorporated on August 10, 1998 and Estrella General Agency, Inc. ("EGA"), a Florida corporation, incorporated on June 2, 2006. Each of these companies has a principal business address of 3750 West Flagler Street, Miami, Florida 33134. Star is a property and casualty automobile insurer, Value is a managing general agent and EGA is a managing general agent for those insurance companies with whom you will do business. Star, Value and EGA are not engaged in other businesses, and have not offered franchises for the business being franchised by us or in any other line of business.

The Franchisor's Business

We offer and sell the ESTRELLA INSURANCE franchises described in this Franchise Disclosure Document. We began offering these franchises as of April 2008. We are not engaged in any other businesses, do not operate the business being franchised (although Star operates an insurance company) and have not offered franchises in other lines of business. As of the date of this Franchise Disclosure Document, we have 115 franchisees in operation, all of which are Commercial Office Locations.

The ESTRELLA INSURANCE Franchise

Under the ESTRELLA INSURANCE Franchise Agreement (the "Franchise Agreement"), which is Exhibit "B" to this Franchise Disclosure Document, if you are qualified, you will be granted the right to operate an insurance agency and financial services business (the "Franchised Business") from a specified Commercial Office or Home-Based location (the "Location").

The Franchise Agreement gives you the right to operate the Franchised Business under the name and service mark "ESTRELLA INSURANCE" and other trademarks, service marks, trade names, logotypes, designs, insignia and symbols designated by us from time to time (all referred to as the "Proprietary

Marks"). You must operate in accordance with the standards and procedures designated by us (the "System").

In addition to granting franchises for individual Franchised Businesses, we also allow certain franchisees that fit our criteria to become Area Developers ("Developers"). Developers sign an Area Development Agreement ("Development Agreement", Exhibit "B-1"), under which they will open and operate a predetermined number of Commercial Office Franchised Businesses in a specified geographic area ("Development Territory") according to a schedule ("Development Schedule"). Each Commercial Office Franchised Business will operate under its own Franchise Agreement, the terms of which may differ from those in the form of Franchise Agreement attached to this Disclosure Document. As of the date of this Disclosure Document, we have 1 Developer.

Industry Regulations

In addition to laws and regulations that apply to businesses generally, the Franchised Business is subject to insurance licensing requirements. These requirements vary from state to state. You will need to qualify for and obtain a general lines, property and casualty license, a health and life insurance license and all other licenses necessary to conduct the Franchised Business.

The Market and Your Competition

The market for insurance agency businesses is well developed. Your competition will include independent insurance agencies and local offices of national and regional insurance companies, and your employees or contractors that you have engaged, if they apply and are granted franchise rights from us. Your sales will be to individuals needing automobile, homeowners, health, life and commercial insurance and other financial services.

ITEM 2. BUSINESS EXPERIENCE

Chief Executive Officer and Director – Nicolas Estrella, Jr.

Mr. Estrella became our Chief Executive Officer in April 2014 and has been a Director since our incorporation. From January 2008 until April 2014, he was our Executive Vice President. From February 2008 until present, Mr. Estrella has been President, Estrella. Since 2004 until present, he has been an Attorney, Miami, Florida. From August 1998 until December 2005, Mr. Estrella was Vice President and Division Manager, Estrella Group Holdings, Inc., Miami, Florida.

President, Chief Operating Officer and Director – Jose E. Merille

Mr. Merille has been our President and Director since our incorporation and became our Chief Operating Officer in April 2014. From December 2005 until January 2008, he was a Broker, Empire Business Brokers, Inc., Miami, Florida. From March 2000 until December 2005, Mr. Merille was President, FedUSA Franchising, Inc., Fort Lauderdale, Florida.

Vice President and Director – Nicolas Estrella

Mr. Estrella has been a Vice President and a Director since our incorporation. From 1996 until present, he has been Chairman of our Predecessor. From 1988 to present, Mr. Estrella has been a director of Star. From 1989 to present, he has been a director of Centrex and Estrella.

Chief Financial Officer Alejandro Ruben Zajac

Mr. Zajac has been our Chief Financial Officer, since our incorporation. From April 1996, he has been the Chief Financial Officer of our Predecessor. From July 1990 to present, Mr. Zajac has been Treasurer of Star.

Secretary – Amanda Estrella

Ms. Estrella has been our Secretary since our incorporation. From March 2006 until the present, she has been Marketing Director for Estrella. From January 2003 to May 2007, Ms. Estrella was a full-time student, Florida International University, Miami, Florida.

Treasurer – Jose Evelio Estrella

Mr. Estrella has been our Treasurer since our incorporation. From January 2005 until present, Mr. Estrella, was Adjuster/Agency Support Manager for Star Casualty. From January 2003 until February 2005, he was Agency Supervisor for Estrella.

Director of Operations – Maria Remudo

Ms. Remudo has been our Director of Operations since April 2012. From June 1988 until April 2012, she was Director of Operations for Centrex Premium Finance Corp., Miami, Florida. Ms. Remudo holds a MBA from the University of Puerto Rico, San Juan, Puerto Rico.

Director of Franchising and Training – Analaura Morales

Ms. Morales has been our Director of Franchising since our incorporation and our Director of Training since April 2008. From January 2006 until January 2008, she was Director of Franchising for our Predecessor. From August 2005 until 2008, Ms. Morales was a Division Supervisor, Estrella. In 2006 she received a Bachelor of Science in Elementary Education from Florida International University, Miami, Florida. From 1989 until July 2005, Ms. Morales was an Agency Manager for Estrella. Since 1998, she has held a 220 General Lines Property and Casualty license.

Director of Information Technology – Manuel F. Alea Cofiño

Mr. Cofiño has been our Director of Information Technology since November 2017. From August 2006 until October 2017, Mr. Cofiño was our Information Manager, in Miami, Florida.

Director of Audit and Compliance – Lidia Lily Hernandez

Ms. Hernandez has been our Director of Audit and Compliance since October 2012. From January 2012 until September 2012, she was a real estate agent, Coldwell Banker and Keyes Realty, Miami, Florida. From April 2011 until December 2011, Ms. Hernandez was on a sabbatical. From February 2009 until April 2011, she was Claims Supervisor, Windhaven Insurance Company, Miami, Florida. From April 1989 until December 2008, Ms. Hernandez was Vice-President of Claims, at Star, in Miami, Florida.

Franchise Development Manager – Felipe Martinez

Mr. Martinez has been our Franchise Development Manager since December 2018. From April 2014 until December 2018, Mr. Martinez was Project Sales Leader and Manager of Miami Territory for Ross Services, in Tamarac, Florida.

Territory Manager - Sofia Papanikolaou

Ms. Papanikolaou has been a Territory Manager in the State of Florida, since December 2018. From January 2018 until December 2018, Ms. Papanikolaou was our Franchise Development Manager, in Miami, Florida. From June 2013 until April 2015, Ms. Papanikolaou was the Senior Manager of Business Development, for V. P. Negotiations, in Athens, Greece. From February 2008 until June 2013, Ms. Papanikolaou was the Corporate Accounts Executive for Corporate sales, for SATO International Group, in Athens, Greece.

Territory Manager –Juan C. Carvajalino

Mr. Carvajalino has been a Territory Manager in the State of Texas, since May 1, 2019. From June 1, 2006 until April 1, 2019, Mr. Carvajalino was President of Best Choice, LLC, an insurance agency in Fort Lauderdale, Florida.

Territory Manager – Jose Esteban Sanchez.

Mr. Sanchez has been a Territory Manager since November 2014. From February 2000 until May 2014, Mr. Sanchez was a Store Manager for Best Buy, in Hialeah, Florida.

Territory Manager – Marco Julio Mena

Mr. Mena has been a Territory Manager in Texas, since March 1, 2019. From July 18, 1998 until July 30, 2018, Mr. Mena was a General Manager of Dry Clean USA, in Managua, Nicaragua.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5. INITIAL FEES

Franchise Agreement

a. Commercial Office. The initial franchise fee for your first Commercial Office franchise is $25,000. The initial franchise fee is calculated on a uniform basis for all franchisees. The initial franchise fee for a Commercial Office franchise is payable as follows: $15,000 when you sign the Franchise Agreement and the balance prior to the commencement of your training. (See Item 11.) If you fail to satisfactorily complete our training program or do not obtain the required licenses, we can terminate the Franchise Agreement. If we do, we will return the initial franchise fee to you, less our costs incurred in soliciting, qualifying and training you. If you fail to find an acceptable Commercial Office Location within 90 days from the day you sign the Franchise Agreement, we can terminate the Franchise Agreement. If we do, we will return 90% of the initial franchise fee to you. If you are a franchisee in good standing, you may acquire a second franchise for $20,000 and a third for $16,000. In addition, if you are an existing insurance agency, having been in business for at least 12 months, you may qualify for a conversion franchise, with an initial franchise fee of $16,000. All of the franchise fees associated with these franchises are payable in a lump sum when you sign the Franchise Agreement. As to all initial

franchise fees, if you meet our criteria, we may at our discretion, extend financing to you for all or a part of the initial franchise fee (see Item 7). The terms of this financing are set forth in Item 10.

b. Home-Based. The initial franchise fee for a Home-Based franchise is $10,000. The initial franchise fee is calculated on a uniform basis for all franchisees. The initial franchise fee for a Home-Based franchise is payable as follows: $7,500 when you sign the Franchise Agreement and the balance of $2,500 prior to the commencement of your initial pre-opening training. (See Item 11.). If you fail to satisfactorily complete our training program or do not obtain the required licenses, we can terminate the Franchise Agreement. If we do, we will return the initial franchise fee to you, less our costs incurred in soliciting, qualifying and training you.

Development Agreement

You must pay a development fee ("Development Fee"), if and when you sign a Development Agreement. If you enter into a Development Agreement for Commercial Office Franchised Businesses, upon signing the Development Agreement, you must simultaneously sign a Franchise Agreement for your first Commercial Office Franchised Business. In addition to the initial franchise fee for the first Franchised Business, you must pay to us a Development Fee equal to $10,000 multiplied by the total number of Franchised Businesses you agree to develop after the first one under the Development Agreement. The number of Franchised Businesses you must open will be determined before you sign the Area Development Agreement.

For example, if you sign a Development Agreement to open 5 Commercial Office Franchised Businesses, you will sign a Franchise Agreement and pay a franchise fee of $25,000 for the first Commercial Office franchise and you will pay a Development Fee of $40,000 or $10,000 for each of the 4 additional Commercial Office Franchised Businesses you will open, for a total of $65,000.

Each time you sign a Franchise Agreement for one of the additional Commercial Office Franchised Businesses, you must pay us the franchise fee for that Commercial Office Franchised Business. We will credit $10,000 of the Development Fee against each franchise fee, and the amount owed upon signing each additional Franchise Agreement will be $10,000 for the first additional Commercial Office Franchised Business and $6,000 for each Commercial Office Franchised Business thereafter.

The Development Fee is calculated uniformly for all Developers, but the amount of the actual fee will vary based on the number of Commercial Office Franchised Businesses you agree to develop. The Development Fee is not refundable under any circumstances, but it is credited against additional franchises fees as described above.

ITEM 6. OTHER FEES

All of the fees listed below are imposed by and payable to us. All fees are uniform and nonrefundable.

Franchise Agreement

OTHER FEES			
TYPE OF FEE	**AMOUNT**	**DUE DATE**	**REMARKS**
Royalty Fee	10% to 14% of Net Commissions	Following month	The Royalty Fee will range from 10% to 14% of Net Commissions depending on the location of your Franchised Business. "Net Commissions" are defined to include all fees, commissions and other amounts, regardless of name, description or title, to which you are entitled from the sale of any and all forms of insurance, less cancellations. We have negotiated commission structures with those insurance companies with whom you are authorized to do business under the System.
Marketing Fund	7% of Net Commissions	Following month	We require you to contribute to the Marketing Fund.
Late Payment	1.5% per month	When payment is overdue	If you fail to pay any amounts due us by the 15th day of the month following the month they accrued, you are subject to interest at the rate of 1.5% per month (18% per annum) from the date due until the date paid.
Renewal Fee	$5,000	At the time of renewal	We charge a renewal fee if you are entitled to and desire to renew your Franchise Agreement. There are other requirements in connection with a renewal. (See Item 17)
Supplier Approval	Actual cost	Upon invoice	In connection with reviewing a supplier of products and/or services proposed by you, you will be responsible for reimbursement of any costs we may incur in evaluating the proposed supplier.
Additional Training	Current Fee	Upon invoice	If we train more than the number of persons specified in the Franchise Agreement, you must pay us a training fee, at our rate in effect at the time of the training.
Transfer Fee	$7,500	Before transfer is effective	We charge a transfer fee when the Franchise Agreement or any ownership interest in the person/entity owning the Franchise Agreement is transferred.

OTHER FEES			
TYPE OF FEE	**AMOUNT**	**DUE DATE**	**REMARKS**
			There are other conditions for transfer. (See Item 17)
Audit	Actual cost of audit, plus interest on overdue amounts	Upon invoice	If we audit your books and records and find that your records are misstated by more than 2%, we will require you to pay the costs of the audit. You will also be required to pay interest on past-due amounts at the rate of 1.5% per month (18% per annum) from the date due until the date paid.
Indemnification	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for claims arising from your operation of the Franchised Business.
Attorney's Fees	Will vary under circumstances	As incurred	You are responsible for attorneys' fees if we incur them in any arbitration or litigation proceeding in which we prevail or if we have to obtain an injunction against you.
Management Fee	Cost, plus current fee	As incurred	In certain circumstances, such as death or mental incapacity, we may, at our sole discretion, provide a manager for the Franchised Business. We will be reimbursed for all compensation and living costs incurred in providing the manager and we will receive in addition to the royalty, a management fee.

Development Agreement for Commercial Office Franchised Businesses

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Transfer Fee	$10,000	Before transfer is effective	We charge a transfer fee when the Development Agreement or any ownership interest in the person/entity owning the Development Agreement is transferred. There are other conditions for transfer.
Failure to Open	$2,000	1st day of each month	If you do not open Agencies according to the Development Schedule, you will pay us, as liquidated damages, $2,000 per month per Agency commencing with the second month after the date you fail to meet the Development Schedule. If you fail to make this payment or fail to satisfy the Development Schedule in any 2 consecutive Development Periods, we can terminate the Development Agreement.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Indemnification	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for claims arising from your operation of the Franchised Business.
Costs and Attorney's Fees	Will vary under circumstances	As incurred	You are responsible for our costs and attorneys' fees if we incur them in any arbitration or litigation proceeding in which we prevail or if we have to obtain an injunction against you.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Franchise Agreement for Commercial Office Franchised Businesses

YOUR ESTIMATED INITIAL INVESTMENT COMMERCIAL OFFICE				
TYPE OF EXPENDITURE	**AMOUNT LOW-HIGH**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Initial franchise fee [1]	$25,000	Lump Sum	At signing of Franchise Agreement	Us
Real Property [2]	See Note 2	See Note 2	As Required	Landlord
Construction Leasehold, Improvements, Remodeling and Decorating Costs [3]	$4,000 to $12,000	As Incurred	Before Opening	Vendors
Office Supplies	$500 to $1,000	Per Vendor	Per Vendor	Vendor
Equipment, Furnishings, Fixtures and Other Fixed Assets [4]	$4,000 to $6,000	As Incurred	Before Opening	Vendors
Computer [5]	$3,000 to $6,000	Per Vendor	Per Vendor	Vendors
Signage [6]	$2,200 to $4,500	Per Vendor	Per Vendor	Vendors
Insurance [7]	$3,000 to $5,000	Lump Sum	Before opening	Insurance Company
Training Expenses [8]	$500 to $2,500	Cash	Before Opening	Transportation, Hotels and Restaurants
Security Deposits, Utility Deposits, Business Licenses and Other Prepaid Expenses [9]	$1,500 to $4,000	Lump Sum	Before Opening	Landlord, Suppliers, Utilities, State & Local Agencies
New Agency Package [10]	$250 to $500	Lump Sum	Before Opening	Us

YOUR ESTIMATED INITIAL INVESTMENT COMMERCIAL OFFICE				
TYPE OF EXPENDITURE	**AMOUNT LOW-HIGH**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Fictitious Name Registration and/or Incorporation and Legal Review [11]	$500 to $1,000	Lump Sum	Before Signing Franchise Agreement	Third Parties
Miscellaneous [12]	$500 to $1,500	As Required	As Required	See Note 12
Additional Funds (3 months) [13]	$5,000 to $15,000	As incurred	As incurred	See Note 13
Total Estimated Initial Investment	**$49,950 to $84,000**			

Except for the initial franchise fee, all of the above figures are estimates only. Actual costs will vary for each franchisee and each location. Amounts payable to us are non-refundable. Amounts payable to others are refundable according to the policies of those receiving payment.

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[1] See Item 5 for information about the initial franchise fee.

[2] Real estate costs vary widely from place to place. You will need approximately 800 to 1,200 square feet of space for your location, to accommodate approximately 6 agent desks, a manager's office and a small customer waiting area.

If you lease space to conduct your Commercial Office Franchised Business, we estimate that the average rent per square foot should range from $15 to $40. Most landlords require a security deposit of at least one month's rent. Commercial rental rates vary from place to place and region to region. You may incur some build out expenses (see Note 3, below). You may also incur real estate broker fees, additional prepayments (e.g. last month's rent), common area maintenance (CAM) fees, operating expense pass throughs, or other costs, depending on the terms of your lease and the location of the leased space.

We are unable to estimate your costs for buying or leasing land and constructing a building, as these costs vary widely depending on location and the design and construction of the building.

[3] You may incur costs for the build out of your office space. If you lease the Location, you may be able to negotiate a construction allowance from the landlord which may cover a portion of the build out/leasehold improvement expenses.

[4] You will need at a minimum, 3 desks, chairs, decor items, fax machine, telephone system, and photocopier.

[5] We require you to use certain computer equipment to be connected with our central computer system and to use a certain type of personal computer and certain peripherals. (See Item 11.)

[6] Depending on the characteristics of the Commercial Office Location, your lease and local ordinances the specific type of exterior sign will vary. The typical configuration will be a maximum of 2, lighted exterior signs and an awning, where allowed.

[7] We require that certain specified insurance be carried by you, including general commercial liability insurance (including excess liability or umbrella coverage and contents), errors and omissions (professional liability) insurance automobile insurance and worker's compensation. The method and timing of payments is a matter to be resolved between you and your carrier. Because the selection of the carrier, value of the leasehold improvements, amount of wages and related conditions vary considerably, it is difficult to estimate the cost. Lack of appropriate insurance coverage constitutes ground for termination of the Franchise Agreement.

[8] You pay for all costs and expenses associated with the mandatory training program. These costs include transportation, lodging, compensation of trainees and meals. Generally, these costs will vary as a function of the distance traveled, the lodgings selected, the restaurants used, the distance between the lodgings and the training site and the type of transportation selected. Airfare is excluded from the estimate. The estimate contemplates

attendance of 2 management level persons traveling to our training facility in Miami, Florida and attending classroom training for 2 weeks. The balance of the training program, consisting of hands on agency training, will occur at a training facility of our choosing. The actual distance to that facility will affect your costs.

[9] Deposits may be required by the telephone, gas; water and electric companies, or others supplying services to your Commercial Office Franchised Business. The deposits may be refundable to you at a later time by the respective vendor. Your lease may require you to pay electric, gas, water and other utilities directly; however, some landlords cover some utility charges through CAM fees or operating expense pass throughs. (See Note 2, above.)

Local, municipal, county and state regulations vary on what licenses and permits are required. In most states, a city and/or county occupational license is required. Fees are paid to governmental agencies before commencing business and usually are not refundable. Fees may be based on square footage, or a flat amount. You should consult your lawyer or your local county and state authorities about the specific legal requirements for business licenses and related types of expenses in your local area.

[10] Includes certain logo items, e.g., wall clock, area rug, customer comment boxes and other miscellaneous items

[11] We recommend that you operate the franchise through a business entity. In this event, we require the personal guarantee of the principals and their spouses. Regardless of the form of ownership of the franchise, you may have to comply with the fictitious, assumed, or trade name statutes of the state in which the Franchised Business is located. The estimate varies from state to state depending on state law, the prevailing rate of attorneys' fees and the scope of legal services requested.

[12] Includes opening advertising, promotional activities, stationery and printing. Costs such as additional licenses and permits, professional fees for accountants and architects, and other items are also included in this estimate.

[13] This is an estimate only of the additional funds for the initial 3-month period of the Franchised Business. The actual amount of additional funds you will need depends on a variety of factors, including: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for insurance services; prevailing wage rate; and the sales level reached during that initial period.

The estimate of additional funds is based on an owner operated business and does not include any salaries or benefits for employees or any allowance for an owner's draw. The estimate is for the initial period of 3 months. In general, a franchisee may have to put additional cash into the business during at least the first 3 to 6 months, and sometimes longer, but we cannot estimate or promise when, or whether, any individual franchisee will achieve positive cash flow or profits.

Development Agreement for Commercial Office Franchised Businesses

TYPES OF EXPENDITURE	AMOUNTS	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee (Note 1)	$40,000	Cashier's Check	Upon Signing Development Agreement	Us
Franchise Fee	$25,000	Cashier's Check	Upon Signing 1st Franchise Agreement	Us
Other Expenditures (Note 2) for 1st Franchised Business	$24,900 to $59,000	As Disclosed in Preceding Chart	As Disclosed in Preceding Chart	As Disclosed in Preceding Chart
TOTAL	**$89,900 to $124,000**			

The above chart provides an estimate of your initial investment to open your first Franchised Business if, for example, you sign a Development Agreement for the development of a total of 5 Commercial Office Franchised Businesses.

Note 1. The Development Fee is described in greater detail in Item 5.

Note 2. The specific components of your initial investment for the first Commercial Office Franchised Business are as stated in the preceding chart. The cost of leasehold improvements and your other costs to develop the second and each additional Commercial Office Franchised Businesses may be affected by factors such as inflation, local labor costs, materials cost and other factors not within our control.

For both the Franchise Agreement and Development Agreement, payments are non-refundable, unless noted. Payments to third parties may be refundable depending on their individual policies.**YOUR ESTIMATED INITIAL INVESTMENT**

HOME-BASED

TYPE OF EXPENDITURE	AMOUNT LOW-HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee [1]	$10,000	Lump Sum	At signing of Franchise Agreement	Us
Computer [2]	$1,000 to $2,000	Per Vendor	Per Vendor	Vendors
Insurance [3]	$500 to $1,500	Lump Sum	Before opening	Insurance Company

[1] See Item 5 for information about initial franchise fee.

[2] We require you to use certain computer equipment to be connected with our central computer system and to use a certain type of personal computer and certain peripherals. (See Item 11.)

[3] We require that certain specified insurance be carried by you, including general commercial liability insurance (including excess liability or umbrella coverage and contents), errors and omissions (professional liability) insurance

For both the Franchise Agreement and Development Agreement, payments are non-refundable, unless noted. Payments to third parties may be refundable depending on their individual policies. **YOUR ESTIMATED INITIAL INVESTMENT** **HOME-BASED**				
TYPE OF EXPENDITURE	**AMOUNT LOW-HIGH**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Training Expenses [4]	$500	Cash	Before Opening	Transportation, Hotels and Restaurants
Fictitious Name Registration and/or Incorporation and Legal Review [5]	$250 to $500	Lump Sum	Before Signing Franchise Agreement	Third Parties
Additional Funds (3 months) [6]	$0 to $3,000	As incurred	As incurred	
Total Estimated Initial Investment	**$12,250 to $17,500**			

automobile insurance and worker's compensation. The method and timing of payments is a matter to be resolved between you and your carrier. Because the selection of the carrier, value of the leasehold improvements, amount of wages and related conditions vary considerably, it is difficult to estimate the cost. Lack of appropriate insurance coverage constitutes ground for termination of the Franchise Agreement.

[4] You pay for all costs and expenses associated with the mandatory training program. These costs include transportation, lodging, compensation of trainees and meals. Generally, these costs will vary as a function of the distance traveled, the lodgings selected, the restaurants used, the distance between the lodgings and the training site and the type of transportation selected. Airfare is excluded from the estimate. The estimate contemplates attendance of 2 management level persons traveling to our training facility in Miami, Florida and attending classroom training for 2 weeks. The balance of the training program, consisting of hands on agency training, will occur at a training facility of our choosing. The actual distance to that facility will affect your costs.

[5] We recommend that you operate the franchise through a business entity. In this event, we require the personal guarantee of the principals and their spouses. Regardless of the form of ownership of the franchise, you may have to comply with the fictitious, assumed, or trade name statutes of the state in which the Franchised Business is located. The estimate varies from state to state depending on state law, the prevailing rate of attorneys' fees and the scope of legal services requested.

[6] This is an estimate only of the additional funds for the initial 3-month period of the Franchised Business. The actual amount of additional funds you will need depends on a variety of factors, including: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for insurance services; prevailing wage rate; and the sales level reached during that initial period.

The estimate of additional funds is based on an owner operated business and does not include any salaries or benefits for employees or any allowance for an owner's draw. The estimate is for the initial period of 3 months. In general, a franchisee may have to put additional cash into the business during at least the first 3 to 6 months, and sometimes longer, but we cannot estimate or promise when, or whether, any individual franchisee will achieve positive cash flow or profits.

We relied on the business experience of our principal officers and directors to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

We do not offer financing directly or indirectly for any part of the initial investment, except for the initial franchise fee. (See Item 10) The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions. The estimate does not include any finance charge, interest or debt service obligation.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers

Currently, you must buy or lease office equipment, office furniture, computer hardware and software relating to the establishment or operation of your Franchised Business from designated suppliers. We derive no revenues from these purchases or leases. In order to maintain the quality of the services offered by ESTRELLA INSURANCE agencies and the reputation of ESTRELLA INSURANCE, you must initially and during the Term, purchase or lease fixtures, equipment, supplies, furnishings, and related items and use financial statement preparation services that meet our minimum standards and specifications from the suppliers that we designate. We will notify you in our Operations Manual or other communications of our standards and specifications and names of approved suppliers. We may require supplies to be purchased exclusively from us or from approved suppliers or distributors. There may be situations where you can obtain items from any supplier who can satisfy our requirements and therefore, would be considered an approved supplier. We estimate that the cost of items purchased or leased from our designated suppliers represents 18% - 20% of your total purchases in connection with the establishment of your Franchised Business and 8% - 10% of your total purchases in connection with the operation of your Franchised Business.

If you desire to purchase any items from an unapproved supplier, you must submit a written request for approval. Approval will not be unreasonably withheld, but must be obtained in writing. We reserve the right to require that samples from the supplier be delivered to us or our designee for testing. We will respond to a request for approval within a reasonable time after completing inspections and testing.

All marketing and promotion by you in any manner or medium must be conducted in a professional and dignified manner and must conform to our specified standards and requirements. You must submit to us, for our prior approval samples of all advertising or promotional plans and materials that you desire to use and that have not been prepared or previously approved by us. If written approval is not received within 15 days, we will not be deemed to have been given the required approval. You may not use any marketing or promotion materials that we have not approved.

Restrictions

You must operate the Franchised Business according to our System standards. System standards may regulate, among other things, the types, models and brands of required fixtures, furnishings, equipment, signs, materials and supplies to be used in operating your Franchised Business, required or authorized

products and product categories and designated or approved suppliers of such items, as stated above. You must use our Agency Management Software (See Item 11).

You may only sell those insurance and insurance related products that we have approved from those insurance companies and other suppliers with whom we or our affiliates have established the required agency or other relationships. All of your insurance business will be placed with our affiliate EGA, in its capacity as managing general agent (See Item 1). We and/or our affiliates may earn revenues from sales by you of these products and services. In 2018, our affiliate EGA, collected a total of $6,528,795 in commissions from franchisees. Certain of our officers own interests in Star, Value and EGA.

If you desire to recommend sources for products, we will evaluate those sources and their products with reasonable promptness and will approve or disapprove these sources based upon the following conditions:

A. You submit a written request for approval and agree to bear the costs of our evaluations.

B. The supplier demonstrates to our reasonable satisfaction that the product conforms with our specifications.

C. The supplier demonstrates to our reasonable satisfaction that the supplier is of good standing in the business community with respect to its financial capabilities and the reliability of its products and service.

You must provide us with a copy of the executed lease for your ESTRELLA INSURANCE office. The lease must include certain terms and conditions, either as part of the lease itself or as an addendum. These are set out in the Franchise Agreement.

Insurance

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, business owner's insurance, errors and omissions insurance and other insurance coverage that we require from time to time and meet the other insurance related obligations in the Franchise Agreement. The cost of this coverage will vary depending on the insurance carriers' charges, terms of payment and your history. All insurance policies must name us as an additional insured party.

Miscellaneous

Except as described above, we do not currently derive revenue or other material consideration as a result of required purchases or leases by you. There currently are no purchasing or distribution cooperatives. We currently are able to obtain volume discounts with suppliers for office supplies. However, there is no assurance that we will be able to continue to do so in the future. In the future, we may negotiate other purchase arrangements with suppliers for the benefit of franchisees, and/or derive revenue or other material consideration as a result of required purchases or leases.

We do not provide material benefits to you (for example, renewal or granting additional franchisees) based on your purchases of particular products or services or the use of particular suppliers, although in considering renewal of your Franchise Agreement, we will review your compliance with our System requirements.

ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements, if any. It will help you find more detailed information about your obligations in these agreements and in other items of this franchise disclosure document.

FRANCHISEE'S OBLIGATIONS COMMERCIAL OFFICE			
OBLIGATION	**SECTION IN FRANCHISE AGREEMENT**	**SECTION IN DEVELOPMENT AGREEMENT**	**FRANCHISE DISCLOSURE DOCUMENT ITEM**
a. Site selection and acquisition/lease	2.1; 7.1	None	11
b. Pre-opening purchases/leases	7.1	None	7
c. Site development and other preopening requirements	7.1	None	7 and 11
d. Initial and ongoing training	8.1	None	7 and 11
e. Opening	7.1(b)	4	11
f. Fees	4.1 - 4.10	3 and 7	5, 6 and 7
g. Compliance with standards and policies/operating manuals	7.1 - 7.8	None	8 and 11
h. Trademarks and proprietary information	5.1 - 5.9; 10.1 - 10.2	6	13 and 14
i. Restrictions on products/services offered	7.2	None	16
j. Warranty and customer service requirements	7.10	None	N/A
k. Territorial development and sales quotas	2.1 - 2.3	4 and Exhibit "A"	12
l. Ongoing product/service purchases	7.1	None	8
m. Maintenance, appearance and remodeling requirements	None	None	N/A
n. Insurance	7.5	None	7 and 8
o. Advertising	6.1 - 6.5	None	7 and 11

FRANCHISEE'S OBLIGATIONS COMMERCIAL OFFICE			
OBLIGATION	**SECTION IN FRANCHISE AGREEMENT**	**SECTION IN DEVELOPMENT AGREEMENT**	**FRANCHISE DISCLOSURE DOCUMENT ITEM**
p. Indemnification	14.2	11	None
q. Owner's participation/management/staffing	7.3; 8.1; 9.2	4	1, 11 and 15
r. Records/reports	4.6; 7.6	None	None
s. Inspections/audits	7.6 - 7.7	None	6
t. Transfer	9.1 - 9.5	7	6 and 17
u. Renewal	3.2 - 3.4	5	6 and 17
v. Post-termination obligations	12.1 - 12.4	9	17
w. Non-competition covenants	10.1 - 10.2	9	17
x. Dispute resolution	13.1; 14.8; 14.16; 14.17; 14.18; 14.20; 14.21	13	17
y. Other: Guaranty of Franchisee's obligations (1)	4, 8	22	15

Note 1: Each individual who owns an interest in a franchisee or Developer that is a business entity, must sign an agreement to discharge all obligations of the franchisee or Developer under the Franchise Agreement or Development Agreement.

FRANCHISEE'S OBLIGATIONS HOME-BASED		
OBLIGATION	**SECTION IN FRANCHISE AGREEMENT**	**DISCLOSURE DOCUMENT ITEM**
a. Site selection and acquisition/lease	N/A	N/A
b. Pre-opening purchases/leases	N/A	N/A
c. Site development and other preopening requirements	N/A	N/A
d. Initial and ongoing training	8.1	7 and 11
e. Opening	7.1(b)	11
f. Fees	4.1 - 4.10	5, 6 and 7
g. Compliance with standards and policies/operating manuals	7.1 - 7.8	8 and 11
h. Trademarks and proprietary information	5.1 - 5.9; 10.1 - 10.2	13 and 14

FRANCHISEE'S OBLIGATIONS HOME-BASED		
OBLIGATION	**SECTION IN FRANCHISE AGREEMENT**	**DISCLOSURE DOCUMENT ITEM**
i. Restrictions on products/services offered	7.2	16
j. Warranty and customer service requirements	7.10	N/A
k. Territorial development and sales quotas	2.1 - 2.3	12
l. Ongoing product/service purchases	7.1	8
m. Maintenance, appearance and remodeling	None	N/A
n. Insurance	7.5	7 and 8
o. Advertising	6.1 - 6.5	7 and 11
p. Indemnification	14.2	None
q. Owner's participation/management/staffing	7.3; 8.1; 9.2	1, 11 and 15
r. Records/reports	4.6; 7.6	None
s. Inspections/audits	7.6 - 7.7	6
t. Transfer	9.1 - 9.5	6 and 17
u. Renewal	3.2 - 3.4	6 and 17
v. Post-termination obligations	12.1 - 12.4	17
w. Non-competition covenants	10.1 - 10.2	17
x. Dispute resolution	13.1; 14.8; 14.16; 14.17; 14.18; 14.20; 14.21	17
Other: Guaranty of Franchisee's obligations [1]	4, 8	15

Note 1: Each individual who owns an interest in a franchisee or developer that is a business entity, and his or her respective spouse, must sign an agreement to guaranty and discharge all obligations of the Franchisee under the Franchise Agreement (Exhibit "C" to Franchise Agreement.)

ITEM 10. FINANCING

If you meet our credit standards, we will finance some or all of the initial franchise fee for a Commercial Office Franchised Business over 1-year period at an interest rate of between 8% and 12%, using the standard form note ("Note") in Appendix 1, to the Franchise Agreement. We require you, your spouse or all the owners of your business entity, to sign a personal guaranty of the Note. (Note, Franchise Agreement Section 1.) The Note can be prepaid without penalty at any time during its term. (Note, Franchise Agreement Section 4.) If you do not pay on time, we can call the loan and demand immediate payment of the full outstanding balance and obtain our costs and attorney's fees if a collection action is necessary. (Note, Franchise Agreement Sections 6 and 8.) We also have the right to terminate the Franchise Agreement if you do not make your payments on time. (Franchise Agreement, Section 11.2.)

You waive your rights to notice of a collection action and to assert any defenses to collection against us. (Note, Franchise Agreement Section 7.) We are unable to estimate whether you will be able to obtain financing for any other part of your investment and, if you are able to obtain financing, we cannot predict the terms of that financing. We do not receive payment from any person or persons for obtaining or placing financing.

In order to secure your prompt performance of your obligations under the Franchise Agreement (including any Note given for your initial franchise fee), you grant us a security interest in the franchise and the equipment, fixtures and improvements of the Franchised Business. You will execute our standard Security Agreement, attached to the Franchise Agreement as Exhibit "D", in order to perfect this security interest. You will also execute a standard UCC-1 Financing Statement. If you default under the terms of the Franchise Agreement, by failing to make your Royalty, Marketing Fund, or Note payment on time, we can repossess the franchise and the equipment, fixtures and improvements at the agency.

Except as stated above, no contract or other instrument between us contains any waiver of defenses or similar provisions. We do not have any past or present practice, or any intent, to sell, assign, or discount to a third party, in whole or in part, any note, contract, or other instrument executed by you. We do not guarantee your note, lease or obligation.

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

Except as listed below, we are not required to provide you with any assistance. (References are to the Franchise Agreement.)

Pre-Opening Obligations

Prior to opening of the Franchised Business, we are obligated under the Franchise Agreement to make available to you, or assist you in obtaining, the following:

A. Initial training at times and locations designated by us. (Franchise Agreement Section 8.1(a))

B. Loan you one copy of the Operations Manual, as may be revised from time to time. (Franchise Agreement Section 7.4) The Table of Contents of the Manual is attached as Exhibit "C" and the Manual contains approximately 181 pages.

C. Methods for recruiting and selecting personnel. (Franchise Agreement Section 8.2(a))

D. Typical design plans for a Commercial Office layout, showing placement and specifications of furniture and facilities and providing a plan for interior decoration with a required color coordination scheme, if you will be responsible for developing the Commercial Office Location. (Franchise Agreement Section 8.2(b))

E. Assistance in obtaining licenses to operate an insurance agency. (Franchise Agreement Section 8.2(c))

F. Assistance with pre-opening publicity. (Franchise Agreement Section 8.2(d))

G. Exterior sign design (Commercial Office Location only). (Franchise Agreement Section 8.2(g))

H. Accounting system for you to use and follow, as specified in the Operations Manual. (Franchise Agreement Section 8.2(h))

I. Assistance necessary to operate an on-line computer terminal. (Franchise Agreement Section 8.2(i))

J. If you are a Developer, designate your Development Territory as further described in Item 12. (Development Agreement, Section 2.1)

Obligations After Opening

After opening of the Franchised Business, we are obligated under the Franchise Agreement to make available to you, or assist you in obtaining, the following:

A. From time to time during the term of the Franchise Agreement, to determine the standards of quality, service, merchandising, and advertising. (Franchise Agreement Section 7.4)

B. Periodic inspections to provide advice, consultation or training, to enhance uniformity and quality control. (Franchise Agreement Section 8.3(a))

C. Assistance with local advertising and participation in regional advertising. (Franchise Agreement Section 8.3(b))

D. Supervise the Marketing Fund, as described in this Item of the Franchise Disclosure Document. (Franchise Agreement Section 6)

E. On-going assistance via telephone. (Franchise Agreement Section 8.3(d))

F. Other supervision, assistance, or services, although not obligated to do so. The nature of these no obligatory services will depend entirely on your needs and circumstances as determined by us. (Franchise Agreement Section 8.3(e))

Advertising Programs

We have established, and we administer the ESTRELLA INSURANCE marketing fund (the "Marketing Fund"). You will pay monthly, a fee for advertising, public relations, promotional campaigns and other marketing programs, in a sum equal to 7% of your Net Commissions. (Franchise Agreement, Sec. 4.5). The monies collected will be maintained in a separate account. These sums are used for the benefit of all franchisees in order to promote and enhance the value of the ESTRELLA INSURANCE System and name. We are not obligated, in administering the Marketing Fund, to make expenditures for you which are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund. In 2017, the Marketing Fund spent its contributions on a percentage basis as follows: media placement 84%, administrative 6%, production 9%, and 1% other advertising related expenses.

We will direct all marketing programs financed by the Marketing Fund and will have sole discretion over the creative concepts, materials, and endorsements used and the geographic market and media placement and allocation. We will use either national or regional advertising agencies. The Marketing Fund may be used to pay the costs of conducting marketing surveys and research; employing public relations firm; preparing and producing video, audio, and printed marketing materials; administering multi regional marketing programs, including, without limitation, purchasing television, radio, magazine, billboard, newspaper, and other media advertising, and employing advertising agencies, providing marketing materials to ESTRELLA INSURANCE agencies and holding conventions and regional meetings for franchisees. The Marketing Fund will furnish you with approved marketing materials on the same terms and conditions as we furnish these materials to our other franchisees. The Marketing Fund will

not use any funds for advertising that is a solicitation for the sale of franchises. The Marketing Fund does not create a fiduciary relationship between us.

Under the Franchise Agreement, you authorize us to collect and contribute to the Marketing Fund any advertising monies or credits due from any distributors or other suppliers. We have the right to cause these suppliers to pay these amounts directly to us for contribution to the Marketing Fund. Those contributions will be in addition to all other amounts due or contributed under the Franchise Agreement.

Local Advertising

You may use your own advertising materials only after they have first been approved by us in writing. All materials on which ESTRELLA INSURANCE's proprietary marks are used must include the applicable designation of service mark or other designation as we may specify. We may require you to withdraw and/or discontinue the use of any promotional materials or advertising materials, even if previously approved, if, in our judgment, the materials or advertising may injure the ESTRELLA INSURANCE system. (Franchise Agreement Section 7.1)

Franchise Advisory Council

We have formed the Estrella Franchising National Advisory Council (the "Council"). The members are selected by the vote of all franchisees that are eligible to vote, with elections held once each year. The Council acts only in an advisory capacity and has no operational or decision-making authority. We can dissolve the Council on written notice and the Council by-laws can be amended by the members of the Council.

Websites

You are only permitted to use our website or a website that we provide to you and may not advertise using (or reference the Proprietary Marks on) any other website, bulletin board, other internet marketing site, or any current or future form of social media network or platform without our prior written approval. (Franchise Agreement, Section 5.11). If we provide a website to you, we will own the domain name and all content on the website will be maintained and modified by us. No changes can be made to any such website without our prior written consent.

Local Advertising and Promotion

Prior to use by you, samples of all marketing materials and descriptions of local promotional programs that you propose to use, that were not prepared or previously approved by us, are to be submitted to us for approval. If you have not received written approval from us within 15 days from the date we receive such materials or descriptions, you will not be able to use those materials or descriptions. You will not use any marketing materials that we have disapproved. You will also be responsible for your pro-rata share of Internet directory advertising.

Operations Manual

The Table of Contents of the Operations Manual is attached to this Franchise Disclosure Document as Exhibit "C".

Commercial Office Location Selection

Although we may have pre-selected a site for the Commercial Office Franchised Business, you are solely responsible for selecting the Location for the operation of the Commercial Office Franchised Business, which you will lease directly from the landlord, subject to our prior written approval, within ninety (90) days after execution of the Franchise Agreement. In approving sites, we consider demographic information, traffic counts, access, visibility, visual and physical characteristics, parking facilities, anchor tenant(s) (if a shopping center), and lease terms. The final lease agreement should have a term (or a combination of an initial term and options) of at least 10 years, with an option to renew for a like period. You shall not execute any lease agreement for the Commercial Office Location until the terms and conditions of the lease have been approved in writing by us. As a condition of our approval of the lease agreement, we may require you and the landlord to execute our current Rider to Lease, under which we are granted an option to assume, or have our assignee assume, the obligations of the lease agreement in the event of the termination of the Franchise Agreement. The Commercial Office Location will be used for no purposes other than the operation of the Franchised Business.

You will be solely responsible for developing the Commercial Office Location, subject to supervision by us. We will furnish you mandatory and suggested specifications and layouts, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs and color scheme. It will be your responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Commercial Office Location and to insure compliance with applicable laws and the lease. You will submit construction plans and specifications to us for approval before construction is commenced and will, upon request, submit all revised or "as built" plans and specifications during construction. You will obtain our written approval prior to opening the Commercial Office Franchised Business. The Commercial Office Franchised Business will be open to the public no later than 60 days from the date the Commercial Office Location is turned over to you by the landlord for the construction of tenant improvements.

In all events, you agree, at your sole expense, to do or cause to be done the following with respect to the Commercial Office Location: (i) secure all required financing; (ii) obtain all required permits and licenses; and (iii) purchase and pay for all fixtures, equipment and signs.

You agree to use in the development and operation of the Commercial Office Location only those fixtures, equipment (including computer equipment, telecopiers, and facsimile machines) and signs that we have approved as meeting our specifications and standards for quality, design, appearance, function and performance. You will purchase or lease approved brands, types or models of fixtures, equipment (including computer equipment, telecopiers and facsimile machines) and signs only from suppliers designated or approved by us (which may include us and/or our affiliates). You agree to place or display at the Commercial Office Location (interior and exterior) only such signs, emblems, lettering, logos and display materials that we approve from time to time. If we are developing the Commercial Office Location for you, we will select and install, but not pay for, the fixtures, equipment (including computer equipment, telecopiers and facsimile machines) and signs.

It generally takes between 3 to 6 months after signing the Franchise Agreement for your Commercial Office Franchised Business to be open to the public. Factors that affect the length of time it takes you to open for business include: finding an acceptable site; lease negotiations; securing financing; securing zoning and other permits; compliance with local ordinances and restrictions; weather

conditions; availability, delivery and installation of fixtures, signs and equipment; and completion of required training.

If you are a Developer, you must locate each of your Commercial Office Franchised Businesses in the Development Territory, and for each, you must propose the specific sites for our consideration, according to the process above. (Development Agreement, Section 2.1)

Computer Systems

We require that you use a computer system (hardware and software) which meets our specifications. This system permits us to instantly receive information concerning insurance applications, contracts in force, premium receipts, premium payments and provides you detailed management and operational information. The computer system currently costs $3,000 to $6,000. (See Item 7) You must also maintain a functioning e-mail address so we can send you notices and otherwise communicate with you by this method. There is no limitation on our right to receive information through the system. You may obtain the computer system from any vendor designated or approved by us. At present, the computer system needs to contain at minimum:

Pentium Dual Core (x2) 5th Generation or better
4 GB RAM, 100 GB Hard Drive or better
CD-ROM Drives 24x IDE or better
Windows 7 or better
19" Flat Panel Monitor for each PC
Network Laser Printer
Interconnect via Internet to our headquarters through V.P.N.

We may revise our specifications from time to time. You are responsible for upgrading, maintaining and repairing the hardware components. There is no contractual limitation on the frequency and cost of this obligation.

You will use our Agency Management Software at an annual cost of between $1,000 and $2,000 and other generally available software as specified in the Operations Manual. You will be responsible for implementing any upgrades as we direct. There is no limitation of the frequency or cost of these obligations.

Neither we nor any affiliate or third party, is obligated to provide on-going maintenance, repairs, upgrades or updates. Except as stated above, we currently do not require that you purchase a maintenance, repair, upgrade or update service contract, although we may do so in the future.

We will arrange for all of the required computer equipment as part of our function in developing your Commercial Office Location. (See "Location Selection", above in this Item.) You are responsible for paying for this equipment. (See Item 7.) If you are a Home-Based Franchised Business, you are responsible for obtaining and paying for the required computer equipment.

Training Programs

Prior to the opening of the Franchised Business, a maximum of 2 management level persons, one of whom must be you (or if you are a business entity, an owner) must attend and complete to our satisfaction, the initial training program, at a location designated by us. If you will employ a manager, that person, who must be approved by us, must also attend the training program. Generally, the site of classroom training will be our corporate offices in Miami, Florida. On the job, hands on agency training

will take place at a training facility of our choice. You are responsible for all travel, lodging, and subsistence expenses of those persons attending training. Training is to be completed no later than 1 week before the opening of the Franchised Business. The total time spent in training will depend to a large degree on your aptitude. Our training program includes introduction to insurance, agency management, customer service, sales, human resources, operations and "hands on" service to customers. (Franchise Agreement, Sec. 8) Training is under the supervision of Analaura Morales (over 20 years' experience in hand-on training), with assistance from Alex Zajac (over 20 years' experience in accounting functions), both of whose biographies are set out in Item 2. The principal instructional material is the Operations Manual.

In addition, you must obtain the required state insurance licenses prior to the completion of training. This may require that you attend educational courses separate from our training. If so, you must arrange for and pay the cost of all required state instructional programs.

Failure to complete the initial training program to our satisfaction or obtain required state licenses is grounds for us to elect to terminate the Franchise Agreement. (Franchise Agreement, Sec. 4.1)

We may require you and/or previously trained and experienced personnel to attend periodic refresher courses at locations designated by us. You will be responsible for all travel and living expenses that you and each person incur for any additional training program.

You have the right to request additional training and we will, at our sole discretion, provide additional training at times and places and for a duration as we deem necessary; provided, that you pay the cost of the additional training, including the cost of transportation, subsistence, lodging, and the current charge for the services of our representative(s), in advance.

Only persons trained by us, will have overall responsibility for the operation of the Franchised Business and you will send each person to be trained to us for training, unless the training is waived by us.

The initial training program includes the following:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION WHERE TRAINING HELD
DAY 1 Introduction, Organization, Opening Requirements, Human Resources	8	None	Miami, Florida
DAY2 Management, Marketing, Customer Service	8	None	Miami, Florida
DAYS 3-9 Operations Introduction to Insurance, Auto Insurance, Finance Company, Insurance Agency, Your Computer, Insurance Co. Systems, Underwriting, Quotes, Applications, Claims, Suspense, Endorsements, Cancellations, Refunds, Credits, Daily Deposits, Managing Your Office, etc.	56	None	Miami, Florida

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION WHERE TRAINING HELD
DAY 10 Basic General Accounting, Supervision, Financial, Status	8	None	Miami, Florida
DAYS 11-44 "Hands On" Operations (At Agency)	None	264	Miami, Florida
Total Hours	**80**	**264**	

ITEM 12. TERRITORY

Franchise Agreement

During the term of the Commercial Office Franchise Agreement and provided you are in full compliance with all of its terms, conditions and provisions, we will not grant a franchise and license for another Commercial Office Franchised Business nor operate a Commercial Office Franchised Business itself within an area lying within one (1) mile (measured in driving distance, taking into account natural and man-made barriers), of your Commercial Office Location (the "Territory"). We are not restricted from granting rights to operate Home-Based Locations, of any number or location, in the Territory. You do not receive the right or have the option to acquire additional franchises. If at the end of the first 24 months of operations and every 12 months afterwards, you have not achieved minimum gross premium production of $600,000 per year, your Franchise Agreement is subject to termination. You may only operate your Franchised Business at the Location designated in the Franchise Agreement and approved by us, and you may not move your operation, except upon our written consent, subject to any rights granted to other franchisees. Our approval, if we give it, will be based on a variety of factors including the viability of the existing location, and demographics about the proposed location, and your compliance with the Franchise Agreement.

If your franchise is operated from a Home-Based Location, you do not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, from your employees or contractors that you have engaged, or from other channels of distribution or competitive brands that we control.

We retain the right to operate identical or similar businesses and/or grant other and additional franchises to such persons and for such locations outside the Territory as we determine. The identification of a Location does not limit our right to approve the placement of other franchises or similar businesses outside the Territory. Nothing in the Franchise Agreement limits in any way the services and/or products we or any affiliated company may sell and/or provide to anyone, anywhere, through any distribution system, outlets or methods (outright, through contract, joint ventures, affiliated companies, franchising or otherwise) ("alternate distribution channels"), limits any business(es) we may participate in or limits use of the ESTRELLA name, and/or System by us in any insurance related or other business. We are not required to pay you if we exercise any of these rights inside your Territory.

We do not restrict you from soliciting or accepting business from outside your Territory. However, you may not use alternative channels of distribution to make sales inside or outside your Territory.

We have not established other franchises or company owned outlets selling or leasing similar products or services under a different trade name or trademark and we do not have any presently formulated plan or policy to do so, although we may operate businesses or grant franchises if they are operated under a different name and/or if they offer different goods and services.

Development Agreement

If you are a Developer, you will receive a Development Territory. The Development Territory will vary in size depending upon the number of Franchised Businesses you intend to develop, population density and demographics, and other factors. You will propose sites within the Development Territory to us for the Franchised Businesses and we will approve or disapprove them in accordance with our then current site standards. If you meet the minimum development schedule, comply with all other provisions described in the Development Agreement and comply with the provisions of each related Franchise Agreement, we will not establish or operate, or license others to establish or operate, an Estrella Insurance agency or substantially similar business in your Development Territory.

At the expiration of the Development Agreement, if you have complied with all of its terms and conditions, and if we determine that the Development Territory can support additional Estrella Insurance Agencies, we will, for one year after the expiration of the Development Agreement, give you a right of first refusal to develop, own and operate any additional Estrella Insurance Agencies proposed for development inside of the Development Territory.

ITEM 13. TRADEMARKS

Under the Franchise Agreement, you have the right and license to use the Proprietary Marks owned by us, solely in connection with your Franchised Business. You may only use those Proprietary Marks as are designated in writing for your use and you may use them only in the manner and as permitted by us. You may not directly or indirectly contest our rights in, the Proprietary Marks. The primary Proprietary Mark is "ESTRELLA INSURANCE" and associated design registered on the Principal Register of the United States Patent and Trademark Office, on February 11, 1997, under Reg. No. 2,037,199 and assigned to us from Estrella on March 3, 2011. All required affidavits have been filed. We also have rights under a Florida trademark registration for the Estrella Insurance logo in the color "green". The registration is T07000001236, as of September 10, 2007. There is not a Principal Register federal registration for this trademark. Therefore, it does not have as many legal benefits and rights as a Principal Register federally registered trademark. If our right to use the trademark is challenged, you may have to change to any alternative trademark, which may increase your expenses.

With respect to any similar trademarks or service marks that are not registered by others, they may be able to use those trademarks or service marks in areas where we are not operating or advertising under our Mark or which are not in the zone of natural expansion for ESTRELLA INSURANCE businesses. These users must act in good faith and without actual knowledge of our prior use of the Mark. However, if others establish rights to use the Mark, we may not be able to expand into certain areas using the Mark.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administrator of any state or any court relating to the Proprietary Marks. There is no pending infringement, opposition or cancellation

proceeding. There is no pending material litigation involving the Proprietary Marks. There are no agreements in effect that significantly limit our rights to use or license the use of the Proprietary Marks identified above, in any manner material to the franchise.

The Franchise Agreement does not contain any provisions under which we are required to defend or indemnify you against any claims of infringement or unfair competition arising out of your use of the Proprietary Marks. If litigation involving the Proprietary Marks is instituted or threatened against you, the Franchise Agreement requires you to notify us promptly and cooperate fully with us in defending or settling the litigation.

We have the right to require you to modify or discontinue your use of any of the Proprietary Marks. If we exercise this right, we will provide advance notice to all franchisees.

We have no actual knowledge of either superior prior rights or infringing uses that could materially affect a franchisee's use of the Proprietary Marks in any state.

You cannot use the ESTRELLA name or the Proprietary Mark as part of the name of a business entity or with modifying words, designs or symbols, except for those which we license to you. You will, however, operate under the name ESTRELLA INSURANCE and comply with all state and local laws regarding fictitious or assumed names. You may not use the ESTRELLA INSURANCE name in connection with the sale of unauthorized products or services or in a manner not authorized in writing by us.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.

There are no patents that are material to the franchise. Copyright protection is claimed for the Operations Manual and related materials, certain proprietary software, and advertisement and promotional materials, although these materials have not been registered with the United States Registrar of Copyrights. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights.

You must operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Operations Manuals, one copy of which you will receive on loan from us for the term of the Franchise Agreement upon completion of the initial training program.

You must treat the Operations Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, or otherwise make them available to any unauthorized person. The Operations Manual will remain our sole property and must be kept in a secure place at the Franchised Business.

We may revise the contents of the Operations Manual, and you must comply with each new or changed standard. You must ensure that the Operations Manual is kept current at all times. In the event

of any disputes as to the contents of the Operations Manual, the terms of the master copy maintained by us at our home office will be controlling.

We will disclose to you certain confidential or proprietary information and trade secrets. Except as is necessary for the operation of the Franchised Business and as we approve, you may not, during the term or at any time after the expiration or termination of the Franchise Agreement, regardless of the cause of the termination, directly or indirectly, use for your own benefit or communicate or divulge to, or use for the benefit of any other person or entity, any trade secrets, confidential information, knowledge or know how concerning the services, advertising, marketing, designs, plans, or methods of operation of the Franchised Business or the System. You may disclose to your employees only that confidential, proprietary or trade secret information as is necessary to operate the business. Any and all information, knowledge, or know how, including, materials, equipment, marketing, and other data, which we designate as secret or confidential will be deemed secret and confidential for purposes of the Franchise Agreement.

At our request, you must require your manager, and all your employees, to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by you in the Franchised Business. The covenants must be in a form satisfactory to us, including, specific identification of us as a third-party beneficiary of the covenants, with the independent right to enforce them.

We also consider our trade dress (i.e., elements of the ESTRELLA INSURANCE method and style of doing business) inherently and uniquely distinctive and protectable under applicable Federal and State law.

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

During the term of the Franchise Agreement, you, must devote full time and best efforts exclusively to the operation of the Franchised Business. If you are a corporation, limited liability company or a partnership, you must select and maintain throughout the term of the Franchise Agreement, an equity owner who is an individual, holding at least 10% of all the equity in the Franchisee, to devote his or her full time and best efforts to the Franchised Business. The Franchised Business must be operated during such minimum hours and days established by us from time to time.

If you are a corporation, limited liability company, partnership or other entity, all shareholders, members, partners, and other owners, and their spouses must personally guarantee the obligations under the Franchise Agreement by executing the Guaranty and Assumption of Obligations, attached to the Franchise Agreement as Exhibit "C". You, and all such owners and spouses, are and will be continuously personally bound by the confidentiality and non-competition provisions of the Franchise Agreement. See Items 14 and 17 as to confidentiality of trade secrets, and covenants not to compete.

At our request, you must obtain and deliver executed Confidentiality, Non-Disclosure and Non-Competition Agreement, attached as Exhibit "E" to the Franchise Agreement, from any persons (and their spouses) who have or may have an ownership interest in you or in the franchise, and from all employees of the Franchised Business.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate the Franchised Business in strict conformity with the Franchise Agreement and with all of the prescribed methods, procedures, policies, standards, and specifications, as set forth in the Operations Manual and in writing by us from time to time. You must use your place of business only for the operation of the Franchised Business and may not use it to operate any other business without our express prior written consent.

We require you to offer only those services and products that we have approved. You must offer all services and products that we designate.

We reserve the right to designate additional products and services in the future and to withdraw any of our previous approvals. In that case, you must comply with the new requirements. We have the right to change the types of authorized products and services, and there are no limits on our right to make changes.

You must comply with all agreements of third parties that pertain to the Franchised Business, including, in particular, all provisions of any premises lease.

You must operate the Franchised Business in strict conformity with all applicable Federal, State, and local laws, ordinances, and regulations, including, specifically, those applicable to the insurance industry. Such laws, ordinances, and regulations vary from jurisdiction to jurisdiction and are amendable or may be implemented or interpreted in a different manner. It is your sole responsibility to apprise yourself of the existence and requirements of all laws, ordinances, and regulations applicable to the Franchised Business, and to adhere to them and to the then current implementation or interpretation of them.

The System may be supplemented, improved, and otherwise modified by us. You must comply with all of our reasonable requirements in that regard.

You are not restricted by the Franchise Agreement, or any other practice or custom of ours concerning the customers whom you may solicit for insurance business and related approved services.

See Items 8, 9, 11, 12 and 15 for more information about your obligations and restrictions.

ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

The Franchise Relationship

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN FRANCHISE AGREEMENT**	**SUMMARY**
a. Length of the franchise term	Section 3.1	10 years
b. Renewal or extension of the term	Section 3.2	If you are not in default, you can extend for 2 periods of 10 years each.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN FRANCHISE AGREEMENT**	**SUMMARY**
c. Requirements for you to renew or extend	Section 3.4	Not be in default; sign new Franchise Agreement (the terms and conditions of which may materially differ from the terms of your initial franchise agreement (including an increase in Royalty Fees and Advertising Contribution, and a change of territorial protection); give notice; pay renewal fee; execute general release; meet current training standards.
d. Termination by you	None	Not Applicable
e. Termination by us without cause	None	Not Applicable
f. Termination by us with cause	Sections 11.1 and 11.2	You must be in default
g. "Cause" defined – defaults which can be cured	Section 11.1	10 days' notice to cure non-payment; and 30 days' notice to cure: failure to comply with Operations Manual; failure comply with other terms of Franchise Agreement
h. "Cause" defined – defaults which cannot be cured	Section 11.2	Abandonment; bankruptcy (may not be enforceable); insolvency; attempted assignment; death or incapacity; underreporting; repeated defaults; misrepresentation; violation of law; failure to deposit premiums; soliciting employees of others; failure to attain minimum premium production; failure to timely find a Commercial Office Location; failure to complete training or secure licenses
i. Your obligations on termination/nonrenewal	Section 12.1	Complete dis-identification; pay all amounts due; lose all rights; return Operations Manual; transfer telephone number(s)
j. Assignment of contract by us	Section 9.1	We can freely assign; new owner must agree in writing to assume all obligations
k. "Transfer" by you – definition	Section 9.2	Includes transfer of interest in Franchise Agreement, Franchised Business, or in corporation or partnership
l. Our approval of transfer by franchisee	Section 9.2	We have the right to approve all transfers
m. Conditions for our approval of transfer	Section 9.2	Transfer fee paid; you execute or deliver release; we give written approval
n. Franchisor's right of first refusal to acquire franchisee's business	Section 9.4	30 days to match bona fide third-party offer; if we do nothing, no consent to proposed assignment

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTION IN FRANCHISE AGREEMENT**	**SUMMARY**
o. Our option to purchase your business	None	Not Applicable
p. Your Death or disability	Section 9.5	Transfer within 9 months, subject to our approval or we can terminate Agreement
q. Non-competition covenants during the term of the franchise	Section 10.2	No involvement with a competing business
r. Non-competition covenants after the franchise is terminated expires, or not renewed	Section 10.2	No involvement in competing business for 2 years in Territory or within 50 miles of any Franchised or Business or similar business owned or operated by us or a related company
s. Modification of the agreement	Section 14.9	No modification, but Operations Manual and System subject to change
t. Integration/merger clause	Section 14.9	Only the terms of the Franchise Agreement are binding (subject to state law.) Any other promise may not be enforceable
u. Dispute resolution by arbitration or mediation	Section 13.1	Except for certain claims, claims, all disputes must be arbitrated in Florida (subject to state law)
v. Choice of forum	Section 14.18	Florida (subject to state law)
w. Choice of law	Section 14.8	Florida law applies (subject to state law)

The Area Development Relationship

PROVISION	SECTION IN THE DEVELOPMENT AGREEMENT	SUMMARY
a. Term of the Development Rights	Section 5.1	The term expires on the last opening date on the development schedule.
b. Renewal or extension of the term	Section 5.2	You have no right to renew, but you do have a right of refusal to open additional franchises in the development territory during the year after the Development Agreement expires.
c. Requirements for you to renew or extend	None	Not Applicable
d. Termination by you	None	Not Applicable
e. Termination by us without cause	None	Not Applicable
f. Termination by us with cause	Section 8	We may terminate the Development Agreement only if you default.
g. "Cause" defined-defaults which can be cured	Section 8.2	You can avoid termination of the Development Agreement if you cure a default arising from your failure to comply with

PROVISION	SECTION IN THE DEVELOPMENT AGREEMENT	SUMMARY
		mandatory specifications in the Development Agreement within 30 days of receiving our notice of termination.
h. "Cause" defined-defaults which cannot be cured	Section 8.1	We have the right to terminate the Development Agreement without giving you an opportunity to cure if you: transfer of control of Development Agreement or an interest in the your business entity in an unauthorized manner; made a material misrepresentation or omission in the application for the franchise; are convicted of a crime that may adversely affect the Marks; misuse or make unauthorized use of the Marks or confidential information; terminate any Franchise Agreement with or without cause; fail to meet the timing requirements and deadlines contained in the development schedule; or fail to comply with any other provision of the Development Agreement and do not correct within 30 days after written notice from us.
i. Your obligations on termination/non-renewa l	Section 9	If the Development Agreement is terminated or not renewed, you must: stop using any trade secrets and other confidential information; pay all sums owed to us; and comply with the covenants not to compete and any other surviving provisions of the Development Agreement.
j. Assignment of contract by us	Section 7.1	There are no restrictions on our right to assign our interest in the Development Agreement.
k. "Transfer" by you-definition	Section 7.2	"Transfer" includes transfer of ownership in the Development Rights, the Development Agreement, or the developer entity.
l. Our approval of transfer by you	Section 7.2	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for our approval of transfer	Section 7.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release, in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business and financial standards; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee; the transferee or the owners of

PROVISION	SECTION IN THE DEVELOPMENT AGREEMENT	SUMMARY
		transferee have agreed to be personally bound by all provisions of the Development Agreement; the transferee has obtained all necessary consents and approvals of third parties; and you or all of your equity owners have signed a non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement.
n. Our right of first refusal to acquire your Development Rights	Section 7.4	We may match an offer for your development rights or an ownership interest you propose to sell.
o. Our option to purchase your Development Rights	None	Not Applicable
p. Your death or disability	None	Not Applicable
q. Non-competition covenants during the term of the Development Agreement	None	Not Applicable
r. Non-competition covenants after the Development Agreement is terminated or expires	Section 9.4	The Development Agreement incorporates by reference the post-term non-competition covenants of the Franchise Agreement.
s. Modification of the agreement	Section 12.8	The Development Agreement can be modified only by written agreement between you and us.
t. Integration/merger clause	Sections 12.1 and 12.8	Only the terms of the Development Agreement are binding, although if there is a conflict between the Development Agreement and any Franchise Agreement, the terms of the Franchise Agreement control. Any other promises may not be enforceable. Nothing in the Development Agreement is intended to disclaim anything in the disclosure document.
u. Dispute resolution by arbitration or mediation	None	Except for certain claims, all disputes must be arbitrated in Florida (subject to state law).
v. Choice of forum	Section 13.1 and 13.3	Miami-Dade County, Florida, subject to state law.
w. Choice of law	Section 13.1	Florida law applies (subject to state law); disputes regarding the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.)

Termination on Bankruptcy

Note:

A provision in your Franchise Agreement and Development Agreement that terminates the Franchise on your bankruptcy may not be enforceable under Title 11, United States Code Section 101 *et seq*.

ITEM 18. PUBLIC FIGURES

We reserve the right to use a public figure to promote the ESTRELLA INSURANCE business, although we do not presently use a public figure for that purpose.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

Except for the Gross Revenue levels set forth below, which are solely for Commercial Office Locations, we do not make information available to prospective franchisees concerning actual, average, projected, or forecasted sales, profits, or earnings. We do not furnish or authorize our sales personnel to furnish any other oral or written information concerning the actual, average, projected, forecasted, or potential sales, costs, income or profits of a franchise. We specifically instruct sales personnel, agents, employees and officers that, other than as set forth in this Item 19, they are not permitted to make any claims, or statements as to the earnings, sales, or profits, or prospects or chances of success, nor are they authorized to represent or estimate dollar figures as to a franchisee's operation. We will not be bound by any unauthorized representations as to earnings, sales, profits, or prospects or chances for success.

Actual results will vary from franchise to franchise and will be dependent on a variety of internal and external factors, some of which neither we nor a prospective franchisee can estimate, such as competition, general economic climate, demographics, and the changing regulatory environment. Accordingly, we cannot estimate the results of a particular franchise. We recommend that prospective franchisees make their own independent investigation to determine whether or not the franchise may be profitable, and consult with an attorney and other advisors of their own choosing prior to executing any agreement.

THE GROSS REVENUES REFLECTED ARE SOLELY FOR COMMERCIAL OFFICE LOCATIONS. THEY SHOULD NOT BE CONSIDERED AS THE ACTUAL OR POTENTIAL LEVELS OF GROSS REVENUES THAT WILL BE REALIZED BY ANY FRANCHISEE. WE DO NOT REPRESENT THAT ANY FRANCHISEE CAN EXPECT TO ATTAIN SUCH LEVELS, OR ANY PARTICULAR LEVEL. IN ADDITION, WE DO NOT REPRESENT THAT ANY FRANCHISEE WILL DERIVE INCOME THAT EXCEEDS THE INITIAL PAYMENT FOR OR INVESTMENT IN THE ESTRELLA INSURANCE FRANCHISE. THE SUCCESS OF A FRANCHISEE LARGELY WILL DEPEND UPON THE ABILITY OF THE FRANCHISEE, AND THE INDIVIDUAL FINANCIAL RESULTS OF A FRANCHISEE ARE LIKELY TO DIFFER FROM THE INFORMATION DESCRIBED HEREIN. SUBSTANTIATION OF THE DATA USED WILL BE MADE AVAILABLE UPON REASONABLE REQUEST, AT OUR OFFICES.

BASES AND ASSUMPTIONS

The agencies reviewed in connection with the preparation of the statement were all Commercial Office Locations, located either in a shopping center, with a strong, local anchor tenant or a neighborhood "strip" center. The typical customer is a low to middle income automobile owner and/or licensed driver, needing a full line of automobile insurance coverages.

The agencies reviewed were all Commercial Office Locations, located in the state of Florida, Arizona and California. They all have a mandatory automobile insurance.

THE STATEMENT AND THE INFORMATION UPON WHICH IT IS BASED HAVE NOT BEEN AUDITED OR REVIEWED BY ANY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT. NO SUCH ACCOUNTANT ASSUMES ANY RESPONSIBILITY FOR THEM.

In 2018, of the Commercial Office franchised agencies open at least two years as of December 31, 2018, approximately 66% had annual sales in excess of $2,000,000; approximately 45% had annual sales in excess of $3,000,000; approximately 28% had annual sales volumes in excess of $4,000,000 approximately 16% had annual sales volumes in excess of $5,000,000 and approximately 8% had annual sales in excess of $7,000,000 and 3% had sales in excess of $10,000,000. Note: The percentages exceed 100% as the categories are cumulative.

In 2018, the average sales volumes of the Commercial Office franchised agencies open at least two years, was $3,180,000. The highest and lowest annual sales volumes in 2018 of agencies operated by franchisees were $14,643,361 and $526,050.

	HIGH	AVERAGE	LOW
SALES	$11,013,276	$3,588,766	$2,247,894
PREMIUMS	$9,810,480	$3,163,498	$1,991,778
TOTAL COMMISSIONS	$1,202,796	$425,268	$256,116
COMMISSIONS ADJUSTMENTS	($5,869)	($15,074)	($13,009)
NET COMMISSIONS	$1,196,927	$410,193	$243,107

THE ABOVE INFORMATION, FOR COMMERCIAL OFFICE LOCATIONS ONLY, SHOULD NOT BE CONSIDERED AS THE ACTUAL OR POTENTIAL AMOUNTS THAT WILL BE REALIZED BY ANY FRANCHISEE. THE FRANCHISOR DOES NOT REPRESENT THAT ANY FRANCHISE CAN EXPECT TO ATTAIN THESE LEVELS

Statement of Gross Revenues for Commercial Office Locations Only - Notes

Sales: Total amount of gross premiums sold. (This is equivalent to Gross Revenues under the Franchise Agreement.)

Premiums: The cost associated with policies sold to insureds.

Commission adjustments: Adjustments as a result of refunds and/or credits to insureds for insurance cancellations or overpayments. It is reported net of any unearned premium received from either the insurance company, MGAs or the premium finance company, and fees which are additional revenues collected from the insured for preparation of the corresponding insurance application.

Other than the preceding financial performance representation, Estrella Franchising Corp. does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jose Merille, Estrella Franchising Corp., 3750 West Flagler Street, Miami, Florida 33134, 305-443-2829, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Systemwide Outlet Summary

Table 1
Commercial Office Franchised Business
For Years 2016 to 2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	111	134	+23
	2017	134	115	-19
	2018	115	127	+12
Company-Owned	2016	0	0	0
	2017	0	0	0
	2018	0	0	0
Total Outlets	2016	111	134	+23
	2017	134	115	-19
	2018	115	127	+12

Table 2
Commercial Office Franchised Business
Transfers of Outlets from
Franchisees to New Owners (other than the Franchisor)
For Years 2016 to 2018

State	Year	Number of Transfers
Arizona	2016	0
	2017	11
	2018	11
Florida	2016	3
	2017	6
	2018	2
California	2016	0
	2017	6
	2018	2

State	Year	Number of Transfers
Total	2016	3
	2017	23
	2018	15

Table 3
Commercial Office Franchised Business
Status of Franchised Outlets
For Years 2016 to 2018

State	Year	Outlets at the Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2016	25	0	0	0	0	3	22
	2017	22	0	0	0	0	11	11
	2018	11	1	0	0	0	0	12
California	2016	1	20	0	0	0	0	21
	2017	21	0	0	0	0	15	6
	2018	6	0	0	0	0	1	5
Florida	2016	85	6	0	0	0	0	91
	2017	91	8	0	0	0	1	98
	2018	98	14	0	0	0	2	110
Ohio	2016	0	0	0	0	0	0	0
	2017	0	1	0	0	0	1	0
	2018	0	0	0	0	0	0	0
Total	2016	111	26	0	0	0	3	134
	2017	134	9	0	0	0	28	115
	2018	115	15	0	0	0	3	127

Table 4
Commercial Office Franchised Business
Status of Company-Owned Outlets
For years 2016 to 2018

State	Year	Outlets at the Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Closed Outlets	Outlets Sold to Franchisee	Outlets at End of the Year
Arizona	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
California	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0

State	Year	Outlets at the Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Closed Outlets	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
TOTAL	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0

Table 5
Commercial Office Franchised Business
Projected Openings
As of December 31, 2018

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Arizona	0	5	0
California	0	3	0
Florida	16	15	0
Texas	0	2	3
Total	16	25	3

Systemwide Outlet Summary
Home-Based
Table 1
Home-Based
For Years 2016to 2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	0	0	0
	2017	0	0	0
	2018	0	0	0
Company-Owned	2016	0	0	0
	2017	0	0	0
	2018	0	0	0
Total Outlets	2016	0	0	0
	2017	0	0	0
	2018	0	0	0

Table 2
Home-Based
Transfers of Outlets from
Franchisees to New Owners (other than the Franchisor)
For Years 2016 to 2018

State	Year	Number of Transfers
Arizona	2016	0
	2017	0
	2018	0
Florida	2016	0
	2017	0
	2018	0
California	2016	0
	2017	0
	2018	0
Total	2016	0
	2017	0
	2018	0

Table 3
Home-Based
Status of Franchised Outlets
For Years 2016 to 2018

State	Year	Outlets at the Start of Year	Outlets Opened	Termination	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
California	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Florida	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Ohio	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Total	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0

Table 4
Home-Based
Status of Company-Owned Outlets
For years 2016 to 2018

State	Year	Outlets at the Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Closed Outlets	Outlets Sold to Franchisee	Outlets at End of the Year
Arizona	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
California	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
Florida	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
TOTAL	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0

Table 5
Home-Based
Projected Openings
As of December 31, 2018

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Arizona	0	0	0
California	0	0	0
Florida	0	0	0
Total	0	0	0

Exhibit "D" lists the names of all operating Commercial Office franchisees and their addresses and telephone numbers as of December 31, 2018. Exhibit "E" lists the franchisees who have signed Franchise Agreements for Estrella insurance Commercial Office agencies which were not yet operational as of December 31, 2018. Exhibit "F" lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had a Commercial Office outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who have not communicated with us within 10 weeks of the issuance date of this disclosure document. There are 3 former Commercial Office franchisees listed in Exhibit "F". If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

Estrella Franchising Corp. created the Estrella Franchising National Advisory Council: 3750 W. Flagler Street, Miami, FL 33134 (305) 443-2829, franchise@estrellainsurance.com.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit "G" to this Franchise Disclosure Document are our audited financial statement as of December 31, 2018, December 31, 2017 and December 31, 2016, as well as interim unaudited statements as required by certain states.

ITEM 22. CONTRACTS

Attached an Exhibit is a copy of the following agreement relating to the offer of the franchise:

Exhibit "B" – Franchise Agreement, with Exhibits attached:

Exhibit "A" – Rider to Lease

Exhibit "B" – Assignment of Franchise and Guaranty

Exhibit "C" – Guaranty and Assumption of Obligations

Exhibit "D" – Security Agreement

Exhibit "E" – Confidentiality, Non-Disclosure, Non-Competition Agreement

Appendix 1 - Form of Promissory Note.

Exhibit "B-1" – Area Development Agreement, with Exhibits attached:

Schedule 1 - Development Territory

Exhibit "A" Development Schedule

Exhibit "B" Guaranty and Assumption of Obligations

Exhibit "C" Developer Information

ITEM 23. RECEIPTS

Two copies of an acknowledgment of your receipt of this Franchise Disclosure Document appear as the last pages to this Franchise Disclosure Document. Please return one copy to us and retain the other for your records.

EXHIBIT "A"

STATE AGENCIES AND ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

CALIFORNIA California Commissioner of Business Oversight Department of Business Oversight One Sansome Street, Suite 600 San Francisco, California 94104 866-275-2677	**NEW YORK** NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 Phone (212) 416-8236 (Agent for Service of Process) Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 11231-0001 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs, Business Registration Division, King Kalakaua Building 335 Merchant Street, Room 203 Honolulu, Hawaii 96813	
ILLINOIS Attorney General State of Illinois 500 South Second Street Springfield, Illinois 62706	**NORTH DAKOTA** Franchise Examiner Office of Securities Commission 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505
INDIANA Indiana Securities Commissioner 302 W. Washington Street, Room E-111 Indianapolis, Indiana 46204	**OREGON** Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310
Indiana Secretary of State 201 State House Indianapolis, Indiana 46204 (Agent for Service of Process)	**RHODE ISLAND** Chief Securities Examiner Division of Securities Section 233 Richmond Street, Suite 232 Providence, Rhode Island 02903
MARYLAND Franchise Examiner Office of the Attorney General, Securities Division 200 St. Paul Place, 20th Floor Baltimore, Maryland 21202-2020	**SOUTH DAKOTA** Franchise Administration Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
Maryland Securities Commissioner Division of Securities 200 St. Paul Place, 20th Floor Baltimore, Maryland 21202-2020 (Agent for Service of Process)	**VIRGINIA** Director, Division of Securities and Retail Franchising State Corporation Commission 1300 East Main Street, Ninth Floor Richmond, Virginia 23219
MICHIGAN Franchise Administrator Consumer Protection Division, Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, Michigan 48913 Department of the Attorney General Consumer Protection Division - Attn: Franchise 670 Law Building Lansing, Michigan 48913 (Agent for Service of Process)	**VIRGINIA (continued)** Clerk of the State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (Agent for Service of Process) **WASHINGTON** Franchise Registrations/Business Opportunities Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507

MINNESOTA Franchise Examiner Minnesota Department of Commerce Market Assurance Division 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 P - (651) 539-1600	**WISCONSIN** Franchise Administrator, Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, Wisconsin 53701

Exhibit "B"

Franchise Agreement

ESTRELLA INSURANCE
FRANCHISE AGREEMENT

ESTRELLA INSURANCE
FRANCHISE AGREEMENT

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ADDENDUM

Location Designation and Description of Territory

EXHIBITS

Exhibit "A" – Rider to Lease
Exhibit "B" – Assignment of Franchise and Guaranty
Exhibit "C" – Guaranty and Assumption of Obligations
Exhibit "D" – Security Agreement including UCC-1
Exhibit "E" – Confidentiality, Non-Disclosure, Non-Competition Agreement

APPENDIX

Appendix 1 - Form of Promissory Note and Guaranty

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20___, by and between ESTRELLA FRANCHISING CORP., a corporation organized under the laws of Florida ("FRANCHISOR") and _____ ("FRANCHISEE"), with reference to the following facts:

A. FRANCHISOR owns, has the right to use and/or has developed:

(i) the "ESTRELLA INSURANCE" name and such other related trademarks, trade names, service marks, logotypes, insignias, trade dress and designs as FRANCHISOR may expressly authorize from time to time (the "Trademarks") for use in connection with the development, operation and maintenance of an insurance agency and financial services business (the "Franchised Business");

(ii) FRANCHISOR'S trade secrets and procedures for the operation of the Franchised Business, including advertising, sales techniques, materials, signs, personnel management and control systems, bookkeeping and accounting methods, and in general, a style, system and method of business operation (the "System"); and

(iii) FRANCHISOR'S original model, requiring FRANCHISEE to operate from a fixed commercial space in the Territory ("Commercial Office") and FRANCHISOR'S home-based model ("Home-Based"), requiring Franchise to operate from a fixed residential space, the Franchisee's home, in the Territory.

B. FRANCHISEE desires to obtain a franchise and license to use the System and Trademarks in conjunction with the operation of one (1) Franchised Business, in accordance with the terms and conditions of this Agreement and the Operations Manual (as defined below).

WHEREFORE IT IS AGREED

ARTICLE 1.
GRANT OF FRANCHISE AND LICENSE

1.1. ***Grant.*** FRANCHISOR hereby grants to FRANCHISEE and FRANCHISEE hereby accepts, a license to use and display the Trademarks, and to use the System, in connection with the operation of one (1) Franchised Business, upon the terms and subject to the provisions of this Agreement, during the term hereof.

ARTICLE 2.
LOCATION AND PROTECTED TERRITORY

2.1. ***Location.*** The above grant is to operate a single Franchised Business utilizing the System at the following location (the "Location") only: _____. The type of Location is (***check as applicable***) __ Commercial Office, or __ Home-Based. If at the time of execution of this Agreement, a Location has not been selected, FRANCHISEE shall have ninety (90) days thereafter to find a site for the conduct of the Franchise Business, of the type checked above, and the FRANCHISOR and FRANCHISEE shall execute the Location Designation and Description of Territory Addendum (the "Addendum"), at such time as selection and approval of the Location has occurred. FRANCHISEE will not operate any insurance related business or use the System (or any portion thereof), the Trademarks (or any derivation thereof) at any other location or for any other purpose and FRANCHISEE will conduct no activities from the Location

other than the operation of a single Franchised Business in the manner permitted by this Agreement and the Operations Manual for so long as this Agreement is in effect.

2.2. ***Protected Territory.***

a. Commercial Office: During the term of this Agreement and provided FRANCHISEE is in full compliance with all of its terms, conditions and provisions, FRANCHISOR will not grant a franchise and license for another Commercial Office Franchised Business nor operate a Commercial Office Franchised Business itself within an area lying within one (1) mile (measured in driving distance, taking into account natural and man-made barriers), of the above specified Commercial Office Location and described on the Addendum hereto (the "Territory"). FRANCHISOR retains the right to operate identical or similar businesses itself and/or grant other and additional franchises to such persons and for such locations outside the Territory as FRANCHISOR determines, in FRANCHISOR'S sole and absolute discretion. The identification of the above Location does not limit FRANCHISOR'S right to approve the placement of other franchises or similar businesses outside the Territory. Nothing in this or any other agreement with FRANCHISEE limits in any way the services and/or products FRANCHISOR or any affiliated company may sell and/or provide to anyone, anywhere, through any distribution system, outlets or methods (outright, through contract, joint ventures, affiliated companies, franchising or otherwise), limits any business(es) FRANCHISOR may participate in or limits use of the ESTRELLA name, and/or System by FRANCHISOR in any insurance related or other business.

b. Home-Based: A Home-Based FRANCHISEE does not receive a protected territory.

2.3. ***Relocation.*** FRANCHISEE may relocate the Franchised Business, regardless of whether it's a Commercial Office or Home-Based Location, within the Territory only after notifying FRANCHISOR of the proposed new location and the reason for the desired change. FRANCHISOR reserves the right in its sole and absolute discretion to deny the request to relocate. The measurement of FRANCHISEE'S Territory shall be made from the new Location, provided that such recalculated Territory shall not intrude on the territory of any other Franchised Business or of any insurance agency identified by the Trademarks.

ARTICLE 3.
TERM OF AGREEMENT

3.1. ***Term.***

a. Unless sooner terminated in accordance herewith, and subject to Section 3.1(b) below, the term of this Agreement (the "Term"), shall commence upon the execution hereof and shall expire ten (10) years thereafter

b. Notwithstanding Section 3.1(a), if this Agreement is executed by FRANCHISEE in connection with FRANCHISEE'S purchase of an existing Franchised Business, the Term hereof shall be equal to the then remaining term of the agreement relating to the Franchised Business so purchased.

3.2. ***Renewal.***

a. Subject to Section 3.4, FRANCHISEE shall have the right, but not the obligation, following the expiration of the Term hereof, to enter into a new agreement, in the form then generally being offered (or if none is then being offered, in the form then being offered for renewal of existing franchises) to prospective franchisees, the terms of which may materially differ from

the terms and conditions of this Agreement (including an increase in Royalty Fees and Advertising Contribution, and a change of territorial protection), as modified pursuant to Section 3.2(b) hereof (the "Renewal Franchise Agreement"), for two (2) additional terms of ten (10) years each, or the duration of FRANCHISEE'S right to occupy the Location, whichever is less.

b. Notwithstanding anything herein contained to the contrary, the Renewal Franchise Agreement, if executed by parties hereto, shall differ, and be modified, from FRANCHISOR'S then current form of franchise agreement in the following respects:

i. FRANCHISEE shall not be required to pay any Initial Fee (as defined in Section 4.1 below); and

ii. There shall be no further right to renew beyond the renewal terms set forth in the initial Renewal Franchise Agreement.

3.3. ***Form and Manner of Renewal.*** If FRANCHISEE desires to exercise the right to enter into the Renewal Franchise Agreement (the "Renewal Right"), FRANCHISEE shall do so in the following manner:

a. Not less than three (3) months nor more than six (6) months prior to the expiration of the Term of this Agreement, FRANCHISEE shall request from FRANCHISOR in writing a copy of its then current Renewal Franchise Agreement.

b. Within thirty (30) days after receipt of FRANCHISEE'S said written request, FRANCHISOR shall deliver to FRANCHISEE two (2) copies of its Renewal Franchise Agreement.

c. Within thirty (30) days after FRANCHISEE receives said copies of the Renewal Franchise Agreement, FRANCHISEE shall execute two (2) copies of said Renewal Franchise Agreement and return same to FRANCHISOR, together with the renewal fee of no more than Five Thousand Dollars ($5,000).

d. If FRANCHISEE shall fail to perform any of the acts, or deliver any of the notices required pursuant to the provisions of subsections (a), (b) or (c) of this Section 3.3, in a timely fashion, such failure shall be deemed an election by FRANCHISEE not to exercise his right and option to enter into the Renewal Franchise Agreement, and such failure shall cause FRANCHISEE'S said right and option to automatically lapse and expire.

e. Provided that FRANCHISEE shall have exercised FRANCHISEE'S Renewal Right, in the form and manner herein described, and shall have complied with all of the conditions contained in Section 3.4 hereof, FRANCHISOR shall execute the Renewal Franchise Agreement executed by FRANCHISEE and shall, promptly at the expiration of the Term hereof, deliver one (1) fully executed copy of the Renewal Franchise Agreement to FRANCHISEE.

3.4. ***Conditions Precedent to Renewal.***

a. FRANCHISEE'S right to enter into the Renewal Franchise Agreement, in accordance with the provisions of Section 3.2 hereof, is conditioned upon FRANCHISEE'S fulfillment of each and all of the following conditions precedent:

b. At the time FRANCHISEE notifies FRANCHISOR of its election to renew pursuant to Section 3.3(a) above and at all times from such notification to the time of the commencement of the term of the Renewal Franchise Agreement, FRANCHISEE shall have performed all its obligations

under this Agreement, the Operations Manual and under all other agreements which may during said period be in effect between FRANCHISEE and FRANCHISOR.

c. FRANCHISEE shall have not received two (2) or more notices of default during any twelve (12) month period during the Term of this Agreement, whether or not such defaults were cured.

d. FRANCHISEE shall execute a general release in favor of FRANCHISOR, its affiliates, subsidiaries, and their respective owners, officers, directors, managers, employees, agents and other representatives.

e. Prior to the expiration of this Agreement, FRANCHISEE shall conform the Franchised Business to FRANCHISOR'S then current standards and specifications, including any training deemed necessary by FRANCHISOR.

ARTICLE 4.
PAYMENTS BY FRANCHISEE

4.1. ***Initial Franchise Fee.***

a. Commercial Office: Unless this Agreement is executed in connection with the renewal or transfer of an existing franchise, FRANCHISEE shall pay to FRANCHISOR the sum of Twenty-Five Thousand Dollars ($25,000), as an initial franchise fee (the "Initial Fee").

b. The Initial Fee is payable: $15,000 upon FRANCHISEE'S execution of this Agreement; and $10,000 prior to the commencement of initial pre-opening training. If FRANCHISEE acquires a second franchise, the Initial Fee shall be $20,000 and if FRANCHISEE acquires a third franchise, the Initial Fee shall be $16,000. If FRANCHISEE is operating an insurance agency at the time of the execution of this Agreement and has done so for the prior twelve (12) months, Franchise shall be deemed a "conversion franchisee" and pay an Initial Fee of $16,000. In all of these latter three circumstances, the Initial Fee shall be payable in a lump sum at the execution of the Franchise Agreement. If FRANCHISEE meets FRANCHISOR'S criteria, FRANCHISOR may offer payment terms to FRANCHISEE for all or a portion of the Initial Fee. If FRANCHISOR grants payment terms to FRANCHISEE, FRANCHISEE will be required to sign FRANCHISOR'S form of Promissory Note (the "Note") together with a Guaranty, copies of which are attached to this Agreement as Appendix 1.

c. Home-Based: Unless this Agreement is executed in connection with the renewal or transfer of an existing franchise, FRANCHISEE shall pay to FRANCHISOR the sum of Ten Thousand Dollars ($10,000), as an Initial Franchise Fee. The Initial Fee is payable: $7,500 upon FRANCHISEE'S execution of this Agreement; and $2,500 prior to the commencement of initial pre-opening training.

d. In all events, the Initial Fee, whether for a Commercial Office or a Home-Based Franchise, is not refundable in whole or in part, and shall be deemed fully earned by FRANCHISOR upon FRANCHISOR'S execution of this Agreement, unless FRANCHISEE shall fail to satisfactorily complete FRANCHISOR'S training program (or fail to obtain required state licenses or permits), in which event, FRANCHISOR may terminate this Agreement and return the Initial Fee to FRANCHISEE, less FRANCHISOR'S costs incurred to the date of termination in soliciting, qualifying, assisting and training FRANCHISEE. Upon such payment, the FRANCHISOR and

FRANCHISEE shall be released and relieved of all obligations responsibilities, and liabilities, each to the other.

e. If FRANCHISEE has executed this Agreement in connection with a transfer of an existing franchisee's Franchised Business, no Initial Fee shall be payable, however, FRANCHISEE shall pay FRANCHISOR a transfer fee in the amount of Seven Thousand Five Hundred Dollars ($7,500), which is intended to cover FRANCHISOR'S administrative costs and expenses associated with the transfer, including training, unless waived in whole or in part by FRANCHISOR in its sole discretion.

4.2. ***Royalty Fee.*** No later than the tenth (10th) day of each month during the Term, FRANCHISEE shall pay a royalty fee (the "Royalty"), equal to ten percent (10%) to fourteen percent (14%) of FRANCHISEE'S Net Commissions, depending on where the Franchised Business is located, as hereinafter defined in Section 4.5, in accordance with Section 4.8 below, for the preceding month.

4.3. ***Marketing Fee.*** In addition to all other payments provided for herein, FRANCHISEE shall pay to FRANCHISOR, concurrently with FRANCHISEE'S Royalty as described in Section 4.2 above, a Marketing Fee equal to seven percent (7%) of FRANCHISEE'S Net Commissions, for the preceding month.

The Marketing Fee shall be paid to the Marketing Fund, which shall be administered by FRANCHISOR in accordance with Section 6.4 below.

4.4. ***Other Payments to FRANCHISOR.***

In addition to all other payments provided herein, FRANCHISEE shall pay to FRANCHISOR, or its subsidiaries, affiliates or designees, as applicable, promptly when due:

a. The amount of all sales taxes, use taxes, personal property taxes and similar taxes, imposed upon FRANCHISEE and required to be collected or paid by FRANCHISOR on account of goods or services furnished by FRANCHISEE by sale, lease or otherwise or on account of Royalties, Initial Fees, or other amounts collected by FRANCHISOR from FRANCHISEE.

b. All amounts advanced by FRANCHISOR or which FRANCHISOR has paid, or for which FRANCHISOR has become obligated to pay, on behalf of FRANCHISEE for any reason whatsoever.

4.5. ***Net Commissions.***

"Net Commissions" is defined to include all fees, commissions and other amounts, regardless of name, description or title, to which FRANCHISEE is entitled from the sale of any and all forms of insurance or financial products, less any cancellations. Said amounts shall be those FRANCHISOR has negotiated with those insurance companies with whom FRANCHISEE is authorized to do business pursuant to the System.

4.6. ***Reporting.***

a. On or before the forty-fifth (45th) day following last day of each month during the Term hereof, FRANCHISEE shall submit to FRANCHISOR financial statements for the preceding month, including a balance sheet and profit and loss statement, prepared in the form and manner prescribed by FRANCHISOR.

b. Within sixty (60) days following the end of each calendar year, FRANCHISEE shall submit to FRANCHISOR an unaudited annual financial statement, prepared in accordance with generally accepted accounting principles, and in such form and manner as prescribed by FRANCHISOR, which shall be certified by FRANCHISEE to be accurate and complete.

c. With respect to all financial statements required of FRANCHISEE pursuant to this Agreement, FRANCHISEE is and shall be primarily responsible for their truth, accuracy and completeness, regardless of who may actually prepare same, including FRANCHISOR.

4.7. ***Bank Accounts.*** In all events, FRANCHISEE shall, no later than 2:00 p.m. of the next business day, deposit all premium payments and other receipts, regardless of form, only into bank account(s) as are specified in the Operations Manual.

4.8. ***Electronic Funds Transfer.***

FRANCHISEE must participate in FRANCHISOR'S electronic funds transfer program, which authorizes FRANCHISOR to utilize a pre-authorized bank draft system. FRANCHISEE must sign and deliver to FRANCHISOR an unconditional, irrevocable authorization to enable FRANCHISOR'S financial institution to debit bank accounts at FRANCHISEE'S bank in order to pay FRANCHISOR any Royalties, Marketing Fund contributions, and other amounts which FRANCHISEE may owe FRANCHISOR under this Agreement or any other agreement between FRANCHISEE and FRANCHISOR. All Royalties, Marketing Fund contributions, and other amounts due FRANCHISOR must be received by FRANCHISOR or credited to FRANCHISOR'S account by pre-authorized bank debit before 5:00 p.m. on the day each such payment is due.

4.9. ***Application of Funds.***

If FRANCHISEE shall be delinquent in the payment of any obligation to FRANCHISOR hereunder, or under any other agreement with FRANCHISOR, FRANCHISOR shall have the absolute right to apply any amounts belonging to FRANCHISEE to any obligation owed, whether under this Agreement or otherwise, notwithstanding any contrary designation by FRANCHISEE as to the application thereof.

4.10. ***Interest on Late Payments.***

If FRANCHISEE shall fail to pay to FRANCHISOR the entire amount of the Royalty, Marketing Fee, or any other sums owed to FRANCHISOR, promptly when due, FRANCHISEE shall pay to FRANCHISOR, in addition to all other amounts which are due but unpaid, interest on the unpaid amounts, from the due date thereof, at the rate of one and one half percent (1 1/2%) per month, or the highest rate allowable under applicable law, whichever is less.

4.11. ***Guaranty and Security Agreement.*** To help secure the timely payment and full performance of FRANCHISEE under the Franchisee Agreement:all owners of FRANCHISEE, including without limitation all partners, shareholders, and members, as applicable, and their respective spouses, shall execute FRANCHISOR'S standard form Guaranty and Assumption of Obligations (Exhibit "C"); and

b. FRANCHISEE grants to FRANCHISOR and FRANCHISOR takes, a first priority security interest in all of the FRANCHISEE'S assets, including, without limitation, all present and after acquired inventory and equipment wherever located, accounts, deposit accounts, chattel paper, instruments, contract rights (including FRANCHISEE'S rights under this Agreement) and general

intangibles, including payment intangibles, and all proceeds and products thereof, including insurance proceeds. FRANCHISEE shall execute FRANCHISOR'S standard Security Agreement attached hereto as Exhibit "D". In order to perfect this security interest, FRANCHISEE shall also execute a UCC 1 Financing Statement, a sample attached hereto as part of Exhibit "D". FRANCHISEE authorizes FRANCHISOR to file a copy of the Security Agreement, the UCC 1 Financing Statement and any other documents that may be necessary to perfect the security interest granted herein, with or without signature of FRANCHISEE. FRANCHISOR'S security interest will be subordinated to any Small Business Administration financing for which FRANCHISEE qualifies and obtains.

4.12. ***Audit Expenses.***

If FRANCHISOR shall cause an audit to be made and FRANCHISEE'S records for any reporting period shall be found to be understated or overstated by more than two percent (2%), FRANCHISEE shall be responsible for and shall immediately pay to FRANCHISOR the cost of such audit (in addition to all amounts which are due but unpaid); otherwise, the cost of such audit shall be paid by FRANCHISOR.

ARTICLE 5.
TRADEMARKS

5.1. ***Non-Ownership of Trademarks.***

FRANCHISOR is the owner of all right, title and interest in and to the Trademarks. Nothing herein shall give FRANCHISEE any right, title or interest in or to any of the Trademarks, except a mere privilege and license during the term hereof, to display and use the same according to the terms and conditions herein contained.

5.2. ***Use of Trademarks.***

a. Subject to Section 5.7, FRANCHISEE agrees that the Franchised Business herein licensed and franchised shall be named "ESTRELLA INSURANCE", without any suffix or prefix attached thereto and that FRANCHISEE shall use and display such of the Trademarks and such signs, advertising and slogans as FRANCHISOR may from time to time prescribe or approve, including, but without limitation, that FRANCHISEE'S name shall be clearly marked on all FRANCHISEE'S business stationery in a manner specified or approved by FRANCHISOR and which clearly indicates that FRANCHISEE is the person, owning and operating the Franchised Business, pursuant to a Franchise Agreement with FRANCHISOR. FRANCHISEE shall also use the symbol ® or SM, as directed by FRANCHISOR to indicate to the public FRANCHISOR'S rights in the Trademarks.

b. Upon the expiration or sooner termination of this Agreement, FRANCHISOR may, if FRANCHISEE does not do so, execute in FRANCHISEE'S name and on FRANCHISEE'S behalf, any and all documents necessary to end and cause the discontinuance of FRANCHISEE'S use of the Trademarks and the person serving from time to time as Secretary of FRANCHISOR is hereby irrevocably appointed and designated as FRANCHISEE'S attorney in fact so to do.

5.3. ***Non Use of Trade Name.***

If FRANCHISEE, with FRANCHISOR'S permission, is a corporation or partnership, it shall not use the Trademarks, or any words or symbols which are confusingly similar thereto, as all or part of FRANCHISEE'S name.

5.4. ***Use of Other Trademarks.***

FRANCHISEE shall not display the trademark, service mark, trade name, insignia or logotype of any person, firm or corporation in connection with the operation of the Franchised Business without the express prior written consent of FRANCHISOR, which may be withheld in its sole subjective discretion.

5.5. ***Defense of Trademarks.***

a. In the event that FRANCHISEE receives notice, or is informed, of any claim, suit or demand against FRANCHISEE on account of any alleged infringement, unfair competition, or similar matter on account of its use of the Trademarks in accordance with the terms of this Agreement, FRANCHISEE shall promptly notify FRANCHISOR of any such claim, suit or demand. Thereupon, FRANCHISOR shall take such action as it may deem necessary and appropriate to protect and defend FRANCHISEE against any such claim by any third party and FRANCHISOR shall indemnify FRANCHISEE against any loss, costs or expenses incurred in connection therewith. FRANCHISEE shall not settle or compromise any such claim by a third party without the prior consent of FRANCHISOR. FRANCHISOR shall have the sole right to defend, compromise or settle any such claim, in its discretion, at FRANCHISOR'S sole cost and expense, using attorneys of its own choosing, and FRANCHISEE agrees to cooperate fully with FRANCHISOR in connection with the defense of any such claim. FRANCHISEE may participate at its own expense in such defense or settlement, but FRANCHISOR'S decisions with regard thereto shall be final.

b. In the event that FRANCHISEE shall be prevented from using any of the Trademarks, including but not limited to the name "ESTRELLA," by reason of such Trademark(s) infringing the property rights of any third party, FRANCHISEE shall cease the use of such Trademark(s), and modify any and all signs, and other items display such Trademark(s) promptly upon receipt of notice from FRANCHISOR, in the manner prescribed by FRANCHISOR in such notice.

5.6. ***Prosecution of Infringers.***

In the event that FRANCHISEE shall receive notice or is informed or learns that any third party, which it believes to be unauthorized to use the Trademarks, is using the Trademarks or any variant thereof, FRANCHISEE shall promptly notify FRANCHISOR of the facts relating to such alleged infringing use. Thereupon, FRANCHISOR may, in its sole discretion, determine whether or not it wishes to take any action against such third person on account of such alleged infringement of the Trademarks. FRANCHISEE shall have no right to make any demand against any such alleged infringer or to prosecute any claim of any kind or nature whatsoever against such alleged infringer for or on account of such alleged infringement.

5.7. ***Modification of Trademarks.***

From time to time, in the Operations Manual or in directives or bulletins supplemental thereto, FRANCHISOR may add to, delete or modify any or all of the Trademarks FRANCHISEE shall use, or cease using, as may be applicable, including but not limited to, any such modified or additional trade names, trademarks, service marks, logotypes and commercial symbols, in strict

accordance with the procedures, policies, rules and regulations contained in the Operations Manual or in written directives issued by FRANCHISOR to FRANCHISEE from time to time, as though they were specifically set forth in this Agreement.

5.8. ***Acts in Derogation of the Trademarks.***

FRANCHISEE agrees that the Trademarks are the exclusive property of FRANCHISOR and now asserts no claim and will hereafter assert no claim to any goodwill, reputation or ownership thereof by virtue of FRANCHISEE'S licensed and/or franchised use thereof, or otherwise. FRANCHISEE agrees that it will not do or permit any act or thing to be done in derogation of any of the rights of FRANCHISOR in connection with the same, either during the Term of this Agreement or thereafter, and that it will use the Trademarks only for the uses and in the manner licensed and/or franchised hereunder and as herein provided.

5.9. ***Prohibition Against Disputing FRANCHISOR'S Rights.***

FRANCHISEE agrees that it will not, during or after the Term of this Agreement, in any way dispute or impugn the validity of the Trademarks licensed hereunder, or the rights of FRANCHISOR thereto, or the rights of FRANCHISOR or other franchisees of FRANCHISOR to use the same, both during the Term of this Agreement and thereafter.

5.10. ***Assumed Name Registration.***

In the event that FRANCHISEE is required to do so by any statute or ordinance, FRANCHISEE shall promptly upon the execution of this Agreement file with applicable government agencies or offices, a notice of its intent to conduct its business under the name "ESTRELLA INSURANCE." Promptly upon the expiration or termination of this Agreement for any reason whatsoever, FRANCHISEE shall promptly execute and file such documents as may be necessary to revoke or terminate such assumed name registration, and if FRANCHISEE shall fail to promptly execute and file such documents as may be necessary to effectively revoke and terminate such assumed name registration, FRANCHISEE hereby irrevocably appoints and designates the person serving from time to time as the Secretary of FRANCHISOR as FRANCHISEE'S attorney in fact to do so for and on behalf and in the name of FRANCHISEE.

5.11. ***Websites.***

FRANCHISEE is only permitted to use FRANCHISOR'S website or any other website that FRANCHISOR may provide to FRANCHISEE, and may not advertise the Franchised Business using (or reference the Trademarks on) any other website, bulletin board, other internet marketing site, or any current or future form of social media network or platform without FRANCHISOR'S prior written approval. FRANCHISEE may not establish FRANCHISEE'S own website, bulletin board or other internet marketing site for the Franchised Business under any circumstances. FRANCHISOR has the right to control all use of URL's, domain names, websites, addresses, metatags, links, e-mail addresses and any other means of electronic identification or origin ("e-names"). FRANCHISOR also has the right to designate, approve, control or limit all aspects of FRANCHISEE'S use of the Internet, Intranet, World Wide Web, wireless technology, digital cable, use of e-names, e-mail, websites, home pages, bulletin boards, chat rooms, e-mail, linking, framing, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any

means of interactive electronic documents contained in a network of computers or similar devices linked by communications software (collectively, "e-commerce"). FRANCHISOR has the right to monitor FRANCHISEE and FRANCHISEE'S employees' e-commerce activities. FRANCHISEE must follow all of FRANCHISOR'S policies and procedures for the use and regulation of e-commerce. FRANCHISOR may require FRANCHISEE to coordinate FRANCHISEE'S e-commerce activities with those of FRANCHISOR. FRANCHISEE recognizes and agrees that between FRANCHISEE and FRANCHISOR, FRANCHISOR owns all rights to all interest in and to any data collected via e-commerce and in other aspect of the System or the Trademarks, including any customer data, click-stream data, cookies, user data, hits and the like: such information is deemed by us to be and constitutes FRANCHISOR'S Confidential Information.

ARTICLE 6.
ADVERTISING AND PROMOTION BY FRANCHISEE

6.1. ***General.***

FRANCHISEE shall conduct all local advertising and promotion in accordance with such provisions with respect to format, content and media as are from time to time contained in the Operations Manual. No advertising material may be used by FRANCHISEE without FRANCHISOR'S prior written approval.

6.2. ***Telephone Numbers and Directory Advertising.***

FRANCHISEE shall, at its sole expense, subscribe for and maintain throughout the term hereof, one (1) or more telephone numbers, which shall be listed in such telephone directory or directories servicing FRANCHISEE'S Territory and such adjacent or nearby geographic areas as FRANCHISOR may designate, in the manner prescribed by FRANCHISOR. In all advertising placed by FRANCHISEE in which such listed number(s) appear, there shall not appear any other telephone numbers subscribed for by FRANCHISEE personally or in the conduct of any other business. FRANCHISEE shall participate with all other franchisees in arranging and paying for (on a pro rata basis) Internet directory advertisements as required by FRANCHISOR.

6.3. ***Promotional Campaigns.***

From time to time during the term hereof, FRANCHISOR shall have the right to establish and conduct promotional campaigns, which may, by way of illustration and not limitation, promote particular marketing themes. FRANCHISEE agrees to participate in such promotional campaigns upon such terms and conditions as FRANCHISOR may establish. FRANCHISEE acknowledges and agrees that such participation may require FRANCHISEE to purchase promotional material.

6.4. ***Marketing Fund.***

a. Recognizing the value of marketing, FRANCHISOR has established and will administer a marketing fund (the "Marketing Fund") for such marketing (including advertising, promotion, public relations and other marketing programs) as FRANCHISOR may deem necessary or appropriate, in its sole discretion. Contributions to the Marketing Fund shall be made by FRANCHISEE pursuant to Section 4.8. FRANCHISOR and its affiliates shall contribute to the Marketing Fund for those insurance agencies which they operate under the Trademarks.

b. Except as otherwise provided below in subsection (c), FRANCHISOR shall direct all marketing programs financed by the Marketing Fund. FRANCHISOR shall have sole discretion

over the creative concepts, materials, and endorsements used therein, and the geographic market and media placement and allocation thereof. FRANCHISEE agrees that the Marketing Fund may be used to pay the costs of conducting marketing surveys and research; employing public relations firms; preparing and producing video, audio, and printed marketing materials; administering multi regional marketing programs, including, without limitation, purchasing television, radio, magazine, billboard, newspaper, and other media advertising (in both English and Spanish), and employing advertising agencies to assist therewith; providing marketing materials to franchisees; and holding conventions and regional meetings for franchisees. The Marketing Fund shall furnish FRANCHISEE with approved marketing materials on the same terms and conditions as FRANCHISOR furnishes such materials to FRANCHISOR'S other franchisees.

c. FRANCHISEE understands and acknowledges that the Marketing Fund is intended to be used to develop general public recognition of the Trademarks and increase patronage of ESTRELLA INSURANCE Agencies in general. FRANCHISOR undertakes no obligation to ensure that expenditures by the Marketing Fund in, or affecting any geographic area, are proportionate or equivalent to contributions to the Marketing Fund by Franchised Businesses operating in any geographic area or that any Franchised Business will benefit directly or in proportion to its contribution to the Marketing Fund, from the conduct of marketing programs or the placement of advertising. Except as expressly provided in this Section, FRANCHISOR assumes no direct or indirect liability or obligation to FRANCHISEE with respect to the maintenance, direction, or administration of the Marketing Fund.

6.5. ***Local Advertising Requirements.***

FRANCHISEE shall engage in local advertising, on a monthly basis. Local advertising must be in effect within thirty (30) days after the opening of the Franchised Business. FRANCHISOR recommends an amount equal to be between three and five percent (3%-5%) of FRANCHISEE'S Gross Revenues be used for local advertising. FRANCHISOR will provide, at FRANCHISEE'S request, suggested formats and types of local advertising. FRANCHISEE is to substantiate local advertising expenditures to FRANCHISOR, by supplying such information as FRANCHISOR may require from time to time, including but not limited to, tear sheets, paid advertising invoices, and like documentation.

Prior to their use by FRANCHISEE, samples of all marketing and advertising materials and descriptions of local promotional programs that FRANCHISEE proposes to use, not prepared or previously approved by FRANCHISOR, shall be submitted to FRANCHISOR for approval. If written approval is not received by FRANCHISEE within fifteen (15) days from the date of receipt by FRANCHISOR of such materials or descriptions, FRANCHISEE may not use the submitted materials. FRANCHISEE shall not use any marketing materials that FRANCHISOR has disapproved.

FRANCHISEE shall also be responsible for any lease/sublease obligations which require contributions(s) to a marketing fund, advertising fund, or any fund of a similar nature or other forms of advertising expense and any such contributions or expenditures made by FRANCHISEE to satisfy such lease/sublease obligations shall only reduce FRANCHISEE'S obligation hereunder to engage in local advertising. Lease of the Site.

ARTICLE 7.
OPERATION OF THE BUSINESS

7.1. ***Site Selection. Commercial Office***

a. Although FRANCHISOR may have pre-selected an acceptable site for the Commercial Office Franchised Business, FRANCHISEE is solely responsible for selecting the specific Commercial Office Location for the operation of the Commercial Office Franchised Business, which FRANCHISEE shall lease directly from the landlord subject to FRANCHISOR'S prior written approval or otherwise acquire, within ninety (90) days after execution of this Agreement. In the event FRANCHISEE cannot find and lease, or purchase, an acceptable Commercial Office Location within said ninety (90) day period, FRANCHISOR and FRANCHISEE shall reevaluate the circumstances. FRANCHISEE shall then either have additional time to secure an acceptable Commercial Office Location or FRANCHISOR may terminate this Agreement. If the Agreement is terminated at that time or at any later, agreed upon date, FRANCHISOR shall refund ninety percent (90%) of the Initial Fee to FRANCHISEE. The final lease agreement should have a term (or a combination of an initial term and options) of at least ten (10) years, with an option to renew for a like period. FRANCHISEE shall not execute any lease agreement for the Location until the terms and conditions of such lease agreement have been approved in writing by FRANCHISOR. As a condition of its approval of the lease agreement, FRANCHISOR may require FRANCHISEE and the landlord of the Location to execute FRANCHISOR'S then current Rider to Lease (Exhibit "A"), pursuant to which FRANCHISOR is granted an option to assume, or have its assignee assume, the obligations of the lease agreement in the event of the termination of this Agreement. The Location shall be used for no purposes other than the operation of a Franchised Business.

b. FRANCHISEE shall be responsible for developing the Commercial Office Location, subject to supervision by FRANCHISOR. FRANCHISOR will furnish FRANCHISEE mandatory and suggested specifications and layouts, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs and color scheme. It shall be FRANCHISEE'S responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Commercial Office Location and to insure compliance with applicable laws and the lease. FRANCHISEE shall submit construction plans and specifications to FRANCHISOR for approval before construction is commenced and shall, upon request, submit all revised or "as built" plans and specifications during construction. FRANCHISEE shall obtain FRANCHISOR'S written approval prior to opening the Franchised Business. The Franchised Business shall be open to the public no later than sixty (60) days from the date the Commercial Office Location is turned over to the FRANCHISEE by the landlord for the construction of tenant improvements or is otherwise acquired by FRANCHISEE.

In all events, FRANCHISEE agrees, at FRANCHISEE'S sole expense, to do or cause to be done the following with respect to the Location: (i) secure all required financing; (ii) obtain all required permits and licenses; and (iii) purchase and pay for all fixtures, equipment and signs.

c. FRANCHISEE agrees to use in the development and operation of the Commercial Office Location only those fixtures, equipment (including computer equipment and facsimile machines) and signs that FRANCHISOR has approved as meeting its specifications and standards

for quality, design, appearance, function and performance. FRANCHISEE shall purchase or lease approved brands, types or models of fixtures, equipment (including computer equipment and facsimile machines) and signs only from suppliers designated or approved by FRANCHISOR (which may include FRANCHISOR and/or its affiliates). FRANCHISEE agrees to place or display at the Commercial Office Location (interior and exterior) only such signs, emblems, lettering, logos and display materials that FRANCHISOR approves from time to time. Notwithstanding the foregoing, if FRANCHISOR is developing the Location for and on behalf of the FRANCHISEE, FRANCHISOR shall select and install, but not pay for the fixtures, equipment and signs.

7.2. ***Approved Suppliers.***

a. FRANCHISEE shall only write insurance policies, binders and other insurance contracts and agreements with those insurance companies and allied businesses, such as premium finance companies as shall be approved by FRANCHISOR, from time to time during the Term. FRANCHISEE acknowledges that certain of these suppliers may be affiliates of or otherwise related to FRANCHISOR. Franchisee acknowledges that Franchisee's current and future appointments to sell insurance policies for all the insurance carriers authorized under the Franchise Agreement are due solely to the relationships that Franchisor or its affiliate has with such insurance carriers.

b. If FRANCHISEE desires to offer insurance and related services from a company that has not been approved by FRANCHISOR, FRANCHISEE may request in writing such approval by FRANCHISOR. FRANCHISOR shall approve such proposed supplier if, in FRANCHISOR'S sole and absolute judgment and discretion, FRANCHISOR is satisfied that the proposed supplier can meet and maintain FRANCHISOR'S specifications, standards and requirement. Any costs incurred by FRANCHISOR in evaluating a proposed supplier shall be paid by FRANCHISEE.

7.3. ***Commitment of Time.***

During the Term of this Agreement, FRANCHISEE, shall, except as otherwise expressly agreed to by FRANCHISOR in writing, devote full time and best efforts exclusively to the operation of the Franchised Business. If FRANCHISEE is a corporation, limited liability company or a partnership, such FRANCHISEE shall select and maintain, throughout the Term of this Agreement, an equity owner who is an individual, who holds at least 10% of all the equity of FRANCHISEE, to devote his or her full time and best efforts to the Franchised Business. If any such individual no longer serves in such capacity, FRANCHISEE shall replace him or her with someone who does, who has been trained and approved by FRANCHISOR, within no later than 90 days from the cessation of such individual's service. It is understood and agreed by the parties hereto, that the Franchised Business shall be operated during such minimum hours and days established by FRANCHISOR from time to time.

7.4. ***Operations Manual.***

a. FRANCHISEE shall operate the Franchised Business in strict compliance with the standard procedures, policies, rules and regulations established by FRANCHISOR and incorporated in the ESTRELLA INSURANCE operations manual(s) as same may be amended and revised from time to time, including all bulletins, supplements, ancillary manuals, audio tapes, video tapes, compact discs, computer software, information available on an Internet site, other electronic media

and/or written materials (collectively referred to herein as the "Operations Manual"). The subject matter of the Operations Manual may include, without limitation, matters such as: forms; information relating to product and services; general operations; training and accounting; display of signs and notices; Trademark usage; insurance requirements; standards for operations management; hours of operation; and yellow page and local advertising formats.

b. FRANCHISOR shall have the right to modify the Operations Manual at any time and from time to time by the addition, deletion or other modification to the provisions thereof. All such modifications shall be equally applicable to all similarly situated franchisees, and no such modification shall alter FRANCHISEE'S fundamental status and rights under this Agreement. Modifications in the Operations Manual shall become effective upon delivery of written notice thereof to FRANCHISEE, unless a longer period is specified in such written notice. The Operations Manual, as modified from time to time as hereinabove provided, shall be an integral part of this Agreement and reference made in this Agreement, or in any amendments, exhibits or schedules hereto, to the Operations Manual shall be deemed to mean the Operations Manual kept current by amendments from time to time. Upon the execution of this Agreement, FRANCHISOR shall loan to FRANCHISEE one (1) copy of the Operations Manual, unless FRANCHISEE purchased the Franchised Business from an existing franchisee or entered into this Agreement as a Renewal Franchise Agreement. Upon the expiration or termination of this Agreement for any reason whatsoever, FRANCHISEE shall immediately return the Operations Manual to FRANCHISOR. FRANCHISEE shall not make, or cause or allow to be made, any copies or reproductions of all or any portion of the Operations Manual without FRANCHISOR'S express prior written consent.

7.5. ***Insurance.***

FRANCHISOR shall prescribe minimum standards and limits for certain types of insurance coverage to be purchased by FRANCHISEE, which, at a minimum, shall include a business owner's policy and an errors and omissions policy ($1,000,000 minimum, $5,000 deductible), in order to standardize insurance coverage and afford FRANCHISEE and FRANCHISOR protection against insurable risks, and FRANCHISEE shall purchase such insurance promptly after execution hereof and in any event prior to commencing operations and keep same in full force and effect during the entire Term and any extensions of this Agreement, amending said insurance from time to time as necessary in order to remain in compliance with FRANCHISOR'S standards and specifications. Said standards and limits shall be established in the Operations Manual. If FRANCHISEE fails or refuses to purchase insurance conforming to the standards and limits prescribed by FRANCHISOR, FRANCHISOR may obtain, through agents and insurance companies of its own choosing, such insurance as is necessary to meet such standards. Payments for such insurance shall be made by FRANCHISEE. Nothing contained herein shall be construed or deemed to impose on FRANCHISOR any duty or obligation to obtain or maintain any specific forms, kinds or amounts of insurance for or on behalf of FRANCHISEE, or as an undertaking or representation by FRANCHISOR that such insurance as may be obtained by FRANCHISEE or by FRANCHISOR for FRANCHISEE will insure FRANCHISEE against any or all insurable risks of loss which may or can arise out of, or in connection with, the operation of the Franchised Business. FRANCHISEE may obtain, on FRANCHISEE'S own behalf, and at FRANCHISEE'S own cost and expense, such insurance as FRANCHISEE may from time to time desire, in addition to that

obtained in FRANCHISEE'S behalf by FRANCHISOR, or as may be required herein. All insurance as may be obtained by FRANCHISOR for FRANCHISEE may be amended, canceled, terminated or modified at any time upon ten (10) days written notice to FRANCHISEE. All insurance purchased by FRANCHISEE shall name FRANCHISOR and such affiliates of FRANCHISOR as FRANCHISOR may direct as additional assureds, shall contain a blanket waiver of the insured's right of subrogation in respect of or against FRANCHISOR or such affiliate(s), and shall provide that FRANCHISOR be given at least ten (10) days prior written notice of any termination, amendment, cancellation, or modification thereof. FRANCHISEE shall promptly provide FRANCHISOR with certificates of insurance evidencing such coverage no later than ten (10) days after the purchase of the insurance required herein, and throughout the Term and any extension hereof evidencing continued coverage.

7.6. ***Books and Records.***

a. FRANCHISEE covenants and agrees that FRANCHISEE shall keep and maintain during the Term hereof full, complete and true records of all revenues and expenditures in the form and manner as specified or directed by FRANCHISOR in its Operations Manual or otherwise. All financial records must be kept by FRANCHISEE for a minimum of five (5) years or such longer period as may be prescribed by law. FRANCHISEE shall also maintain all insurance applications and other records as required by the state insurance agency for such period of time as such agency specifies.

b. FRANCHISEE agrees that it shall purchase or lease, and install, use, maintain and upgrade such computer system, facsimile equipment, hardware, software and other such equipment, for the purpose of performing functions related to the operation of the Franchised Business. All such computer system, facsimile equipment, hardware, software and other equipment shall conform to and/or be compatible with FRANCHISOR'S system as modified from time to time and shall meet and be maintained in compliance with FRANCHISOR'S specifications therefore as set forth in the Operations Manual. Franchisor reserves the right to impose a charge or fee for proprietary software licensed or otherwise made available to FRANCHISEE for use in the operation of the Franchised Business.

7.7. ***Right of Inspection.***

FRANCHISOR shall have the right from time to time, and without prior notice to FRANCHISEE, to inspect FRANCHISEE'S operations, business methods, service, management, financial records and administration, and to determine the quality thereof and the faithfulness of FRANCHISEE'S compliance with the provisions of this Agreement and the Operations Manual, and FRANCHISEE shall cooperate fully with FRANCHISOR and its representatives and agents with respect to such inspections. FRANCHISEE shall permit FRANCHISOR and its representatives or agents to copy, examine or audit, physically or by electronic or other methods, the computers, books of accounts, bank statements, check stubs, customer invoices, documents, records, papers, and tax return records ("Financial Records") of FRANCHISEE at any time or times. Upon fifteen (15) days prior notice, FRANCHISEE shall deliver photocopies of all Financial Records to FRANCHISOR or its representatives at such location as FRANCHISOR may designate. FRANCHISOR shall bear the cost of all such inspections, provided that if any such inspection discloses that FRANCHISEE has failed to comply with any provision of this Agreement or the Operations Manual in a manner

that would permit FRANCHISOR to terminate this Agreement if uncured, the direct costs of such inspections shall be borne by FRANCHISEE.

7.8. ***Compliance with Laws.***

a. FRANCHISEE shall operate the Franchised Business in strict compliance with all applicable laws, rules and regulations of all governmental authorities, shall comply with all applicable governmental laws and regulations (including any and all licensing requirements), all applicable labor and employment laws and regulations and shall prepare, file and retain all necessary tax returns, and pay promptly all taxes imposed upon FRANCHISEE or upon FRANCHISEE'S Franchised Business or property. FRANCHISEE shall forward to FRANCHISOR within two (2) days of receipt, copies of all notices, subpoenas, summons, warnings and inspection reports issued by any governmental entity.

b. FRANCHISEE must if required by law to do so, comply with all federal and state information and data privacy laws and regulations that may be applicable to the Franchised Business and the information that the Franchised Business collects from its customers and prospective customers (all such laws and regulations, "Information Privacy Laws"). Without limiting the generality of the foregoing, this may include:

i. adopting and implementing adequate measures ("Security Measures") to secure the confidentiality of all financial and other sensitive information Franchisee collects from customers and prospective customers ("Financial Information");

ii. providing customers and prospective customers with written notice of the System's privacy policies and the uses to be made of Financial Information by the Franchisee, and by Franchisor and its affiliates and the other businesses and companies to whom they respectively may disclose Financial Information (the "Privacy Policy Notice");

iii. providing customers and prospective customers with prior written notice of disclosure of any Financial Information collected from them ("Disclosure Notice"); and

iv. providing customers and prospective customers with notice of any "opt-out" rights regarding such disclosures and uses of their Financial Information and an adequate opportunity to exercise such rights ("Opt-Out Notice").

From time to time, Franchisor may formulate policies and practices concerning Security Measures, the form, content, and manner of delivering Privacy Policy Notices, Disclosure Notices, and Opt-Out Notices, as well as matters relating or incidental thereto. The Franchisee must adopt and implement all such policies and practices in accordance with written instructions in a timely manner.

c. FRANCHISEE and its owners agree to comply, and to assist FRANCHISOR, to the fullest extent possible, in FRANCHISOR'S efforts to comply with Anti-Terrorism Laws (defined below). In connection therewith, FRANCHISEE and its owners certify, represent, and warrant that none of their property or interests is subject to being blocked under, and that FRANCHISEE and its owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" means Executive Order 13224, issued by the President of the United States, the USA PATRIOT Act, the U.S. Bank Secrecy Act, 31, U.S.C. Sec. 5318 et seq., the Regulations promulgated by the U.S. Treasury, Office of Foreign Asset Control, and all other present and future federal, state,

and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by FRANCHISEE or its owners, or any blocking of FRANCHISEE'S or its owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

7.9. ***Interim Management.***

Upon the death or mental or physical incapacity of the individual(s) possessing the controlling (either by way of ownership or management) interest(s) in this Agreement, the Franchised Business or FRANCHISEE, the executor, administrator or personal representative of such person shall transfer, within nine (9) months after such death or mental or physical incapacity, the interest of the person to a third party approved by FRANCHISOR. If the interest is not disposed of within that period of time, FRANCHISOR may terminate this Agreement. Such transfer shall be subject to the same conditions as any inter-vivo transfer pursuant to ARTICLE 9. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of such person are unable to meet the conditions in ARTICLE 9, the personal representative of the deceased shall have a reasonable additional time to dispose of the deceased's interest in this Agreement.

7.10. ***Customer Relations.***

FRANCHISEE shall respond promptly to customer complaints and shall take such other steps as may be required to insure positive customer relations. FRANCHISEE acknowledges that exemplary customer relations are of paramount importance to the System and therefore, FRANCHISEE shall use FRANCHISEE'S best efforts to consistently exceed customer expectations, by providing a superior level of quality, service, value, dedication and undivided attention. FRANCHISEE further acknowledges that FRANCHISEE'S mission is to attract and hold customers in order to become the first choice of prospective customers by consistently exceeding their expectations.

7.11. ***Customer Lists:***

FRANCHISEE shall also create and maintain for FRANCHISOR, in such manner as FRANCHISOR may from time to time require, a current customer list (the "Customer List") containing as to each and every customer such customer's name, address, telephone number and zip code (9 digits) and supply a copy of such list to FRANCHISOR on a quarterly basis. Notwithstanding that it may have been created and maintained by the FRANCHISEE, the Customer List is, and remains, FRANCHISOR's exclusive property; in confirmation of the foregoing, the FRANCHISEE hereby assigns to FRANCHISOR all rights it now has or hereafter may acquire in the Customer List. After the expiration or sooner termination of this Agreement, without FRANCHISOR's written authorization, the FRANCHISEE may not use or disclose the Customer List, or any of the information contained therein; nor may it retain any copy of the foregoing.

ARTICLE 8.
OTHER SERVICES OF FRANCHISOR

8.1. ***Training and Supervision.***

a. Unless FRANCHISEE is an existing franchisee of FRANCHISOR at the time this Agreement is executed, FRANCHISEE shall have a maximum of two (2) management level persons trained in

the System and methods of operation. One such person shall be, in the case of a corporate, limited liability company or partnership FRANCHISEE, a shareholder, member or partner selected by FRANCHISEE and approved by FRANCHISOR. FRANCHISEE'S manager shall also attend the initial training program. Such initial training program shall consist of an eight (8) week combined program of classroom and on the job training at FRANCHISOR'S training facility. FRANCHISOR will pay no compensation for any services performed by such trainee(s). All expenses of the trainee(s) shall be the obligation of FRANCHISEE. FRANCHISEE also must secure the appropriate regulatory licenses necessary for the conduct of the Franchised Business and attend all required state licensing courses and pass all required examinations. All such training must be completed to the satisfaction of FRANCHISOR at least one (1) week prior to the opening for business of the Franchised Business.

b. If FRANCHISOR trains at FRANCHISEE'S request, any additional or other personnel, FRANCHISEE shall pay FRANCHISOR'S standard training fees then in effect. The FRANCHISEE, in all cases, shall bear all travel and living expenses incurred by such trainee(s), and FRANCHISOR shall pay no compensation for any services performed by such trainee(s) in connection with such training program.

c. FRANCHISOR may, from time to time, at its discretion, make available to FRANCHISEE additional training courses or programs during the Term of this Agreement. FRANCHISOR shall have the right to make attendance by FRANCHISEE or FRANCHISEE'S designee mandatory with respect to certain of such courses and shall have the right to make attendance at other such training courses optional. FRANCHISOR shall make no charge for mandatory training courses but may, in its discretion, establish charges applicable to all franchisees similarly situated, for optional training courses. With respect to either mandatory or optional training courses, FRANCHISEE shall pay all transportation costs, food, lodging and similar costs incurred in connection with attendance at such courses. The time and place of both mandatory and optional training courses shall be at FRANCHISOR'S sole discretion.

d. FRANCHISEE shall have the right to inquire of FRANCHISOR'S headquarters staff, its field representatives and training staff with respect to problems relating to the operation of the Franchised Business, by telephone or correspondence, and FRANCHISOR shall use its reasonable efforts to respond to such inquiries, in order to assist FRANCHISEE in the operation of the Franchised Business.

8.2. ***Additional Pre-Opening Services.***

Prior to the commencement of operations by FRANCHISEE, FRANCHISOR shall provide or cause to be provided, the following:

a. suggestions for recruiting and selecting personnel;

b. typical design plans for a Commercial Office layout, showing placement and specifications of furniture and facilities and providing a plan for interior decoration with a required color coordination scheme, if FRANCHISEE will be responsible for developing the Commercial Office Location;

c. assistance in obtaining licenses to operate an insurance agency and financial service business;

d. assistance with pre-opening publicity;

e. site selection assistance (Commercial Office franchise only);

f. one (1) copy of the Operations Manual;

g. exterior sign design (Commercial Office franchise only);

h. accounting system; and

i. assistance necessary to operate an on-line computer terminal.

8.3. ***Continuing Services.***

During the Term of this Agreement, FRANCHISOR shall provide or cause to be provided to FRANCHISEE, the following:

a. visits by FRANCHISOR'S field representatives to FRANCHISEE'S Location a minimum of two (2) times per year for the purpose of rendering advice and consultation or training, with respect to the Franchised Business, its operation and performance, or to determine compliance by FRANCHISEE with the Operations Manual.

b. assistance with local advertising and participation in regional advertising;

c. ongoing assistance via telephone; and

d. other supervision, assistance, or services, although not obligated to do so. The nature of these non-obligatory services will depend entirely on the individual needs and circumstances of FRANCHISEE, as determined by FRANCHISOR. These services may include: payment of premiums; financing; accounting; and transaction reporting.

ARTICLE 9.
ASSIGNMENT AND RIGHT OF FIRST REFUSAL

9.1. ***Assignment by FRANCHISOR.***

FRANCHISOR shall have the right to assign this Agreement, and all of its rights and privileges hereunder to any other person, firm, corporation or limited liability company without FRANCHISEE'S prior consent; provided that, in respect to any assignment resulting in the subsequent performance by the assignee of the functions of FRANCHISOR, the assignee shall expressly assume and agree to perform such obligations.

9.2. ***Assignment by FRANCHISEE.***

a. This Agreement has been entered into by FRANCHISOR in reliance upon and in consideration of the singular personal skill, qualifications and trust and confidence reposed in FRANCHISEE or FRANCHISEE'S owners. Therefore, neither FRANCHISEE'S interest in this Agreement nor any of its rights or privileges nor any interest in the Franchised Business shall be assigned, transferred, shared or divided, voluntarily or involuntarily, by operation of law or otherwise, directly or indirectly, in any manner, without the prior written consent of FRANCHISOR and subject to FRANCHISOR'S right of first refusal as provided for in Section 9.4 of this Article IX. Notwithstanding anything herein to the contrary, in the event of the death or legal incapacity of FRANCHISEE or, in the case of a corporate or limited liability company franchisee, a shareholder or member or in the case of a general or limited partnership FRANCHISEE, a general partner, the transfer of FRANCHISEE'S interest in this Agreement or such

shareholder's stock or voting power or partner's partnership interest, to his or her heirs, personal representatives or conservators, as applicable, shall require FRANCHISOR'S written consent, but shall not give rise to FRANCHISOR'S right of first refusal hereunder (as set forth in Section 9.4, hereafter), although such right of first refusal shall apply as to any proposed transfer or assignment by such heirs, personal representatives or conservators.

b. Should FRANCHISOR not elect to exercise its said right of first refusal, or should such right of first refusal be inapplicable, as herein provided, FRANCHISOR may impose reasonable condition(s) to the granting of its consent. Without limiting the generality of the foregoing, the imposition of any or all of the following conditions to FRANCHISOR'S consent to any such assignment shall be deemed reasonable:

i. that the assignee (or the principal officers, shareholders, members, managing members, directors or partners of the assignee, in the case of a corporate, limited liability company or partnership assignee) demonstrate that he has the skills, qualifications and economic resources necessary, in FRANCHISOR'S judgment, reasonably exercised, to own and operate the Franchised Business contemplated by this Agreement, and by all other agreements between FRANCHISOR and such assignee, and all agreements proposed to be assigned to such assignee;

ii. that the assignee expressly assumes in writing for the benefit of FRANCHISOR all of the obligations of FRANCHISEE under this Agreement;

iii. that the assignee shall have completed at assignee's cost and expense, FRANCHISOR'S training program to FRANCHISOR'S satisfaction, exercised in good faith;

iv. that as of the date of any such assignment, the FRANCHISEE shall have complied with all obligations to FRANCHISOR, whether under this Agreement or any other agreement, arrangement or understanding with FRANCHISOR;

v. that unless FRANCHISOR agrees otherwise in writing, the assignee shall execute FRANCHISOR'S franchise agreement then being offered to prospective franchisees of FRANCHISOR (except that the assignee shall not be obligated to pay the Initial Fee and the Term thereof shall expire on the stated expiration date of this Agreement);

vi. that FRANCHISEE shall have expressly agreed in writing to comply with the non-competition covenants set forth in Article X hereof and with all other post termination obligations contained herein;

vii. that FRANCHISOR shall receive a transfer fee in the amount of Seven Thousand Five Hundred Dollars ($7,500) which is intended to cover FRANCHISOR'S administrative costs and expenses associated with the transfer, including a training fee, unless waived in whole or in part by FRANCHISOR in its sole discretion. However, if less than a majority of the interests in FRANCHISEE'S Franchised Business is transferred, the amount of the transfer fee shall be in proportion to the percentage of interests so transferred, but in no event less than One Thousand Two Hundred Dollars ($1,200); and

viii. that FRANCHISEE signs a general release in a form satisfactory to FRANCHISOR, of any and all claims against FRANCHISOR and FRANCHISOR'S shareholders, officers, directors, employees, and agents;

c. FRANCHISEE shall not in any event have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever. If FRANCHISEE is a corporation, the issuance of any securities by FRANCHISEE, the transfer of twenty percent (20%) or more in the aggregate of the capital shares or voting power of FRANCHISEE, by operation of law or otherwise, or any merger, share redemption, consolidation, reorganization or recapitalization involving FRANCHISEE, shall be deemed to be an assignment of this Agreement within the meaning of this Article XI. If FRANCHISEE is a partnership, the legal incapacity, death or withdrawal of any general partner, admission of any additional general partner, or the transfer of any general partner's interest in the property, management or profits and/or losses of the partnership shall be deemed to be an assignment hereunder.

d. The conditions in this Agreement to any transfer, directly or indirectly, of an interest in this Agreement, are solely for the benefit of Franchisor. Neither Franchisee, nor any transferee, nor any other person, may rely on any or all the conditions being satisfied or waived, or on Franchisor's consent to the transfer, as an indication that (A) the transferee is able to comply with any of its obligations under or arising out of this Agreement; or (B) the Franchisee may achieve any outcome, including improved sales or profits. In addition to, and without limiting the foregoing, nor may any such person rely on any or all the conditions being satisfied or waived, as grounds for holding Franchisor liable for any reason, including the failure of either (A) or (B), above, to occur.

e. In determining whether a transfer of an interest or assets is a Material Transfer, if that determination requires determining the percentage or other amount of interests or assets that Franchisee (or its owners) proposes to transfer, the parties must aggregate all prior transfers of interests or assets (as the case may be) that neither required nor received Franchisor's consent--to make such determination. In such case, transfers include all direct and indirect transfers, in the aggregate, and regardless of whether they occurred (or, with the proposed transfer, will occur) in a single or a series of related or unrelated transactions, or by one or more transferors.

"Material Transfer" means a transfer of an interest in Franchisee, or in Franchisee's assets, requiring Franchisor's consent under this Agreement.

9.3. ***Financial and Other Information.***

FRANCHISOR shall have the right, but not the obligation, to furnish any prospective assignee with copies of all financial statements which have been furnished by FRANCHISEE to FRANCHISOR in accordance with this Agreement during the one (1) year period prior to the date of the approval of the proposed assignment, transfer or sale is sought. FRANCHISOR shall also have the right to advise any prospective assignee of any uncured breaches or defaults by assignor under this Agreement, or any other agreement relating to the Franchised Business proposed to be assigned, transferred, or sold. FRANCHISOR'S approval of such proposed transaction shall not, however, be deemed a representation or guarantee by FRANCHISOR that the terms and conditions of the proposed transaction are economically sound or that, if the transaction is consummated, the assignee will be capable of successfully conducting the Franchised Business and no inference to such effect shall be made from such approval.

9.4. ***Right of First Refusal.***

Except as expressly provided in Section 9.2 to the contrary, any assignment of this Agreement, or any interest herein, shall be subject to FRANCHISOR'S right of first refusal with respect thereto. FRANCHISOR'S said right of first refusal shall be exercised in the following manner and shall be applicable to the entire interest of FRANCHISEE:

a. FRANCHISEE shall serve upon FRANCHISOR a written notice clearly and unambiguously setting forth all of the terms and conditions of the proposed assignment and all available information concerning the proposed assignee, including but not limited to, information concerning the employment history, financial condition, credit history, skill and qualifications of the proposed assignee and, in the case of a partnership or corporate assignee, of its partners and shareholders, as applicable.

b. Within thirty (30) days after FRANCHISOR'S receipt of such notice (or if FRANCHISOR shall request additional information, within thirty (30) days after receipt of such additional information), FRANCHISOR may either consent or withhold its consent to such assignment, in accordance with Section 9.2 of this Article IX, or at its option, accept the assignment to itself or to its nominee upon the terms and conditions specified in the notice. FRANCHISOR may substitute an equivalent sum of cash for any consideration other than cash specified in said notice. If FRANCHISOR fails to exercise any of its rights or options, then consent to the proposed assignment shall be deemed withheld.

c. If FRANCHISOR shall elect not to exercise its said right of first refusal and shall consent to such assignment, FRANCHISEE shall, subject to the provisions of Section 9.2 of this Article IX, be free to assign this Agreement to such proposed assignee on the terms and conditions specified in said notice. If, however, FRANCHISOR elects not to exercise its right of first refusal and the terms shall be materially changed, or if more than ninety (90) days shall pass without such assignment occurring, such changed terms or lapse of time shall be deemed a new proposal and FRANCHISOR shall again have such right of first refusal with respect thereto.

9.5. ***Death or Disability.***

Upon the death or mental or physical incompetency (as reasonably determined by an independent third party such as a licensed doctor) of any person with any direct or indirect interest in FRANCHISEE and who has managerial responsibility for the operation of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer his or her interest to a third party approved by FRANCHISOR within nine (9) months after the death or finding of incompetency. Such transfers shall be subject to the same conditions as set forth in sub Section 9.2, above. If the heirs or beneficiaries of any such person are unable to meet those conditions, FRANCHISOR may terminate this Agreement. Notwithstanding any time periods set forth herein, nothing shall relieve FRANCHISEE of responsibility for operating the Franchised Business as this Agreement requires, and for otherwise complying with its terms, and nothing shall prevent or limit FRANCHISOR'S rights or remedies in the event of a breach of FRANCHISEE'S obligations under or arising out of the terms of this Agreement.

9.6. ***Business Entity.***

The following provisions shall be applicable to a FRANCHISEE that is or becomes a corporation or limited liability company a "business entity":

i. All of the owners of FRANCHISEE shall agree in writing that no such owner will sell, assign, or transfer any of his ownership interests to any person or company without the written consent of FRANCHISOR;

ii. No ownership interests in the business entity FRANCHISEE will be issued to any person or company other than the then owners without the written consent of FRANCHISOR;

iii. In the event of a violation of the provisions of subsections (i) or (ii) above, or in the event ownership interests are sold, assigned, transferred, or issued in violation thereof, FRANCHISOR shall have the option and right, after giving FRANCHISEE thirty (30) days written notice in which to cure such violation, to forthwith cancel and terminate this Agreement, and thereupon the rights and obligations hereunder shall cease, but such termination shall not affect the rights hereunder of FRANCHISOR, to take action or abstain from taking action after the termination hereof, as provided elsewhere in this Agreement;

iv. Subject to the provisions of Section 9.2.a, the merger or sale or transfer of any class of ownership interests in a business entity FRANCHISEE whether by operation of law or otherwise, or a transfer of substantially all of the assets of the Franchised Business shall be deemed an attempted assignment of this Agreement, requiring the prior written consent of FRANCHISOR. If FRANCHISOR is a partnership, the sale or transfer of any general partner's interest or the sale or series of sales or transfers of limited partnership interests (including transfers of shares in corporate partners) whether by operation of law or otherwise, shall be deemed an attempted assignment of this Agreement and shall require the prior written consent of FRANCHISOR.

ARTICLE 10.
CONFIDENTIALITY AND NON-COMPETITION

10.1. ***Proprietary Rights and Confidentiality.***

Nothing contained in this Agreement shall be construed to require FRANCHISOR to divulge to FRANCHISEE any confidential or proprietary information, except for the material contained in the Operation's Manual and training materials. FRANCHISEE acknowledges that knowledge of FRANCHISOR'S know how, techniques, information, and other proprietary data is derived entirely from information disclosed to FRANCHISEE by FRANCHISOR and that such information is proprietary, confidential, and trade secrets of FRANCHISOR (the "Confidential Information"). FRANCHISEE agrees to adhere fully and strictly to all confidentiality attached to such information and to exercise the highest degree of diligence in safeguarding trade secrets during and after the term of this Agreement. FRANCHISEE shall divulge such material only to employees and only to the extent necessary to permit the effective operation of the Franchised Business. It is expressly agreed that the ownership of all of the Confidential Information is and shall remain vested solely in FRANCHISOR.

FRANCHISEE further agrees that FRANCHISEE:

a. will not use the Confidential Information in any other business or capacity;

b. will maintain the absolute confidentiality of the Confidential Information during and after the Term of this Agreement;

c. will not make unauthorized copies of any portion of the Confidential Information disclosed in any form including, but not limited to: electronic media, written form, or other tangible forms;

d. will adopt and implement all reasonable procedures prescribed by FRANCHISOR, from time to time, to prevent unauthorized use and/or disclosure of the Confidential Information, including restrictions on disclosure to the employees and the use of nondisclosure and non-competition agreements that the FRANCHISOR may prescribe for persons having access to Confidential Information.

However, disclosure of the Confidential Information may be made in judicial or administrative proceedings, but when and only to the extent FRANCHISEE is legally compelled to disclose same, provided that FRANCHISEE first gives FRANCHISOR the opportunity to obtain an appropriate protective order or other assurance that the confidential nature of the material to be disclosed will be maintained.

FRANCHISEE further agrees that if, in the course of the operation of the Franchised Business, FRANCHISEE and FRANCHISEE'S employees and/or associates develop ideas, concepts, methods, techniques and/or improvements ("improvements") FRANCHISEE agrees to disclose same to FRANCHISOR. The FRANCHISOR will be deemed to own the improvements and may use them and authorize other franchisees to use them in the operation of their businesses. Improvements will also constitute Confidential Information.

10.2. ***Restrictive Covenant.***

a. In Term and Post Term

FRANCHISEE agrees that during the Term of this Agreement and for a period of two (2) years immediately following its expiration, non-renewal or termination for any reason, FRANCHISEE will not, either directly or indirectly, as a proprietor, partner, investor, lender, shareholder, member, director, manager, officer, employee, principal, agent, representative, advisor, franchisor, franchisee, consultant or otherwise engage in any other business which competes directly or indirectly with the Franchised Business, if such other business is located within the Territory or within fifty (50) miles of any business franchised by FRANCHISOR, or owned or operated by FRANCHISOR or a related entity or otherwise established. Nothing in this Agreement shall prevent FRANCHISEE or its shareholders, members, directors, officers, managers (if a business entity) or employees from owning for investment purpose up to an aggregate of two (2%) of the capital stock of any competitive business that is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), provided that FRANCHISEE does not control any such company.

The foregoing prohibition shall, without limitations, also preclude FRANCHISEE, directly or indirectly from:

i. recruiting or hiring any employee of FRANCHISOR or FRANCHISOR'S affiliates or franchisees without prior written consent; and/or

ii. knowingly engaging in any activity to solicit, encourage, or induce any customer doing business with any other franchisee (wherever located) to commence doing business with FRANCHISEE, except with FRANCHISOR'S prior written consent; and/or

iii. directly or indirectly, on behalf of FRANCHISEE or any other person or entity, or as an employee, proprietor, owner, consultant, agent, contractor, employer, affiliate, partner, officer, director or associate, or stockholder of any other person or entity, or in any other capacity, solicit, divert, take away, or interfere with any of the business, customers, clients, contractors, trade or patronage of FRANCHISOR or FRANCHISOR'S affiliates, as such may exist during the term of this Agreement, except with prior written consent; and/or

iv. use any reproduction or colorable imitation of the Proprietary Marks or Trade Dress, imitate any methods of operation, or undertake any other conduct that is likely to cause confusion, mistake, or deception, or that is likely to dilute FRANCHISOR's rights in and to the Proprietary Marks or Trade Dress; and/or

v. use or attempt to register (or assist any third party to do the same) any trademarks, service marks, or other commercial symbol that is the same as or similar to any of the Proprietary Marks, nor any mark with phonetic or graphic similarity to those of FRANCHISOR or its affiliates. In addition, neither the FRANCHISEE nor any of its owners shall use any designation of origin or description or representation that falsely suggests or represents an association or connection with the System or FRANCHISOR, or any of its affiliates.

For purposes of the foregoing:

i. "Competitive Business": means any business operating or awarding franchises or licenses to others to operate an insurance agency business, or the operation of any insurance agency business, or any other business that provides the same or similar services customarily offered under the System.

ii. "Directly or indirectly": includes, but is not limited to, all persons (natural or otherwise) under FRANCHISEE'S control, and a person's spouse, children, parents, brothers, sisters, any other relative, friends, trustees, agents or associates.

b. Independent Covenants

The parties agree that each of the forgoing covenants shall be construed as independent of any other covenant or provision of this Agreement. The parties further agree that the foregoing restrictions limit FRANCHISEE'S right to compete only to the extent necessary to protect FRANCHISOR from unfair competition. Should any part of one or more of these restrictions be found to be unenforceable by virtue of its scope in terms of area, business activity prohibited or length of time, and should such part be capable of being made enforceable by reduction of any or all thereof, FRANCHISEE and FRANCHISOR agree that the same shall be enforced to the fullest extent permissible under the law. In addition, FRANCHISOR may, unilaterally, at any time, in its sole discretion, revise any of the covenants in this subsection, so as to reduce the obligations of FRANCHISEE hereunder. The running of any period of time specified in this subsection shall be tolled and suspended for any period of time in which FRANCHISEE is found by a court of competent jurisdiction or an arbitrator to have been in violation of any restrictive covenants. FRANCHISEE further expressly agrees that the existence of any claim 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 subsection.

c. Enforcement of Covenants Not to Compete

FRANCHISEE acknowledges that a violation of the terms of the covenants not to compete in this Agreement would result in immediate or irreparable injury to FRANCHISOR for which no adequate remedy at law may be available. Accordingly, FRANCHISEE hereby consents to the entry of an injunction prohibiting any conduct by FRANCHISEE in violation of the terms of the covenants not to compete set forth in this subsection.

d. Separate Agreement

All owners of FRANCHISEE (including but not without limitation all partners, shareholders and members), and their respective spouses, and all officers, directors, managers and key management personnel (regardless of title), except for the individual FRANCHISEE and spouse signing this Agreement, shall execute FRANCHISOR'S standard form Confidentiality, Non-Disclosure and Non-Competition Agreement (Exhibit "E").

e. New Locations

Periodically, employees or contractors of FRANCHISEE may desire to apply to open their own franchised business from FRANCHISOR. The growth of the System, including from increased customer goodwill and name recognition, is acknowledged by the parties to be of benefit to them. Accordingly, in the event that any employee or contractor does apply to open their own franchised business, they may do so. Regardless of whether they become a franchisee of FRANCHISOR, and regardless of whether FRANCHISEE solicited them to apply for a franchise, neither they nor FRANCHISOR shall have any liability, directly or indirectly, from, arising out of, or in connection with, such solicitation, application, or any subsequent grant of franchise rights or the operation of a franchise from FRANCHISOR.

ARTICLE 11.
DEFAULT AND TERMINATION

11.1. ***Termination in General.***

FRANCHISOR may not terminate this Agreement prior to the expiration of its term except for "good cause," which shall mean the occurrence of any event of default described below. Upon the occurrence of any event of default, FRANCHISOR may, at its option, and without waiving its rights hereunder or any other rights available at law or in equity, including its rights to damages, terminate this Agreement and all of FRANCHISEE'S rights hereunder effective immediately upon the date FRANCHISOR gives written notice of termination, upon such other date as may be set forth in such notice of termination, or if stated below, automatically upon the occurrence of, or the lapse of the specified period following, an event of default.

11.2. ***Termination with Notice.***

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, or any parent, subsidiary or affiliated corporation, or except as herein otherwise expressly

provided, FRANCHISOR may terminate this Agreement only upon thirty (30) days prior written notice to FRANCHISEE, setting for the breach complained of. If FRANCHISEE shall cure 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 said breach, FRANCHISEE shall be unable to cure the same within said thirty (30) day period, FRANCHISEE shall be given such additional time as shall be reasonably necessary in FRANCHISOR'S subjective judgment within which to cure said breach, upon the condition that FRANCHISEE shall, upon receipt of such notice from FRANCHISOR, immediately commence to cure such breach and continue to use FRANCHISEE'S best efforts to do so.

b. With respect to any default by FRANCHISEE of the obligation to pay any sums due FRANCHISOR under this Agreement or any instrument or document related to or derived from this Agreement or to any parent, subsidiary or affiliated corporation with whom FRANCHISEE may deal, FRANCHISOR may terminate this Agreement upon ten (10) days prior written notice of such default. If FRANCHISEE shall cure said default prior to the end of such period, FRANCHISOR'S said 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.

11.3. ***Termination without Notice.***

FRANCHISOR shall have the right to terminate this Agreement without prior notice to FRANCHISEE upon the occurrence of any or all of the following events, each of which shall be deemed an incurable breach of this Agreement:

a. Abandonment In the event FRANCHISEE shall abandon the Franchised Business. For purposes of this Agreement, "abandon" shall refer to: (i) FRANCHISEE'S failure, at any time during the term of this Agreement, to keep the business open and operating for business for a period of five (5) consecutive days, except as provided in the Operations Manual; (ii) FRANCHISEE'S failure to keep the Franchised Business open and operating for any period after which it is not unreasonable under the facts and circumstances for FRANCHISOR to conclude that FRANCHISEE does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake or other similar causes beyond FRANCHISEE'S control; (iii) failure to actively and continuously maintain and answer FRANCHISEE'S telephone; and (iv) failure to open the Franchised Business as required.

b. Bankruptcy and Insolvency In the event that: (i) FRANCHISEE shall become insolvent, shall admit inability to meet FRANCHISEE'S financial obligations as they become due, or shall enter into liquidation (either compulsory or voluntary); (ii) FRANCHISEE shall allow a judgment in the amount of more than Five Thousand Dollars ($5,000) to remain unsatisfied for a period of more than thirty (30) days; (iii) an administrative order is made against FRANCHISEE or a receiver is appointed in respect of all or a part of FRANCHISEE'S assets; (iv) FRANCHISEE allows or permits any judgment to be entered against FRANCHISEE and/or FRANCHISOR, or any parent, subsidiary or affiliated corporations of either, arising out of or relating to the operation of the Franchised

Business; or (v) FRANCHISEE is convicted of any serious crime, or FRANCHISEE'S actions or conduct have an adverse effect on the System, the Trademarks or FRANCHISOR'S goodwill.

c. Assignment; Death or Incapacity of FRANCHISEE In the event that FRANCHISEE shall purport to sell, assign, transfer or encumber in whole or in part the Franchised Business, without the prior written consent of FRANCHISOR; provided, however, that in the event of the death or legal incapacity of FRANCHISEE, or a shareholder of a corporate FRANCHISEE, FRANCHISOR shall, upon written request, allow a period of up to twelve (12) months after such death or legal incapacity for the heirs, personal representatives, or conservators of FRANCHISEE or said shareholder to themselves enter into a new franchise agreement or, if FRANCHISOR withholds consent to such transfer, to sell the applicable interest in the Franchised Business to a person approved by FRANCHISOR. If said heirs, personal representatives or conservators fail to enter into a new franchise agreement or sell or assign to an approved buyer as aforesaid within said twelve (12) month period, this Agreement shall thereupon automatically terminate.

d. Knowing Under reporting If an audit or investigation conducted by FRANCHISOR pursuant to paragraph 4.5 hereof, disclosed that FRANCHISEE has knowingly understated Gross Revenues or withheld the reporting of same as herein provided.

e. Repeated Defaults If FRANCHISEE shall default in any obligation as to which FRANCHISEE has previously received a notice of default from FRANCHISOR within the preceding twelve (12) months, such repeated course of conduct shall itself be grounds for termination of this Agreement without further notice or opportunity to cure.

f. Misrepresentation If FRANCHISEE makes any misrepresentations relating to the acquisition of the Franchised Business or if FRANCHISEE engages in conduct which reflects unfavorably upon the operation and reputation of the Franchised Business or System.

g. Violation of Law If FRANCHISEE fails, for a period of ten (10) days after having received notification of noncompliance from FRANCHISOR or any governmental or quasi-governmental agency or authority, to comply with any law or regulation applicable to the operation of the Franchised Business.

h. Failure to Deposit If FRANCHISEE fails to deposit promptly all premium payments in the bank account(s) designated for such purpose by FRANCHISOR. "Promptly" shall mean, by to 2:00 p.m. of the business day following the day of receipt.

i. Soliciting Employees If FRANCHISEE shall recruit or hire any employee of FRANCHISOR, FRANCHISOR'S affiliated companies, or any franchisee of FRANCHISOR without prior written consent of FRANCHISOR or the franchisee.

j. Failure to Complete Training; Failure to Obtain Licenses If FRANCHISEE fails to complete the required initial training program to FRANCHISOR'S satisfaction and/or fails to obtain any and all necessary state licenses.

k. Failure to Secure Commercial Office Location If FRANCHISEE fails to select and obtain approval for FRANCHISEE'S Commercial Office Location within ninety (90) days of execution of this Agreement or such longer period as is agreed to by FRANCHISOR and FRANCHISEE.

l. Failure to Meet Premium Production If FRANCHISEE fails to attain a level of $600,000 of gross premiums written at the end of the first twenty-four (24) months of the Term and maintain such level for each twelve (12) month period thereafter.

ARTICLE 12.
FURTHER OBLIGATIONS AND RIGHTS OF THE PARTIES UPON TERMINATION OR EXPIRATION

12.1. ***FRANCHISOR'S Rights.***

In the event of expiration or termination of this Agreement, whether by reason of default, lapse of time, or other cause, FRANCHISEE shall: (i) immediately discontinue the use of the Trademarks; (ii) not thereafter operate or do business under any name or in any manner that might tend to give the general public the impression that FRANCHISEE is operating a business as a franchisee of FRANCHISOR and shall promptly take such action as FRANCHISOR may direct to prevent any possible confusion in the mind of the public as to FRANCHISEE'S non affiliation with FRANCHISOR, including but not limited to, removal of sign age, advertising, and furnishings that might tend to cause the public to associate FRANCHISEE with FRANCHISOR or its franchisees or the System; (iii) immediately return the Operations Manual and all other manuals, bulletins, instruction sheets, and supplements and copies thereof to FRANCHISOR; (iv) cause the telephone numbers and all related telephone directory listings to be assigned to FRANCHISOR, or its designee, or terminate all such telephone numbers and listings, as required by FRANCHISOR pursuant to 12.4 below; and (v) not thereafter use, in any manner, or for any purpose, directly or indirectly, any of FRANCHISOR'S trade secrets, trade dress, procedures, techniques, or materials acquired by FRANCHISEE by virtue of the relationship established by this Agreement, including, without limiting the generality of the foregoing: (a) all manuals, bulletins, instruction sheets, and supplements thereto; (b) all forms, advertising matter, marks, devices, insignia, slogans and designs used from time to time in connection with the Franchised Business; (c) all supply lists, specifications or standards; and (d) all Trademarks or trade names now or hereafter applied for or granted in connection therewith.

12.2. ***Termination without Prejudice.***

The expiration or termination of this Agreement shall be without prejudice to the rights of FRANCHISOR against FRANCHISEE and such expiration or termination shall not relieve FRANCHISEE of any of its obligations to FRANCHISOR existing at the time of expiration or termination or terminate those obligations of FRANCHISEE which, by their nature, survive the expiration or termination of this Agreement.

12.3. ***Telephone Numbers.***

FRANCHISEE acknowledges that there will be substantial confusion in the mind of the public if, after the expiration or termination of this Agreement, FRANCHISEE continues to use the telephone number listed in a phone directory under the name "ESTRELLA", or any other name confusingly similar thereto. Therefore, FRANCHISEE agrees that within seven (7) days after the expiration or termination of this Agreement for any reason whatsoever, FRANCHISEE shall upon FRANCHISOR'S request execute all documents necessary or proper in FRANCHISOR'S judgment to transfer the right to use and control the telephone number(s) pertaining to the Franchised

Business to FRANCHISOR or its designee and will direct the telephone company servicing the Franchised Business to transfer the telephone number(s) listed for the Franchised Business in the telephone directory, to FRANCHISOR or to such person and at such location as FRANCHISOR shall direct.

12.4. ***Books and Records.***

In addition to FRANCHISEE'S copy of the Operations Manual, the FRANCHISEE shall immediately return to FRANCHISOR all materials, including records, files, instructions, correspondence, all materials related to operating the Franchised Business, including, but not limited to, brochures, agreements, lists of names of customers and permanent and temporary employees, and any and all other materials relating to the operation of the Franchised Business in the FRANCHISEE'S possession or control, and all copies and any other forms of reproductions thereof (all of which are acknowledged to be the sole and exclusive property of FRANCHISOR), and shall retain no copy or record of any of the foregoing, excepting only the FRANCHISEE'S copy of this Agreement and related agreements and of correspondence between the parties, and copies of any other documents which the FRANCHISEE reasonably needs for compliance with any provision of law. FRANCHISOR shall reimburse the FRANCHISEE for the reasonable cost of delivering the foregoing materials to FRANCHISOR promptly after receipt of reasonable evidence of such costs.

12.5. ***Non-solicitation Covenant.***

During the period beginning on the Effective Date and ending two (2) years after the date of termination of FRANCHISEE's Franchise Agreement, voluntarily or involuntarily, with FRANCHISOR and all of its affiliates (such termination date, the "Termination Date," and such period, the "Restriction Period"), FRANCHISEE—either directly or indirectly, for himself, herself or itself, or through, on behalf of, or in conjunction with any person, partnership, corporation or other entity—must not engage or seek to engage (as an employee or contractor) in a commercial relationship with any person—who is at, or was within six months before, the time that FRANCHISEE so acts—already engaged in a commercial relationship by FRANCHISOR or any of its affiliates, otherwise directly or indirectly induce or seek to induce, or in any other manner advise or influence such person to leave his, her or its engagement, nor attempt to encourage any employee, customer, vendor, consultant, lender, supplier, or other contractor, representative or material business contact of FRANCHISOR or any of its affiliates to terminate or otherwise disrupt its relationship with FRANCHISOR or any of its affiliates or to compete against FRANCHISOR or any of its affiliates. Solicitation in violation of this Agreement would include contacting (directly or indirectly) any employee, customer, vendor, consultant, lender, supplier, or other contractor, representative or material business contact of FRANCHISOR or any of its affiliates so that the individual, organization, or entity contacted may facilitate, assist, or set-up (directly or indirectly) an introduction as between FRANCHISEE and another individual, organization, or entity (whether or not that other individual, organization, or entity is a current, former, or prospective customer). However, the above excludes the use of general, public advertisements and the use of professional recruiters not directed to FRANCHISOR.

ARTICLE 13.
ARBITRATION

13.1. ***Procedures.***

a. Any dispute or controversy between the parties arising out of or relating to this Agreement, including, without limitation, a dispute or controversy relating to the construction of any provision or the validity or enforceability of any term or condition (including this provision) or of the entire Agreement, or any claim that all or any part of this Agreement (including this provision) is void or voidable, shall be submitted to arbitration before a panel of three (3) arbitrators in accordance with the Commercial Rules of Arbitration of the American Arbitration Association then in effect or through the facilities and according to the procedures of Franchise Arbitration and Mediation, Inc. same to be conducted where the principal office of FRANCHISOR is located. The choice of organization conducting the arbitration shall be made by the party filing for arbitration. All matters relating to such arbitration shall be governed by the Federal Arbitration Act. (9 U.S.C. Sec. 1 et seq.) In any such arbitration, the Federal Rules of Civil Procedure in effect at the time of the filing of the arbitration demand, including, but not limited to, the rules of evidence and the rules regarding discovery, shall apply. The arbitrator has the sole authority to determine the eligibility of a dispute for arbitration and whether it has been timely filed. If the panel of arbitrators issues a subpoena or otherwise orders discovery, and if a party subject to said subpoena or discovery order fails to comply, the other party may apply to any court of competent jurisdiction for an order compelling compliance with the arbitrators' subpoena or order. To the fullest extent permitted by law, FRANCHISOR irrevocably submits to the jurisdiction of such forum and waives any objection to either the jurisdiction or venue of such forum. This arbitration provision shall be deemed self-executing, and if either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party, notwithstanding such failure to appear.

b. The provisions of this Article shall be construed as independent of any other covenant or provision of this Agreement; provided that if a court of competent jurisdiction determines that any such provisions are unlawful in any way, such court shall modify or interpret such provisions to the minimum extent necessary to have them comply with the law.

c. Judgment upon an arbitration award may be entered in any court having competent jurisdiction and shall be binding, final and non-appealable.

d. FRANCHISOR and FRANCHISEE agree that arbitration shall be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between FRANCHISOR and FRANCHISEE shall not be consolidated with any other arbitration proceeding involving FRANCHISOR and any other person, corporation, partnership or other entity. FRANCHISEE further agrees that FRANCHISEE is precluded from filing a class action or acting as a class representative.

e. Prior to any arbitration proceeding taking place, FRANCHISEE or FRANCHISOR may, at its respective option, elect to submit the controversy or claim to non-binding mediation before a mutually agreeable mediator, in which event both parties shall execute a suitable confidentiality agreement.

f. The obligation herein to arbitrate shall not be binding upon either party with respect to claims relating to: monies owed by FRANCHISEE to FRANCHISOR or an affiliate; the Proprietary Property (including the Proprietary Marks and Confidential Information); Noncompetition; Franchisee's obligations upon termination or expiration of this Agreement; any lease or sublease of real property between the parties or their affiliated entities; claims relating to any transfer of an interest in the Franchisee, the Franchised Business or its assets, or this Agreement restricted under this Agreement; or requests by either party for temporary restraining orders, preliminary injunctions, or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution by arbitration of the actual dispute between the parties.

FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT FRANCHISEE HAS READ THE TERMS OF THIS BINDING ARBITRATION PROVISION AND AFFIRMS THAT THE PROVISION IS ENTERED INTO WILLINGLY AND VOLUNTARILY AND WITHOUT ANY FRAUD, DURESS OR UNDUE INFLUENCE ON THE PART OF FRANCHISOR OR ANY OF THE FRANCHISOR'S AGENTS OR EMPLOYEES.

ARTICLE 14.
GENERAL CONDITIONS AND PROVISIONS

14.1. ***Relationship of FRANCHISEE to FRANCHISOR.***

a. It is expressly agreed that the parties intend by this Agreement to establish between FRANCHISOR and FRANCHISEE the relationship of franchisor and franchisee. It is further agreed that FRANCHISEE has no authority to create or assume in FRANCHISOR'S name or on behalf of FRANCHISOR, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of FRANCHISOR for any purpose whatsoever. Neither FRANCHISOR nor FRANCHISEE is the employer, employee, agent, partner or co venturer of or with the other, each being independent. FRANCHISEE agrees that FRANCHISEE will not hold FRANCHISEE out as the agent, employee, partner or co venturer of FRANCHISOR. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

b. FRANCHISEE'S employees are solely the employees of FRANCHISEE; FRANCHISOR has no control, obligation, or responsibility for or to FRANCHISEE'S employees or FRANCHISEE'S employment policies or decisions. As to FRANCHISEE'S employees, FRANCHISEE is solely responsible for: their hiring, firing; promotion or demotion; employment policies, including employee relations; human resources matters; controlling work schedules and conditions of employment (e.g., meal and rest breaks, time-keeping); determining pay rates, method of payment and classification; benefits and maintenance of employment records; monitoring performance; and training and supervision.

c. FRANCHISEE acknowledges that while FRANCHISOR has responsibility for the integrity, promotion and quality the Trademarks and services associated therewith, FRANCHISEE is solely responsible for the day-to-day decisions and operations of the Franchise Business consistent with FRANCHISOR'S policies.

14.2. ***Indemnity by FRANCHISEE.***

After the expiration or sooner termination of this Agreement, FRANCHISEE hereby agrees to protect, defend and indemnify FRANCHISOR, and all of its past, present and future shareholders, direct and indirect parent companies, subsidiaries, affiliates, officers, directors, employees, attorneys and designees and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature, including those in connection with all local, state and federal employment and labor laws and regulations, and all Information Privacy Laws, on account of any actual or alleged loss, injury or damage to any person, firm or corporation or to any property arising out of or in connection with FRANCHISEE'S operation of the Franchised Business pursuant hereto.

14.3. ***FRANCHISOR'S Right to Cure Defaults.***

In addition to all other remedies herein granted if FRANCHISEE shall default in the performance of any of its obligations or breach any term or condition of this Agreement or any related agreement, FRANCHISOR may, at its election, immediately or at any time thereafter, without waiving any claim for breach hereunder and without notice to FRANCHISEE, cure such default for the account and on behalf of FRANCHISEE, and the cost to FRANCHISOR thereof shall be due and payable on demand and shall be deemed to be additional compensation due to FRANCHISOR hereunder and shall be added to the amount of compensation next accruing hereunder, at the election of FRANCHISOR.

14.4. ***Waiver and Delay.***

No waiver by FRANCHISOR of any breach or series of breaches or defaults in performance by FRANCHISEE of any provision of this Agreement, and no failure, refusal or neglect of FRANCHISOR to exercise any right, power or option given to it hereunder or under any other franchise agreement between FRANCHISOR and FRANCHISEE, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the Agency) or to insist upon strict compliance with or performance of FRANCHISEE'S obligations under any provisions of this Agreement, any other franchise agreement between FRANCHISOR and FRANCHISEE, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to the agency) or the Operations Manual with respect to any subsequent breach thereof or a waiver by FRANCHISOR of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

14.5. ***Survival of Covenants.***

The covenants contained in Article10 and Article 12 of this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement, shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

14.6. ***Successors and Assigns.***

This Agreement including the covenants in Section 10.2, shall be binding upon and inure to the benefit of the successors and assigns of FRANCHISOR and shall be binding upon and inure to the

benefit of FRANCHISEE and his or their respective heirs, executors, administrators, successors and assigns, subject to the restrictions on assignment contained herein.

14.7. ***Joint and Several Liability.***

FRANCHISEE is jointly and severally liable for the conduct of each person constituting Franchisee's Group. Such liability is to the same extent as if FRANCHISEE engaged in such conduct itself. FRANCHISEE must ensure that none of such persons engage in conduct that FRANCHISEE is prohibited from engaging in under or arising out of this Agreement. This applies, without limitation, to obligations of confidentiality and noncompetition owed to FRANCHISOR. "Franchisee's Group" means, at the time of the conduct in question: the then current or former (i) FRANCHISEE owners, officers, managers, contractors, employees, representatives, and the spouses (if any) of the foregoing persons, and, (ii) if not otherwise previously listed, any person that is an immediate Family Member of any FRANCHISEE or any of its owners. "Immediate Family Member" means, with respect to an individual, such individual's grandparent, aunt, uncle, cousin, mother, father, or lineal descendent or spouse of such individual, or of any such family member, or any trust for the benefit of such individual or of any such family member. References to the foregoing relationships mean those that are biological, adoptive, in-law, or step relationships. Half-siblings are, for all purposes, considered siblings.

14.8. ***Governing Law.***

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Statute 1051 and the sections following it) or other federal law, this Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida; however, if this Agreement concerns a Franchised Business located in a state other than Florida and the laws of that state require terms other than those or in addition to those contained herein, then this Agreement shall be deemed modified so as to comply with the appropriate laws of such state, but only to the extent necessary to prevent the invalidity of this Agreement or any provision hereof, the imposition of fines or penalties, or the creation of civil or criminal liability on account thereof. Any provision of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability, without invalidating the remaining provisions of this Agreement. Any prohibition against or unenforceability of any provision of this Agreement in any jurisdiction, including the state whose law governs this Agreement, shall not invalidate the provision or render it unenforceable in any other jurisdiction. To the extent permitted by applicable law, FRANCHISEE waives any provision of law which renders any provision of this Agreement prohibited or unenforceable in any respect.

14.9. ***Entire Agreement.***

This Agreement contains all of the terms and conditions agreed upon by the parties hereto with reference to the subject matter hereof. No other agreements oral or otherwise shall be deemed to exist or bind any of the parties hereto and all prior agreements, understandings and representations are merged herein and superseded hereby. FRANCHISEE represents that there are no contemporaneous agreements or understandings between the parties that are not contained herein. No officer or employee or agent of FRANCHISOR has any authority to make

any representation or promise not contained in this Agreement, and FRANCHISEE agrees that he or she has executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be modified or changed except by written instrument signed all of the parties hereto, except that the mandatory standards, specifications and operating procedures contained in the manual may be modified by FRANCHISOR periodically. Nothing in this or any related agreement is intended to disclaim the representations made by Franchisor in the Franchise Disclosure Document furnished to Franchisee.

14.10. ***Titles for Convenience.***

Article and paragraph titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

14.11. ***Gender.***

All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article or paragraph hereof may require.

14.12. ***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 the provisions of this Agreement or the Operations Manual 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 even the provisions of this Agreement or the Operations Manual thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement or the Operations Manual shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

14.13. ***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.

14.14. ***Notices.***

All notices, requests, demands, consents and other communications required or permitted under this Agreement shall be in writing (including telex and telegraphic communication) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, telecommunicated, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to the appropriate party at its address set forth below or to such other address as that party may designate by notice complying with the terms of this Section. Each such notice is deemed delivered (a) on the date delivered if by personal delivery; (b) on the date of transmission, with confirmed answer back if by telefax or other telegraphic method; or (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities or courier service as not deliverable, as the case may be, if mailed or couriered. :

To FRANCHISOR:

ESTRELLA Franchising Corp.
3750 West Flagler Street
Miami, Florida 33134
Attn: President
Fax (305) 444 - 2933

To FRANCHISEE:

_____

_____

_____

Attn: _____

Fax (___) ____ _____

Any of the foregoing may change his or its address by giving ten (10) days prior written notice of such change to all other parties.

14.15. ***Time of Essence.***

Time shall be of the essence for all purposes of this Agreement.

14.16. ***Injunction.***

The FRANCHISEE acknowledges that certain breaches of this Agreement will result in irreparable harm to the FRANCHISOR for which money damages are totally inadequate. Therefore, the FRANCHISOR shall be entitled, without bond, to the entry of temporary and permanent injunctions, orders of specific performance and other equitable relief, issued by any court of competent jurisdiction, enforcing the provisions of this Agreement relating to FRANCHISEE'S use of the Trademarks, the obligations of FRANCHISEE upon termination, non-renewal or expiration of this Agreement and assignment of the franchise and ownership interests in FRANCHISEE, to prohibit any act or omission that constitutes a violation of any applicable law, ordinance or regulation, is dishonest or misleading to customers or prospective customers, constitutes a danger to employees or customers or to the public, which may impair the goodwill associated with the Trademarks or any other threatened conduct that will cause it irreparable loss or damage, under customary equity rules. If a bond is required by statutes, rules, court order or otherwise, FRANCHISEE agrees that such bond shall be in the sum of $100.00. Further, FRANCHISEE agrees that, if a temporary injunction or restraining order is dissolved, the only remedy will be its dissolution. If the FRANCHISOR secures any such injunction, order of specific performance or other order, FRANCHISEE agrees to pay to FRANCHISOR an amount equal to the aggregate of its costs of obtaining such relief, including, without limitation, reasonable attorney's fees, costs of investigation and proof of facts, court costs, other litigation expense and travel and living expenses, in addition to any damage incurred by the FRANCHISOR as a result of the breach of any such provision.

14.17. ***Jurisdiction and Venue.***

Each of the parties irrevocably and unconditionally with respect to any matter that is not subject to arbitration: (a) agrees that any suit, action or legal proceeding arising out of or relating to this

Agreement shall only be brought in the court(s) of record for the State and County or the United States District Court, whose jurisdiction encompasses the location of the principal office of FRANCHISOR; (b) consents to the jurisdiction of each such court in any suit, action or proceeding; (c) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts; and (d) agrees that service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules of the State of Florida.

14.18. ***WAIVER OF JURY TRIAL.***

THE PARTIES HEREBY MUTUALLY AND WILLINGLY WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY AND ALL CLAIMS BETWEEN THEM WHICH ARE NOT SUBJECT TO ARBITRATION WHETHER NOW EXISTING OR HEREAFTER ARISING IN THE FUTURE, INCLUDING, WITHOUT LIMITATION, ANY AND ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS CLAIMS, THIRD PARTY CLAIMS AND INTERVENOR'S CLAIMS WHETHER ARISING FROM OR RELATED TO THE SALE, NEGOTIATION, EXECUTION OR PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS AGREEMENT RELATES.

14.19. ***Modification of the System.***

The FRANCHISEE agrees that FRANCHISOR may modify the System at any time, and from time to time. The FRANCHISEE agrees to accept and be bound by any changes in the System as if they were part of this Agreement at the time of execution of this Agreement. The FRANCHISEE will make all expenditures and changes or modifications of the System as the FRANCHISOR may require.

14.20. ***Limitation of Claims.***

All claims, except for monies due to the FRANCHISOR arising out of or related to this Agreement or the relationship between the parties will be barred unless a legal action or arbitration proceeding is filed and timely served upon the opposing party within eighteen (18) months from the date the FRANCHISEE or the FRANCHISOR knew or should have known of the facts giving rise to the claim, except to the extent any applicable law or statute provides for a shorter period of time to bring a claim, or as otherwise required by law.

14.21. ***Waiver of Punitive Damages.***

The FRANCHISOR and FRANCHISEE (and its owners and guarantors, if applicable), hereby waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

ARTICLE 15.
SUBMISSION OF AGREEMENT

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by FRANCHISOR and FRANCHISEE. THIS AGREEMENT SHALL NOT BE BINDING ON FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY THE FRANCHISOR.

ARTICLE 16.
NO PROJECTIONS OR REPRESENTATIONS

16.1. ***No Reliance***.

Except as expressly provided to the contrary in this Agreement, FRANCHISOR makes no representations, warranties, or guarantees upon which the Franchisee may rely. Nor does FRANCHISOR assume any liability or obligation to the Franchisee by providing any waiver, approval, consent, or suggestion to the Franchisee in connection with this Agreement; or by reason of any neglect, delay, or denial of any request therefor unless such conduct would otherwise constitute a breach of an express obligation of FRANCHISOR under this Agreement.

16.2. ***Franchisor's Representations***. FRANCHISOR represents and warrants as follows:

a. Organization. FRANCHISOR is a corporation duly organized, validly existing, and in good standing under Florida law.

b. Authorization. FRANCHISOR has the corporate power to execute, deliver, and carry out the terms of the Agreement. FRANCHISOR has taken all necessary action with respect thereto. This Agreement has been duly authorized, executed, and delivered by FRANCHISOR and constitutes its valid, legal and binding agreement and obligation in accordance with the terms of this Agreement, except as may be limited by applicable bankruptcy, insolvency, reorganization and other laws and equitable principles affecting creditors' rights generally from time to time in effect.

c. No Violation. FRANCHISOR's performance of its obligations under the Agreement will not result in:

i. the breach of any term or condition of any contract, agreement, or other commitment to which FRANCHISOR is a party or by which it is bound, or constitute an event that, with notice, the lapse of time, or both, would result in such a breach; nor

ii. FRANCHISOR's violation of any statute, rule, regulation, ordinance, code, judgment, order, injunction, or decree.

d. No Speculative Intent. The Franchisee is not obtaining this Franchise for speculative or investment purposes. The Franchisee has no present intention to sell or transfer or attempt to sell or transfer this Agreement or the Franchised Business in whole or in part.

The foregoing representations and warranties are true and correct on the date this Agreement is executed and will remain so throughout the Term.

16.3. ***The FRANCHISEE's Representations***. The FRANCHISEE represents and warrants as follows:

a. ***Organization.*** If the FRANCHISEE is a corporation limited liability company, or a general or limited partnership, the FRANCHISEE is duly organized, validly existing, and in good standing under the laws of its state of organization.

b. ***Authorization.*** The FRANCHISEE has the power to execute, deliver, and carry out the terms and conditions of the Agreement. The FRANCHISEE has taken all necessary action with respect thereto. This Agreement has been duly authorized, executed, and delivered by the FRANCHISEE and constitutes its valid, legal, and binding agreement and obligation in accordance

with the terms of this Agreement, except as may be limited by applicable bankruptcy, insolvency, reorganization and other laws and equitable principles affecting creditors' rights generally from time to time in effect.

c. ***No Violation.*** Performance by the FRANCHISEE of his, her, or its obligations under this Agreement will not result in:

i. the breach of any term or condition of any contract, agreement, or other commitment to which the FRANCHISEE is a party or by which he, she, or it is bound, or constitute an event that, with notice, the lapse of time or both, would result in such a breach; nor

ii. the violation by the FRANCHISEE of any statute, rule, regulation, ordinance, code, judgment, order, injunction or decree.

d. ***No Speculative Intent.*** The FRANCHISEE is not obtaining this Franchise for speculative or investment purposes. The FRANCHISEE has no present intention to sell or transfer or attempt to sell or transfer this Agreement or the Franchised Business in whole or in part.

The foregoing representations and warranties are true and correct on the date this Agreement is executed and will remain so throughout the Term.

16.4. ***True Copies.***

The FRANCHISEE represents and warrants that copies of all documents it furnishes to FRANCHISOR in connection with obtaining the Franchise, and as required in the future, have been and will be true and complete copies of such documents (including all amendments or modifications thereof) and contain no misleading or incorrect statements or material omissions.

16.5. ***Receipt of FDD.***

The FRANCHISEE acknowledges that it received from FRANCHISOR an FDD for the state where the Franchised Business will be located and, if different, the state where the FRANCHISEE resides (with all exhibits and supplements thereto), at least 14 calendar-days before signing this Agreement or any other binding agreement with, or making any payment to, FRANCHISOR or an affiliate in connection with the sale of the Franchise.

16.6. ***Receipt of Completed Franchise Agreement.***

The FRANCHISEE acknowledges that it received from FRANCHISOR a completed copy of this Agreement and all related agreements, containing all material terms, with all blanks filled in (except for the date, signatures and any minor matters not material to the agreements) at least seven calendar days before signing this Agreement.

ARTICLE 17.
ACKNOWLEDGMENTS

FRANCHISEE hereby acknowledges the following:

a. THE FRANCHISEE'S SUCCESS IN OWNING AND OPERATING THE FRANCHISED BUSINESS IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS. SUCH FACTORS INCLUDE, TO A LARGE EXTENT, THE FRANCHISEE'S INDEPENDENT BUSINESS ABILITY. EXCEPT AS SPECIFICALLY INCLUDED IN THIS AGREEMENT, NO REPRESENTATIONS OR PROMISES, EXPRESS OR IMPLIED, HAVE BEEN MADE BY FRANCHISOR OR ANY EMPLOYEE, BROKER, OR REPRESENTATIVE OF

FRANCHISOR, TO INDUCE THE FRANCHISEE TO ENTER INTO THIS AGREEMENT. NO EMPLOYEE, OFFICER, DIRECTOR, BROKER OR REPRESENTATIVE IS AUTHORIZED TO DO OTHERWISE.

b. THE FRANCHISEE ACKNOWLEDGES THAT, IN ALL OF ITS DEALINGS WITH FRANCHISOR'S OWNERS, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, AND REPRESENTATIVES, SUCH INDIVIDUALS ACT ONLY IN THEIR REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. THE FRANCHISEE FURTHER ACKNOWLEDGES THAT THIS AGREEMENT AND ALL BUSINESS DEALINGS BETWEEN THE FRANCHISEE AND SUCH INDIVIDUALS AS A RESULT OF THIS AGREEMENT ARE SOLELY BETWEEN THE FRANCHISEE AND FRANCHISOR. NOTWITHSTANDING THE FOREGOING, IF FRANCHISOR ENGAGES ANY BROKER, SUCH BROKER SHALL BE SOLELY LIABLE FOR ITS CONDUCT IN CONNECTION WITH THE FRANCHISEE EXCEPT THAT FRANCHISOR SHALL REMAIN LIABLE FOR THE BROKER'S CONDUCT SOLELY TO THE EXTENT OF FRANCHISOR'S OWN CRIMINAL, INTENTIONAL OR GROSSLY NEGLIGENT CONDUCT REGARDING ENGAGING SUCH BROKER

c. IN ADDITION, FRANCHISOR MAKES NO WARRANTY AS TO THE FRANCHISEE'S ABILITY TO OPERATE THE FRANCHISED BUSINESS IN THE JURISDICTION IN WHICH THE FRANCHISED BUSINESS IS TO BE OPERATED. THE FRANCHISEE ITSELF MUST SEEK OR OBTAIN ADVICE OF COUNSEL SPECIFICALLY WITH RESPECT TO THIS ISSUE. IF LEGISLATION ENACTED, OR REGULATION PROMULGATED, BY ANY GOVERNMENTAL BODY PREVENTS THE FRANCHISEE FROM OPERATING THE FRANCHISED BUSINESS, FRANCHISOR IS NOT LIABLE FOR DAMAGES NOR REQUIRED TO INDEMNIFY THE FRANCHISEE IN ANY MANNER WHATSOEVER OR TO RETURN ANY MONIES RECEIVED FROM THE FRANCHISEE.

d. FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISEE HAS NOT RECEIVED ANY REPRESENTATION, WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF AN ESTRELLA INSURANCE AGENCY, EXCEPT AS SET FORTH IN THE FRANCHISE DISCLOSURE DOCUMENT, IF ANY. IN FACT, FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS ENTERED INTO THIS FRANCHISE AGREEMENT AFTER MAKING AN INDEPENDENT INVESTIGATION OF THE BUSINESS AND OF THE FRANCHISOR.

e. **FRANCHISEE IS AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF FRANCHISOR MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT(S), AND CONSEQUENTLY THAT THE FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.**

The parties signing below constitute all the FRANCHISEE's beneficial and legal owners. Each of such parties agrees that he or she is jointly and severally liable with the other owners and the FRANCHISEE for

all the FRANCHISEE's obligations under this Agreement and is bound by all the terms thereof as if he or she were the FRANCHISEE thereunder.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written.

FRANCHISOR:

ESTRELLA FRANCHISING CORP.,
a Florida corporation

By: _____
Signature

Print Name: _____

Its: _____

FRANCHISEE:

By: _____
Signature

Print Name: _____

By: _____
Signature

Print Name: _____

By: _____
Signature

Print Name: _____

ESTRELLA INSURANCE FRANCHISE AGREEMENT ADDENDUM

LOCATION DESIGNATION AND DESCRIPTION OF TERRITORY

I. FRANCHISEE'S LOCATION

Home-Based:

_____

_____

Commercial Office:

_____

_____

II. THE TERRITORY

The Commercial Office Territory granted by the FRANCHISOR and accepted by the FRANCHISEE is:

_____

_____

_____

_____

_____

_____

_____

_____

INITIALS:

FRANCHISOR:	FRANCHISEE:
_____	_____
Date: _____	Date: _____

EXHIBIT "A"
RIDER TO LEASE FOR COMMERCIAL OFFICE LOCATIONS

THIS RIDER TO LEASE, is made and entered into as of this ____ day of _____, 20___, by and between _____ (hereinafter referred to as the "Lessor"), _____ (hereinafter referred to as "Franchisee") and ESTRELLA FRANCHISING CORP. (hereinafter referred to as "Franchisor") and is incorporated by reference into that certain "Lease", dated as of _____, 20___ between Lessor and Franchisee (as Lessee) and is intended to amend and supplement such Lease.

For and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00), the mutual covenants and agreements hereinafter provided and other good and valuable considerations, the receipt and sufficiently of which are hereby acknowledged by Lessor, Lessor and Lessee hereby agree as follows:

1) Lessee hereby conditionally assigns, transfers and sets over to Franchisor all of Lessee's right, title and interest in and to the Lease; provided, however, that, notwithstanding the foregoing, it is understood and agreed that such assignment shall become effective only upon occurrence of both of the following conditions:

   a) Termination of a certain franchise agreement between Franchisor and Lessee, as Franchisee (the "Franchise Agreement"), for the operation, of an Estrella Insurance Agency on the demised premises, as described in the Lease; and

   b) Exercise by Franchisor of an option to assume the obligations of and replace Lessee as the lessee under the Lease, which option shall be exercised by Franchisor, if at all, on or before thirty (30) days after termination of the Franchise Agreement. If Franchisor desires to exercise its option, it shall do so by giving notice to Lessor and Lessee on or before the last day of the aforesaid time period.

2) Lessor hereby consents to the aforesaid conditional assignment and agrees that if the aforesaid conditional assignment becomes effective and unconditional by the giving of notice by Franchisor, Franchisor shall thereafter be substituted for Lessee as lessee under the Lease. With the prior written consent of Lessor, which consent shall not be unreasonable withheld, Franchisor shall have the right to reassign this Lease or sublet the demised premises to a new franchisee, who shall become the Lessee under the Lease. In the event of reassignment, Franchisor shall be relieved of all liability accruing under the Lease from and after the date of the aforesaid reassignment to the new lessee.

3) Lessor agrees to give Franchisor not less than thirty (30) days prior written notice of its intention to reenter and repossess the premises and/or to cancel the Lease on account of Lessee's default in performance of any of the terms, conditions or provisions of the Lease. During the aforesaid thirty (30) day period, Franchisor may cure such default and otherwise exercise its rights under this conditional assignment.

4) Lessee agrees that at such time as Franchisor exercises its option to become the Lessee under the Lease, Lessee will immediately vacate the demised premises, without removing any equipment, parts or supplies, except as authorized under the Franchise Agreement and will permit Franchisor to enter upon and take possession of the demised premises.

5) Lessor is hereby authorized to rely solely upon written notice by Franchisor of its option to become the Lessee under the Lease, and is hereby released and relieved of any and all liability to Franchisor and/or Lessee for any action it takes in so relying that is undertaken in good faith and in the absence of gross negligence or intentional misconduct. Franchisor and Lessee, jointly and severally, hereby

agree that they will defend, indemnify and hold Lessor harmless from and against any and all claims, demands, losses, costs, expenses (including attorneys' fees and court costs) that may arise out of or in connection with any dispute between Franchisor and Lessee with respect to their rights and obligations under this Agreement, including without limitation, attorneys' fees and costs incurred by Lessor incident to the prosecution of or participation in any suit for declaratory decree, construction or interpretation of the Lease and/or this Rider.

LESSOR:

_____

FRANCHISEE:

_____

ESTRELLA FRANCHISING CORP.

_____

EXHIBIT "B"

ASSIGNMENT OF FRANCHISE AGREEMENT AND GUARANTY

This Agreement, made this ____ day of _____, 20___, by and among _____ ("Assignor"), _____ ("Assignee"), and ESTRELLA FRANCHISING CORP., a Florida corporation (the "Franchisor").

Witnesseth:

Whereas, Franchisor and Assignor did enter into an agreement dated _____, 20___ (the "Franchise Agreement") wherein and whereby Assignor became entitled to certain rights and privileges and subject to certain duties and obligations, all as more particularly described in the Franchise Agreement; and

Whereas, Assignor is desiring of transferring all of Assignor's right, title and interest in and to such Franchise Agreement to the Assignee, and the Assignee is desirous of accepting such transfer; and

Whereas, such transfer shall be ineffective and of no force or effect without the consent thereto by the Franchisor.

Now, Therefore, in consideration of the sum of $10.00, and other good and valuable consideration exchanged among the parties hereto, the receipt and sufficiency of which are hereby acknowledged, it is AGREED:

1. The Assignor by these presents does sell, grant, assign and convey unto the Assignee all of the Assignor's right, title and interest in and to the Franchise Agreement, and Assignor fully authorizes and empowers Assignee to exercise all rights as Assignor under the terms of said Franchise Agreement, and in the same manner as Assignor might or could do thereunder.

2. The Assignee hereby expressly assumes all of the terms, covenants and conditions under the terms of the Franchise Agreement, and expressly agrees to be bound thereby and assumes full performance thereunder.

3. The assignment of the Franchise Agreement by Assignor shall not constitute novation as between the Franchisor and Assignor, and Franchisor's consent to such assignment shall not in any manner relieve or release Assignor from his responsibility, financial or otherwise, under and pursuant to the Franchise Agreement, and Assignor does hereby unconditionally guaranty the performance by Assignee of all of the terms, covenants and conditions of the Franchise Agreement, and does expressly guaranty payment of Assignee of any and all sums due and payable, now or hereafter incurred, by Assignee to Franchisor pursuant to the Franchise Agreement or any renewal, extension or modification thereof, and pursuant to any contract(s) or arrangement(s) entered into in connection therewith.

In connection with Assignor's unconditional guaranty, Assignor consents and agrees that: (1) his or her liability shall be joint and several; (2) he or she shall render any payment or performance required under the Franchise Agreement upon demand if Assignee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against Assignee 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 with the Franchisor may from time to time grant to Assignee 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 Assignor's guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement.

4. The parties hereto do hereby expressly ratify and reaffirm the Franchise Agreement, and the terms, covenants, and conditions therein contained.

5. Nothing herein contained shall in any way operate to modify or abrogate any requirement(s) in the Franchise Agreement respecting any further or future assignment of the Franchise Agreement, or the rights or obligations thereunder, in whole or in part.

6. Expressly subject to the terms herein contained, Franchisor does hereby consent to the within Assignment.

In Witness Whereof, the parties hereto have set their respective hand and seal the day and year first above written.

Assignor:

_____

_____

Assignee:

_____

_____

Franchisor:

ESTRELLA FRANCHISING CORP.

By: _____

_____, President

EXHIBIT "C"

GUARANTY

This Guaranty is made and entered into by _____ _____ a single/married man/woman (collectively, "Guarantor") in favor of ESTRELLA FRANCHISING CORP., a Florida corporation ("Franchisor") and any of its affiliates, assignees.

WITNESSETH:

WHEREAS, _____ ("Franchisee") entered into that certain Estrella Insurance Franchise Agreement ("Franchise Agreement") with Franchisor dated _____, 20____ for a Estrella Insurance Agency to be located at _____ ("Premises"); and

WHEREAS, the undersigned have induced Franchisor to execute and deliver the Franchise Agreement by agreeing to execute this Guaranty as Guarantor; and

WHEREAS, Guarantor has a financial interest in the Franchisee and will benefit from Franchisor entering into the Franchise Agreement with Franchisee.

NOW THEREFORE, in consideration of the execution and delivery of the Franchise Agreement by the Franchisor, and for other valuable consideration, the receipt sufficiency of which is acknowledged by the Guarantor, it is agreed as follows:

1. The Guarantor absolutely, unconditionally and irrevocably guarantees to the Franchisor, the due and punctual payment of Royalties and other monies payable under the Franchise Agreement, as well as the full, prompt, and complete performance by the Franchisee of all of Franchisee's covenants, conditions, and provisions in the Franchise Agreement, for the full term and any extensions of the Franchise Agreement. This Guaranty shall be absolute, continuing and unlimited. The Guarantor shall, on demand, pay all amounts at any time in arrears or accelerated, and will make good any and all defaults by Franchisee under the Franchise Agreement, including but not limited to, attorneys' fees and costs incurred by Franchisor before, during or after trial (including appeals) in connection with the enforcement of this Guaranty, whether or not suit is brought. Guarantor irrevocably appoints Franchisee as its agent for service of process related to this Guaranty.

2. Guarantor does hereby further consent, covenant and agree that Franchisor may from time to time, before or after any default by Franchisee under the Franchise Agreement, with or without further notice or assent from Guarantor, enter into, approve or consent to the following (and this Guaranty shall remain and continue in full force and effect, notwithstanding): (a) any amendment or modification of the Franchise Agreement, whether or not Guarantor has approved same and whether or not Guarantor has any knowledge of same; (b) any assignment of the rights and obligations in any other document, instrument, or writing executed in connection with the transactions contemplated under the Franchise Agreement; (c) any extension or indulgence granted with respect to the Franchisee's payment or performance under the Franchise Agreement; (d) any release, sale, surrender, impairment, exchange, substitution of any property of any nature held by or which may create a part of any security available to Franchisor for the payment or performance of any of Franchisee's obligations to Franchisor; and (e) any settlement, release, adjustment, or compromise of any claim of Franchisor against Franchisee or any other

person otherwise liable (including, without limitation, any other guarantor) for any indebtedness, liability, or obligation of Franchisee guaranteed hereby.

3. Guarantor hereby waives: (a) demand, presentment, notice, protest, and all suretyship defenses at law and in equity including, without limitation, waste or impairment of collateral, if any, notice of sale for consideration and notice of default of Franchisee; (b) any right to have the Franchisee or any other guarantor, if any, joined in any suit in which Franchisor and Guarantor are parties; (c) any right to require the Franchisor to sue the Franchisee on any obligations guaranteed hereby as a prerequisite to any action by Franchisor against Guarantor; (d) any right to have Guarantor joined in any suit against the Franchisee and the bringing of such suit against the Franchisee by Franchisor shall not waive any rights that Franchisor may have against the Guarantor pursuant to this Guaranty; (e) the lack of authority, death, or disability of any other party or revocation hereof by any other Guarantor or by any other party; (f) any defense arising by virtue of the failure of Franchisor to file or enforce a claim of any kind or any defense based upon an election of remedies by Franchisor which destroys or otherwise impairs the subrogation rights, if any, of Guarantor to proceed against Franchisee for reimbursement or both; and (g) any duty on the part of Franchisor to disclose to a Guarantor any facts which Franchisor may now or hereafter know about the Franchisee, it being understood and agreed that the Guarantor is fully responsible for being and keeping informed of the financial condition of Franchisee and all the circumstances bearing on the risk of nonpayment and nonperformance of any and all obligations hereby guaranteed.

4. Any indebtedness of Franchisee now or hereafter held by Guarantor is hereby subordinated to any obligations of Franchisee under the Franchise Agreement to Franchisor; any such indebtedness of Franchisee to Guarantor, if Franchisor so requests, shall be collected, enforced and received by Guarantor as Trustee for Franchisor and shall be paid over to Franchisor on account of the indebtedness of Franchisee to Franchisor, but without reducing or affecting in any manner the remaining liability of the Guarantor under the provisions of this Guaranty.

5. Guarantor shall not by reason of the performance of the terms and provisions of this Guaranty succeed to or be subrogated to the rights and privileges of Franchisor against the Franchisee or be deemed to be the successor or assignee of the Franchisor, unless and until each and every indebtedness, liability and obligation of the Franchisee to the Franchisor shall have been fully paid and discharged.

6. The obligations of the Guarantor hereunder are independent of the obligations of the Franchisee and upon any default under the Franchise Agreement or this Guaranty, separate action or actions may be brought and prosecuted against Guarantor, whether or not action is brought and prosecuted against Guarantor and whether or not action is brought against the Franchisee. No delay on the part of Franchisor in exercising any rights hereunder or failure to exercise same shall operate as a waiver of such rights. All of the rights, powers and remedies of Franchisor hereunder, under the Franchise Agreement and any other agreement entered into between the Guarantor and Franchisor shall be cumulative and nonexclusive and shall be in addition to all rights, remedies and powers available to Franchisor hereunder, by law or otherwise.

7. No action or proceeding brought or instituted under this Guaranty against the undersigned, and no recovery had in pursuance thereof shall be any bar or defense to any further action or proceeding which may be brought under this Guaranty by reason of any further default or defaults of Franchisee.

8. The liability of the Guarantor shall not be deemed to be waived, released, discharged, impaired or affected by reason of the release or discharge of the Franchisee in any creditors, receivership, bankruptcy

(including Chapter VII or Chapter XI bankruptcy proceedings or other reorganization proceedings under the Bankruptcy Act) or other proceedings, or the rejection or disaffirmance of the Franchise Agreement in any such proceedings.

9. There shall be no modification of the provisions of this Guaranty unless same be in writing and signed by the undersigned and the Franchisor. The terms utilized in this Guaranty shall have the same meaning as defined in the Franchise Agreement, except as otherwise expressly provided.

10. All of the terms, agreements and conditions of this Guaranty shall be joint and several, and shall extend to and be binding upon the Guarantor, their heirs, executors, administrators, and assigns. This Guaranty shall not be construed more strictly for or against one party than the other, merely because it may have been prepared by counsel for one of the parties, it being recognized that Guarantor has reviewed and approved the terms hereof.

11. In the event any provision hereof is determined to be invalid or unenforceable, the remaining provisions shall and do remain in full force and effect.

12. The Guarantor agrees that in any action or proceeding brought on, under or by virtue of this Guaranty, the undersigned shall and does waive all present and future Florida homestead exemption rights and trial by jury, and the undersigned agrees that the applicable courts of Florida will have jurisdiction over the undersigned upon appropriate service upon the undersigned in any state of the United States in a manner in accordance with the laws of Florida. Venue in any suit brought under this Guaranty shall be in Miami-Dade County, Florida only. If Franchisor is required to enforce Guarantors' obligations by legal proceedings, the prevailing party shall be entitled to receive from the other all costs incurred, including, without limitation, reasonable attorneys' fees, at all trial and appellate levels.

13. Notwithstanding anything herein to the contrary, Guarantor's liability hereunder for monetary defaults under the Franchise Agreement shall be valid for the entire initial term of the Franchise Agreement, throughout said term and any renewal period, exclusive of attorneys' fees and costs as provided herein and in the Franchise Agreement; Guarantor's liability for non-monetary defaults shall be unlimited.

IN WITNESS WHEREOF, the Guarantor(s) have set his/her/their signatures on the _____ day of _____, 20__.

WITNESS:	GUARANTOR 1:
By: _____	By: _____
Name: _____	Name: _____
DL#: _____	DL#: _____
SS#: _____	SS#: _____

WITNESS: GUARANTOR 2:

By: _____ By: _____

Name: _____ Name: _____

DL#: _____ DL#: _____

SS#: _____ SS#: _____

WITNESS: GUARANTOR 3:

By: _____ By: _____

Name: _____ Name: _____

DL#: _____ DL#: _____

SS#: _____ SS#: _____

EXHIBIT "D"

SECURITY AGREEMENT

ESTRELLA FRANCHISING CORP., a Florida corporation ("Secured Party"), and _____ ("Debtor"), agree as follows as of _____, 20___:

1. **Background.**

Secured party, as FRANCHISOR, and Debtor, as FRANCHISEE, are parties to a franchise agreement of even date (the "Franchise Agreement") pursuant to which, among other things, Debtor is obligated to pay, from time to time, certain sums to Secured Party. In order to induce Secured Party to enter into the Franchise Agreement, Debtor, among other things, is entering into this Security Agreement pursuant to which Debtor's payment and performance of all obligations under the Franchise Agreement are secured on the terms and conditions hereinafter provided for. Capitalized terms which are defined in the Franchise Agreement shall have the same meaning herein as therein.

2. **Security Interest.**

2.1 **Grant of Security Interest.** To secure the payment and performance by Debtor of all obligations and liabilities under the Franchise Agreement and under any other document or instrument executed in connection with the Franchise Agreement (such payment and performance of such obligations and liabilities being hereinafter collectively referred to as the "Obligations"), Debtor hereby grants to Secured Party, and Secured Party hereby takes, a first priority security interest (the "Security Interest") in all of Debtor's assets, including, without limitation, all present and after acquired inventory and equipment (wherever located), accounts, deposit accounts, chattel paper, instruments, contract rights (including Debtor's rights under this Agreement) and general intangibles, including payment intangibles, and all proceeds and products thereof including insurance proceeds (the "collateral").

2.2 **Authorization to File Financing Statements.** Debtor hereby authorizes Secured Party to file such documents and instruments (including financing statements) as Secured Party periodically deems necessary or appropriate to obtain and perfect the Security Interest.

3. **Default.**

3.1 **Definitions.** The term "Event of Default", as used, herein, shall mean the occurrence and continuation of any one or more of the following events:

(a) any failure of Debtor promptly and faithfully to pay, observe and perform, when due, any of the Obligations; or

(b) if Debtor becomes insolvent, commits an act of bankruptcy, files a voluntary petition in bankruptcy, or an involuntary petition in bankruptcy is filed, or a permanent or temporary receiver or trustee for the ESTRELLA INSURANCE agency ("Agency"), or all or substantially all of the Debtor's property, is appointed by any court and such appointment is not actively opposed through legal action, or Debtor makes an assignment or arrangement for the benefit of creditors, or

calls a meeting of creditors, or Debtor makes a written statement to the effect that he or it is unable to pay his or its debts as they become due, or a levy of execution is made upon Debtor, or

an attachment or lien remains outstanding with respect to the Agency for thirty (30) days, unless the attachment or lien is being duly contested in good faith by Debtor, and Secured Party is so advised in writing;

(c) if Debtor loses possession or the right of possession of all or a significant part of the Agency through condemnation or casualty and the Agency is not relocated or reopened as required by the Franchise Agreement;

(d) if Debtor is a corporation, partnership, joint venture or other legal entity, any action is taken which purports to merge, consolidate, dissolve or liquidate Debtor without the prior written consent of Secured Party.

3.2 **Remedies.** Upon the occurrence of an Event of Default, all amounts payable to Secured Party shall become immediately due and payable and Secured Party shall have all the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the state or states in which the Collateral may be located, including the right to enter upon the Agency peaceably and remove all Collateral. Secured Party shall give Debtor reasonable notice of the time and place of any public or private sale or other intended disposition of all or any particular Collateral, as the case may be. Debtor agrees that the requirement of reasonable notice shall be met if notice is mailed to Debtor at its address first above written not less than five (5) business days prior to the sale or other disposition. Expenses of retaking, holding, preparing for sale, selling or the like, shall include, without limitation, Secured Party's reasonable attorneys' fees and other legal expenses. Secured Party's rights and remedies, whether pursuant hereto or pursuant to the Florida Uniform Commercial Code or any other statute or rule of law conferring rights similar to those conferred by the Florida Uniform Commercial Code, shall be cumulative and not alternative.

4. **Notices.**

Any notice, request or other communication to either party by the other as provided for herein shall be given in writing and shall be deemed given on the date the same is (i) actually received or (ii) mailed by certified or registered mail, return receipt requested, postage prepaid and addressed to the addresses first set forth at the head of this Agreement. The person and the place to which notices or copies of notices are to be mailed to either party may be changed from time to time by such party by written notice to the other party.

5. **Applicable Law.**

This Agreement shall be governed by and interpreted under the laws of the State of Florida, without regard to the principles of conflict of laws thereof.

6. **Termination of Security Interest.**

Upon satisfaction of all the Debtor's obligations under the Franchise Agreement (including, without limitation, all obligations which expressly or by their nature survive the expiration or termination of the Franchise Agreement), Secured Party shall file such notices and other documents that Secured Party determines are necessary to terminate the Security Interest.

7. **Representations and Warranties.**

Debtor hereby represents and warrants that:

7.1. If Debtor is an entity created by a filing: Debtor is a _____, duly organized in _____.

7.2. If Debtor is an entity not created by a filing with a state: Debtor is a [general partnership, _____] the formation of which did not require a filing with the state, and Debtor's chief executive office is located in the State of _____.

7.3. If Debtor is an individual: Debtor is a resident of the State of _____.

7.4. If Debtor is a non-US entity: Debtor is formed under the laws of the Country of _____.

7.5. No part of the Collateral is subject to any other lien, security interest or other encumbrance.

Debtor agrees to notify Secured Party immediately of any change in Debtor's state of incorporation or organization or the state in which Debtor's principal residence is located, as applicable.

8. **Miscellaneous.**

8.1 This Security Agreement shall inure to the benefit of, and shall be binding upon the respective successors, assigns and legal representatives of the parties hereto.

8.2 The captions used herein are inserted for reference purposes only and shall not affect the interpretation or meaning of this Security Agreement.

8.3 Debtor hereby authorizes Secured Party, from time to time, to file financing statements in such form as may be necessary to perfect the security interest in the Collateral in any or all pertinent jurisdictions and in this regard, to execute said financing statements for itself (as secured party) and for Debtor (as debtor), as Debtor's agent. Upon Secured Party's request, Debtor shall execute any such financing statement as debtor, although Secured Party may file same without Debtor's signature.

SECURED PARTY:

ESTRELLA FRANCHISING CORP.

By: _____

DEBTOR:

By: _____

Location of Collateral:

_____
_____
_____

EXHIBIT "E"

CONFIDENTIALITY, NON DISCLOSURE AND NON COMPETITION AGREEMENT

Agreement, dated _____, 20___, by and between _____ _____("FRANCHISEE") and _____ a(n) [agent, employee or independent contractor of] FRANCHISEE.

FRANCHISEE and ESTRELLA FRANCHISING CORP., a Florida corporation ("FRANCHISOR"), have entered into that certain Franchise Agreement dated _____, 20___, (the "Franchise Agreement") with regard to the operation of an ESTRELLA Insurance Agency, under the ESTRELLA INSURANCE System. The individual identified above has a financial interest in the FRANCHISEE, as an owner or employee (or as the spouse of an owner or employee) of FRANCHISEE and will benefit from proprietary information that the Franchisor has shared or will share with the FRANCHISEE, which the FRANCHISEE may share with such individual. The individual identified above will also benefit from special training that such individual (or his or her spouse) will receive in connection with the franchised business operated under the Franchise Agreement. Such individual therefore agrees with FRANCHISEE as follows:

SECTION 1. DEFINITION OF CONFIDENTIAL INFORMATION

As used in this Agreement, the term "Confidential Information" means: 1) proprietary information of the ESTRELLA INSURANCE System; 2) information marked or designated by FRANCHISOR as confidential; 3) information, whether or not in written form and whether or not designated as confidential, which is known to me as being treated by FRANCHISOR as confidential; and 4) information provided to FRANCHISEE by FRANCHISOR which FRANCHISEE is obligated to keep confidential. Confidential Information includes, but is not limited to: ideas; designs; specifications; techniques; data; programs; documentation; processes; know how; customer lists; marketing plans; and financial and technical information.

SECTION 2. OWNERSHIP

I acknowledge that all Confidential Information is and shall continue to be the exclusive property of FRANCHISOR, whether or not disclosed or entrusted to me in connection with my services for FRANCHISEE.

SECTION 3. ACKNOWLEDGMENT OF RECEIPT OF CONFIDENTIAL INFORMATION

I acknowledge that in the course of performing my duties for FRANCHISEE, I will have access to Confidential Information, and I agree, in addition to the specific covenants contained in this Agreement, to comply with all policies and procedures for the protection of Confidential Information.

SECTION 4. ACKNOWLEDGMENT OF IRREPARABLE HARM

I acknowledge that any unauthorized disclosure of Confidential Information will cause irreparable harm to FRANCHISOR.

SECTION 5. COVENANT OF NON DISCLOSURE

I agree not to disclose Confidential Information directly or indirectly, under any circumstances or by any means, to any third person, without the express written consent of FRANCHISEE and/or FRANCHISOR.

SECTION 6. COVENANT OF NON USE

I agree that I will not copy, transmit, reproduce, summarize, quote, or make any commercial or other use whatsoever of Confidential Information, except as may be necessary to perform my duties for FRANCHISEE.

SECTION 7. SAFEGUARDING OF CONFIDENTIAL INFORMATION

I agree to exercise the highest degree of care in safeguarding Confidential Information against loss, theft, or other inadvertent disclosure, and agree generally to take all steps necessary to ensure the maintenance of the confidentiality.

SECTION 8. EXCLUSIONS

This Agreement shall not apply to any information now or hereafter voluntarily disseminated by FRANCHISOR to the public, or which otherwise becomes part of the public domain through lawful means.

SECTION 9. RETURN OF CONFIDENTIAL INFORMATION

Upon termination of my relationship with FRANCHISEE, I will deliver promptly to FRANCHISEE as requested, all Confidential Information, in whatever form that same may be in my possession or under my control.

SECTION 10. DURATION

The obligations set forth above in this Agreement, will continue beyond the term of my service to FRANCHISEE and for so long as I possess, in any manner or form, Confidential Information.

SECTION 11. NON COMPETITION

I agree that during the time I am an agent, employee or independent contractor of FRANCHISEE and for a period of two (2) years thereafter, I shall not, either directly or indirectly, engage in any business which competes directly or indirectly with the ESTRELLA INSURANCE System, either as a proprietor, partner, investor, officer, director, manager, shareholder, member, employee, agent, lender, broker, franchisee, consultant, or otherwise within the Territory as defined in the Franchise Agreement, or within fifty (50) miles of any other territory or business, franchised by FRANCHISOR or owned or operated by FRANCHISOR, a related entity, or otherwise established.

It is the intention of this provision to preclude not only direct competition, but also all forms of indirect competition, for competitive businesses, service as an independent contractor for such competitive business, or any assistance or transmission of information of any kind or nature whatsoever which would be of any material assistance to a competitor.

For purposes of the foregoing:

(i)"Competitive Business": means any business operating or awarding franchises or licenses to others to operate, or the operation of any insurance agency business, or any other business that provides the same or similar services customarily offered under the ESTRELLA INSURANCE System.

(ii)"Directly or indirectly": includes, but is not limited to, all persons (natural or otherwise) under my control, and that person's spouse, children, parents, brothers, sisters, any other relative, friends, trustees, agents or associates.

Notwithstanding anything to the contrary in this Agreement, or any other agreement between me and FRANCHISEE, nothing herein or in any other agreement shall prevent, or in any manner, directly or indirectly, restrict, me, or create any liability for me or FRANCHISOR (or any of its owners, officers,

directors, managers, employees or other representatives), from me (a) owning for investment purposes, up to an aggregate of two (2%) percent of the capital stock of any such competitive business, provided that such business is a publicly held corporation, whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), provided that I do not control any such company, or (b) becoming either employed in any capacity by FRANCHISOR or any of its affiliates, or an owner of a franchise from FRANCHISOR, or managing, operating or otherwise assisting any such franchised business. FRANCHISOR is an intended third-party beneficiary of this paragraph with the right to enforce in its own name.

SECTION 12. NO DEFENSE

The existence of any claim or cause of action I may have against the FRANCHISOR and/or FRANCHISEE predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the FRANCHISOR and/or FRANCHISEE of this Agreement. Any failure to object to any conduct I may take in violation of this Agreement shall not be deemed a waiver. FRANCHISOR and/or FRANCHISEE may, specifically waive any part or all of this Agreement to the extent that such waiver is set forth in writing.

SECTION 13. INVALIDITY

If all or any portion of the foregoing covenant not to compete set forth in Section 11, is held unreasonable, void, vague, or illegal by any court or agency having valid jurisdiction in any unappealed final decision to which FRANCHISEE and/or FRANCHISOR is a party, the court or agency shall be empowered to revise and/or construe said covenant so as to cause same to fall within permissible legal limits and shall not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement, as if the resulting covenant were separately stated in and made a part hereof.

SECTION 14. NO HARDSHIP

I acknowledge and confirm that the length of the term and geographical restrictions contained in Section 11 are fair and reasonable and not the result of overreaching, duress or coercion of any kind. I further acknowledge and confirm my full, uninhibited and faithful observance of each of the covenants contained in this Agreement will not cause any undue hardship, financial or otherwise, and that the enforcement of each of the covenants contained in this Agreement will not impair my ability to obtain employment or otherwise to obtain income required for my comfortable support and that of my family, and the satisfaction of the needs of my creditors. I acknowledge and confirm that my special knowledge of the business under the ESTRELLA INSURANCE System is such as would cause the FRANCHISOR and FRANCHISEE serious injury and loss if I (or anyone acquiring such knowledge through me) were to use such ability and knowledge to the benefit of a competitor or were to compete with the FRANCHISOR and FRANCHISEE.

SECTION 15. TOLLING

In the event of any legal action or other proceeding for the enforcement of this Agreement, the time for calculating the term of the restrictions therein shall not include the period of time commencing with the filing of legal action or other proceeding to enforce the terms of this Agreement hereof through the date of final judgment or final resolution, including all appeals, if any, of such legal action or other proceeding.

SECTION 16. BENEFIT

I agree and acknowledge that FRANCHISOR shall be a third party beneficiary of my obligations hereunder and FRANCHISOR shall be entitled to all rights and remedies conferred upon the FRANCHISEE

hereunder, which FRANCHISOR may enforce directly against me with or without the consent or joinder of FRANCHISEE.

SECTION 17. BINDING EFFECT

All of the terms of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by me, FRANCHISEE and FRANCHISOR and their respective legal representatives, heirs, successors and assigns.

SECTION 18. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement shall be governed by the laws of the State of Florida without regard to principles of conflicts of laws. Without limiting the jurisdiction or venue of any other federal or state courts, I irrevocably and unconditionally: (a) agree that any legal proceeding relating to this Agreement may be brought in the state courts in Miami-Dade County or the District Court of the United States, Southern District of Florida; (b) consent to the jurisdiction of each such court; (c) waive any objection to the laying of venue of any proceeding in any of such courts; and (d) agree that service of any court paper may be effected on me by mail, or in such other manner as may be provided under applicable laws in Florida.

SECTION 19. REMEDIES

If I fail to abide by this Agreement, FRANCHISOR and/or FRANCHISEE will be entitled to specific performance, including immediate issuance of a temporary restraining order or preliminary injunction enforcing this Agreement, to judgment for damages caused by my breach, to any other remedies provided by applicable law and to payment of all of its costs and expenses in pursuing such remedies, including its attorneys' fees, at all trial and appellate levels.

I represent that I have read and understand the terms of this Agreement and agree to be bound hereby.

Dated this ___ day of _____, 20___.

_____

APPENDIX 1

FORM OF PROMISSORY NOTE

PROMISSORY NOTE

$_____ _____, 20_____
(Insert principal amount)

This **PROMISSORY NOTE** (this "Note") is made as of the date stated above by _____, a _____ (the "Maker") in favor of the Holder described below.

The Maker hereby acknowledges that this Note evidences the Maker's obligations in connection with the financing (the "Financing") provided by the initial Holder of this Note to pay all or a portion of the Initial Fee under and as defined in the Estrella Insurance Franchise Agreement, dated as of _____, 20___ (the "Agreement") between the Maker and Estrella Franchising Corp. (the "Franchisor"), in the original principal amount as set forth above.

1. **Promise to Pay**

For value received, the Maker hereby promises to pay to the order of Franchisor (together with its successors, including but not limited to, any other holder of this Note, the "Holder") the principal sum of _____ Dollars ($_____), together with interest, in the manner provided herein. If Maker is a corporation or limited liability company, all of Maker's owners and their spouses and if Maker is an individual, Maker's spouse, shall sign the Guaranty, attached to this Note.

2. **Accrual and Computation of Interest**

The principal balance of this Note outstanding from time to time (the "Principal Balance") will bear interest, computed on the basis of actual days elapsed in a year of 365 or 366 days, as applicable, at a fixed rate of ___ percent (___%) per annum.

Notwithstanding any other provision of this Note, at no time will the Maker be required to pay interest on any obligation hereunder at a rate that could subject the Holder or any other person to civil or criminal liability as a result of being in excess of the maximum interest rate with respect to the Maker permitted by applicable law. If, under the terms of this Note, the Maker would at any time otherwise be required to pay interest at a rate in excess of that maximum rate, the applicable rate will be deemed immediately reduced to that maximum rate and all previous payments in excess of the maximum rate will be deemed to have been payments on account of principal and not interest.

3. **Times and Amounts of Principal and Interest Payments; Maturity**

Beginning on _____ 20___ then on the 1st day of each calendar month thereafter, and continuing through and including _____ 20___, the Maker will pay interest and principal in equal installments of $_____.

On _____, 20___ (the "Maturity Date"), a final installment of principal, together with any and all outstanding principal, interest and all other amounts payable under this Note, will be due and payable; provided, however, that if any amount payable under this Note remains outstanding after the Maturity Date, such amount shall bear interest at the applicable rate provided for herein.

All payments under this Note will be made to the Holder at its office at 3750 West Flagler Street, Miami, Florida 33134, or at such other place as the Holder may hereafter from time to time designate in writing, in lawful money of the United States of America, without deduction, set-off or counterclaim, each of which the Maker hereby waives. The amounts as to the Principal Balance, accrued and unpaid interest,

payments and any other similar matters related to the obligations of the Maker or the amounts thereof shall be conclusively presumed to be those set forth in the Holder's records from time to time.

4. **Voluntary Prepayments; Application of Payments**

The Maker may pay all or a portion of the Principal Balance earlier than due, without premium or penalty, but early payments will not (unless otherwise agreed to by the Holder in writing) postpone the due date, or reduce the amount, of any installment or other payment due under this Note.

All payments under this Note (including any prepayments) will be first applied to any costs due hereunder, and then to accrued but unpaid interest, and the remainder, if any, will be applied to the Principal Balance.

5. **Events of Default**

Any one of the following events or circumstances will constitute an "Event of Default" under this Note:

(a) the Maker (i) fails to pay any amount under this Note, whether on account of principal, interest or otherwise, within ten (10) days after the day on which that amount is due, or (ii) breaches or is in default under any term of this Note that consists of any obligation other than a payment obligation covered in the foregoing clause (i) and that breach or default is not remedied for twenty (20) days after the Maker receives notice of that breach or default;

(b) the Maker breaches or is in default under the terms of the Agreement or any loan agreement, promissory note, lease, conditional sale contract or other agreement, document or instrument other than this Note, and, as a result, any person (except the Maker), with or without notice or lapse of time, is entitled to or does terminate the Agreement or such other loan agreement, promissory note, lease, conditional sale contract or other agreement, document or instrument or is entitled to or does accelerate the Maker's obligations or exercise any other remedies thereunder;

(c) the Maker or any guarantor of this Note (each, a "Guarantor") dies, ceases to exist, loses legal capacity or attempts to disclaim or revoke any obligations under this Note or any guaranty of this Note; or any such obligations become unenforceable in whole or in part for any reason; or

(d) any bankruptcy, insolvency, receivership or similar proceeding, or an assignment for the benefit of creditors, is commenced under any federal or state law by or against the Maker or any Guarantor; or the Maker or any Guarantor becomes the subject of any out-of-court settlement with creditors; or the Maker or any Guarantor is unable or admits in writing its or his or her inability to pay its or his or her debts as they mature.

6. **Acceleration and Set-Off; Default Rate of Interest**

If any Event of Default has occurred and is continuing, the Holder may, at its option, by notice in writing to the Maker, declare this Note to be immediately due and payable, whereupon the Principal Balance and all interest thereon will be immediately due and payable without further notice or demand. Notwithstanding the foregoing, if an "Event of Default" under Section 5(d) above occurs, the Principal Balance and all interest accrued thereon will automatically become due and payable without notice or demand. In addition to any other rights and remedies and any other security given for the payment or performance of the Maker's obligations under this Note, the Maker grants to the Holder the right, if any Event of Default has occurred and is continuing, to set off any amounts or obligations owed by the Holder to the Maker, and any other cash or other property of the Maker held by the Holder, against the Maker's obligations under this Note.

Notwithstanding any other provision of this Note, from and after written notice from the Holder to the Maker following the occurrence of an Event of Default and continuing until any and all Events of Default have been waived or cured to the Holder's satisfaction, the Principal Balance will bear interest at an annual rate (the "Default Rate") equal to ten percent (10%) per annum. In addition, any and all obligations under this Note that the Maker does not pay when due (after any applicable grace period has

expired) will bear interest at the Default Rate if the Holder so notifies the Maker in writing. Any interest that accrues under this paragraph will be due on demand.

The rights and remedies provided in this Note are cumulative and are not exclusive of any other rights or remedies provided by law or agreement.

7. **Certain Waivers**

The Maker and any and all other makers and Guarantors, endorsers, sureties, and accommodation parties expressly waive presentment or other demand for payment, dishonor, notice of nonpayment, protest, notice of protest or dishonor, bringing of suit against any person, and diligence in the taking of any action to collect, and consent to any and all extensions, renewals, substitutions and alterations of any of the terms of this Note and any other documents related hereto and to the release of or failure by the Holder to exercise any rights against any person liable for or any property securing payment of this Note.

8. **Collection Costs**

The Maker will all pay all reasonable costs of collection, including reasonable attorneys' fees and legal expenses, if this Note or any amount due hereunder is not paid when due, whether or not any legal proceeding is commenced.

9. **Notices**

Any notice to the Maker or Franchisor under or in connection with this Note may be given in the manner specified in the Agreement for giving notices to the Maker.

10. **Severability**

In the event that any term or provision in this Note is held to be invalid, void, illegal or unenforceable in any respect, this Note will not fail, but will be deemed amended to delete the void or unenforceable term or provision and the remainder of this Note will be enforced in accordance with its terms and will not in any way be affected or impaired thereby.

11. **No Waiver**

Any failure by the Holder to enforce any rights under this Note will not be construed as a waiver of such rights. Any waiver, including waiver of default, in any one instance will not constitute a continuing waiver or a waiver in any other instance. Any acceptance of money or other performance by the Holder from the Maker will not constitute a waiver of any default except as to the payment or performance of the particular payment or performance so received.

12. **Governing Law**

This Note will be governed by and construed in accordance with the internal law of the State of Florida, without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

13. **Jurisdiction**

THE MAKER HEREBY CONSENTS AND IRREVOCABLY SUBMITS TO THE JURISDICTION AND VENUE OF ANY COURT OF COMPETENT JURISDICTION FOR MIAMI-DADE COUNTY, FLORIDA, AND WAIVES ANY OBJECTION TO THE JURISDICTION AND VENUE OF SUCH COURTS, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS NOTE OR THE FINANCING. THIS EXCLUSIVE CHOICE OF JURISDICTION DOES NOT PRECLUDE THE BRINGING OF ANY ACTION BY THE HOLDER, OR THE ENFORCEMENT BY THE HOLDER OF ANY JUDGMENT OBTAINED IN ANY SUCH JURISDICTION, IN ANY OTHER APPROPRIATE JURISDICTION OR THE RIGHT OF THE HOLDER TO CONFIRM OR ENFORCE ANY AWARD IN ANY APPROPRIATE JURISDICTION.

14. **Waiver of Jury Trial**

THE MAKER HEREBY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER AT LAW OR IN EQUITY) THAT ARISES OUT OF OR IN CONNECTION WITH THIS NOTE OR THE FINANCING.

15. **Security**

This Note is secured by a Security Agreement of even date herewith by Maker in favor of Holder.

IN WITNESS WHEREOF, the Maker has executed this Note as of the day and year first above written.

By: _____

Name: _____

Title: _____

GUARANTY

This GUARANTY (this "Guaranty") is made as of _____ ___, 20__ by each of the undersigned (each, a "Guarantor") in favor of Estrella Franchising Corp. (together with its successors including but not limited to any other holder of the Note described below, the "Holder"). This Guaranty is made by each Guarantor in consideration of and as an inducement to the provision to _____ (the "Maker") of the Financing referred to in the Promissory Note (as amended, extended, restated or otherwise modified from time to time, the "Note") made on _____ ___, 20__ by the Maker in favor of the Holder.

1. **Unconditional Personal Guaranty of Obligations Under the Note**

Each Guarantor personally and unconditionally: (a) guaranties to the Holder that the Maker will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Note; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Note.

2. **Certain Waivers**

Each Guarantor waives: (a) acceptance and notice of acceptance by the Holder of such Guarantor's obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed under this Guaranty; (c) protest and notice of default to any person with respect to the indebtedness or nonperformance of any obligations guaranteed under this Guaranty; (d) any right such Guarantor may have to require that an action be brought against the Maker or any other person as a condition of such Guarantor's liability; (e) all rights to payments and claims for reimbursement or subrogation which such Guarantor may have against the Maker arising as a result of such Guarantor's execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which such Guarantor may be entitled in his, her or its capacity as a guarantor. Without limiting the generality of the foregoing, each Guarantor waives each defense referred to in Section 7 of the Note and agrees that each payment under this Guaranty will be made in lawful money of the United States of America, without deduction, set-off or counterclaim, each of which is hereby waived by each Guarantor.

3. **Certain Consents and Agreements**

Each Guarantor consents and agrees that: (a) such Guarantor's direct and immediate liability under this Guaranty is joint and several; (b) such Guarantor must render any payment or performance required under the Note upon demand if the Maker fails or refuses punctually to do so; (c) such Guarantor's liability will not be contingent or conditioned upon the Holder's pursuit of any remedies against the Maker or any other person; (d) such Guarantor's liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Holder may from time to time grant to the Maker or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Note and will continue after termination or payment of the Note as related to any obligations under the Note that may arise after such termination or payment.

4. **Holder's Right of Set-Off**

In addition to any other rights and remedies and any other security given for the payment or performance of the Maker's obligations under the Note, each Guarantor grants to the Holder the right to set off any amounts or obligations owed by the Holder to such Guarantor, and any other cash or

other property of such Guarantor held by the Holder, against such Guarantor's obligations under this Guaranty.

5. **Collection Costs**

Each Guarantor agrees to pay all reasonable costs of collection, including reasonable attorneys' fees and legal expenses, if any amount due from any Guarantor under this Guaranty is not paid when due, whether or not any legal proceeding is commenced.

6. **Notices to Guarantors**

Any notice to any Guarantor under or in connection with this Guaranty may be to such Guarantor, care of the Maker, in the manner specified in the Note for giving notices to the Maker.

7. **Severability**

In the event that any term or provision in this Guaranty is held to be invalid, void, illegal or unenforceable in any respect, this Guaranty will not fail, but will be deemed amended to delete the void or unenforceable term or provision and the remainder of this Guaranty will be enforced in accordance with its terms and will not in any way be affected or impaired thereby.

8. **Rights Cumulative; No Waiver**

The rights and remedies provided in this Guaranty are cumulative and are not exclusive of any other rights or remedies provided by law or agreement. Any failure by the Holder to enforce any rights under this Guaranty will not be construed as a waiver of such rights. Any waiver, including waiver of default, in any one instance will not constitute a continuing waiver or a waiver in any other instance. Any acceptance of money or other performance by the Holder from the Maker or any Guarantor will not constitute a waiver of any obligation under this Guaranty except as to the payment or performance of the particular payment or performance so received.

9. **Governing Law**

This Guaranty will be governed by and construed in accordance with the internal law of the State of Florida, without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

10. **Jurisdiction**

EACH GUARANTOR HEREBY CONSENTS AND IRREVOCABLY SUBMITS TO THE JURISDICTION AND VENUE OF ANY COURT OF COMPETENT JURISDICTION FOR MIAMI-DADE COUNTY, FLORIDA, AND WAIVES ANY OBJECTION TO THE

JURISDICTION AND VENUE OF SUCH COURTS, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS GUARANTY OR THE FINANCING (AS DEFINED IN THE NOTE). THIS EXCLUSIVE CHOICE OF JURISDICTION DOES NOT PRECLUDE THE BRINGING OF ANY ACTION BY THE HOLDER, OR THE ENFORCEMENT BY THE HOLDER OF ANY JUDGMENT OBTAINED IN ANY SUCH JURISDICTION, IN ANY OTHER APPROPRIATE JURISDICTION OR THE RIGHT OF THE HOLDER TO CONFIRM OR ENFORCE ANY AWARD IN ANY APPROPRIATE JURISDICTION.

11. **Waiver of Jury Trial**

EACH GUARANTOR HEREBY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER AT LAW OR IN EQUITY) THAT ARISES OUT OF OR IN CONNECTION WITH THIS GUARANTY OR THE FINANCING (AS DEFINED IN THE NOTE).

IN WITNESS WHEREOF, each of the undersigned Guarantors has executed this Guaranty as of the day and year first above written.

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Exhibit "B-1"

Area Development Agreement

ESTRELLA

AREA DEVELOPMENT AGREEMENT

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AREA DEVELOPMENT AGREEMENT

This Area Development Agreement is made this _____ day of _____, 20____ and is by and between ESTRELLA FRANCHISING CORP., a Florida corporation, having its principal place of business at 3750 West Flagler Street, Miami, Florida 33134 ("Franchisor"), and _____ ("Developer").

WITNESSETH:

WHEREAS, Developer desires to, and has applied for the right to, develop Commercial Office Estrella Insurance agencies ("Agencies") within the Development Territory[1] and has applied for such a right, and Franchisor has approved Developer's application in reliance upon all of the representations made herein and therein.

NOW, THEREFORE, Franchisor and Developer, intending to be legally bound, agree as follows:

1. DEFINITIONS

Whenever used in this Development Agreement, the following words and terms have the following meanings:

"Developer" means the individual or entity defined as "Developer" in the introductory paragraph of this Development Agreement;

"Development Agreement" means this Development Agreement and all instruments supplemental hereto or in amendment or confirmation hereof;

"Development Fee" has the meaning given to such term in Section 3.

"Development Rights" means the rights granted to Developer pursuant to this Development Agreement to establish and operate Commercial Office Agencies in the Development Territory;

"Development Schedule" means the schedule attached as Exhibit A setting forth the number and the Opening Dates of Commercial Office Agencies to be established pursuant to this Development Agreement;

"Development Territory" has the meaning given to such term in Section 2;

"Franchise Agreement" means the then-currently used form of the Estrella Insurance Franchise Agreement that Franchisor is offering;

"Initial Franchise Agreement" means that certain Franchise Agreement whereby Developer is granted the right to operate its first Commercial Office Agency; and

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1 Capitalized terms not defined in Section 1 or in the text of this Development Agreement are defined in the Initial Franchise Agreement.

"Opening Date" means any date by which Developer is required to begin operations for each Commercial Office Agency, as listed in the Development Schedule.

2. DEVELOPMENT RIGHTS

2.1 Grant of Development Rights

Franchisor hereby grants to Developer, and Developer undertakes and accepts, upon the terms and conditions of this Development Agreement, the Development Rights to establish and operate Commercial Office Agencies within the Development Territory described in Schedule 1, according to the Development Schedule:

2.2 Retained Rights

Franchisor shall not, so long as this Development Agreement is in force and effect and Developer is not in default under any of the terms hereof or of any Franchise Agreement for any Commercial Office Agency, establish, own or operate, or license others to establish, own or operate, any Commercial Office Agency within the Development Territory other than to Developer pursuant to this Development Agreement; provided, however, Franchisor and its Affiliates retain the right:

2.2.1 to continue to own and operate, and allow others to continue to own and operate, Commercial Office Agencies existing inside of the Development Territory as of the date of this Development Agreement;

2.2.2 to establish, or grant to others the right to establish, Commercial Office Agencies outside of the Development Territory;

2.2.3 to establish and operate, and license others to establish and operate, businesses under other systems using other proprietary marks, both within and outside the Development Territory;

2.2.4 to purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to the Commercial Office Franchised Business (and/or acquire Commercial Office franchises, licenses and/or similar agreements for such businesses), some or all of which may be located anywhere, including within the Development Territory. If Franchisor purchases or acquires Commercial Office franchises or licenses, Franchisor may, in its sole discretion, act as franchisor or licensor with respect to such Commercial Office franchisees or licensees wherever located, pursuant to the individual Commercial Office franchise or license agreement(s) between Franchisor and such franchisee(s) or licensee(s). If Franchisor purchases or acquires such Commercial Office businesses within the Development Territory which are not franchised or licensed, Franchisor may, in its sole discretion:

2.2.4.1 offer to sell any such Commercial Office businesses to Developer or to any third party at the business's fair market value to be operated as a Commercial Office Agency; or

2.2.4.2 offer Developer the opportunity to operate such Commercial Office

business(s) in partnership with Franchisor (or an Affiliate) under the Commercial Office business(s) existing trade name or a different trade name.

2.2.5 to be acquired (regardless of the form of transaction) by any Commercial Office business, even if the other Commercial Office business operates, Commercial Office franchises and/or licenses Competitive Businesses within the Development Territory; and

2.2.6 to engage in any activities not expressly forbidden by this Development Agreement.

3. DEVELOPMENT FEE

3.1 Franchise Fees

Simultaneously with the execution of this Development Agreement, Developer shall execute the Initial Franchise Agreement and shall pay a Franchise Fee of Twenty-Five Thousand Dollars ($25,000) for the first Commercial Office Agency to be developed pursuant to this Development Agreement. Developer shall execute a separate Franchise Agreement for each additional Commercial Office Agency to be developed and shall pay a Franchise Fee of Twenty Thousand Dollars ($20,000) for the first additional Commercial Office Agency and Sixteen Thousand Dollars ($16,000), for all Commercial Office Agencies thereafter. Developer shall be required either to execute each Franchise Agreement in its own name or own a minimum of fifty-one percent (51%) of the issued and outstanding ownership interests for any entity that owns each Commercial Office Agency to be opened pursuant to a Franchise Agreement. In no event shall Developer relinquish control over any entity operating each Commercial Office Agency.

3.2 Development Fee

Upon the execution of this Development Agreement, Developer shall pay Franchisor a fee ("Development Fee") equal to the Franchise Fee for the first Commercial Office Agency plus an amount that is the product of Ten Thousand Dollars ($10,000) multiplied by the number of Commercial Office Agencies to be developed after the first Commercial Office Agency pursuant to this Development Agreement. The total amount of the Development Fee to be paid by Developer upon the execution of this Development Agreement is _____ Dollars ($_____). The Development Fee is fully earned by Franchisor and is nonrefundable upon Franchisor executing this Development Agreement. Franchisor shall credit Ten Thousand Dollars ($10,000) of the Development Fee after deducting the Franchise Fee for the first Commercial Office Agency against the Franchise Fee for each Commercial Office Agency opened pursuant to, and in accordance with, this Development Agreement, such that the balance due on the Franchise Fee for the first Commercial Office Agency after the first Commercial Office Agency included in the calculation of the Development Fee shall be Ten Thousand Dollars ($10,000) and Six Thousand Dollars ($6,000) for all Commercial Office Agencies thereafter, and said respective balance shall be paid by Developer to Franchisor upon Developer's execution of each Franchise Agreement.

4. DEVELOPMENT OF FRANCHISED STORES

4.1 Minimum Development Obligation

Developer shall strictly follow the Development Schedule set forth in Exhibit A. Time is of the essence. By the dates set forth within the Development Schedule, Developer shall establish and operate Commercial Office Agencies in the number indicated in the Development Schedule. Developer shall at all times continuously maintain in operation, pursuant to each Franchise Agreement, at least the number of Commercial Office Agencies required to be operational at such time as set forth in the Development Schedule.

4.2 Developer May Exceed Minimum Development Obligation

During the term of this Development Agreement, Developer may, subject to the terms and conditions of this Development Agreement, develop and operate more Commercial Office Agencies in the Development Territory than required by this Development Agreement; provided, however, that Developer shall give Franchisor reasonable assurances that Developer has the required skill, financial resources and managerial skills to perform its duties under this Development Agreement and each Franchise Agreement. Developer shall pay the full Franchise Fee for each additional Commercial Office Agency developed in excess of the requirements of this Development Agreement, and Franchisor shall not credit any part of the Development Fee against the Franchise Fee for any additional Commercial Office Agency.

4.3 Development Procedures

Developer shall submit a site package for each proposed site for a Commercial Office Agency. The site package shall contain such data as may reasonably be required by Franchisor to evaluate the site and shall include a pro forma statement and capitalization plan for the proposed Commercial Office Agency. Franchisor shall notify Developer within thirty (30) business days after receipt of the site package whether the proposed site is approved or disapproved. Site approval or disapproval shall be at the sole discretion of Franchisor and shall be in writing, signed by an officer of Franchisor. Franchisor's approval of a site does not mean that the site will be profitable, successful or generate any level of income. Developer is cautioned not to make any binding commitments for a site until receiving Franchiser's written approval. Promptly after approval of any site, Franchisor shall transmit to Developer, a franchise disclosure document ("FDD") and two (2) execution copies of the then current Franchise Agreement pertaining to the approved site, the terms of which may differ from previous Franchise Agreements executed by Developer, except for the Franchise Fee, Royalty Fee and Marketing Fund Contribution. Immediately upon receipt of the FDD, Developer shall return to Franchisor a signed copy of the Receipt for the FDD. Within ten (10) days after the passage of any applicable disclosure period, Developer shall execute and deliver to Franchisor, the two (2) copies of the Franchise Agreement and the balance of the Franchise Fee required pursuant to the Development Agreement. Franchiser shall promptly, upon receipt of the documents and the balance of the Franchise Fee, execute and return to Developer one (1) copy of the Franchise Agreement. Developer shall then procure the site by purchase or lease and commence construction and operation of the Commercial Office Agency pursuant to the terms of the Franchise Agreement. Notwithstanding the foregoing, if Franchisor is not legally able to deliver an FDD to Developer by reason of any lapse or expiration of its franchise registration, or because Franchisor is in the

process of amending any such registration, or for any reason beyond Franchisor's reasonable control, Franchiser may delay approval of the site for Developer's proposed Commercial Office Agency until such time as Franchisor is legally able to deliver an FDD. If Developer fails to execute and return the Franchise Agreement with the respective payment within the ten (10) day period specified above, Franchisor shall have the right to revoke its offer to grant to Developer a franchise to operate a Commercial Office Agency at the proposed site and to withdraw its approval of the proposed site.

4.4 Copy of Lease

If the site is leased, Developer shall furnish Franchisor with a fully executed copy of the lease or sub-lease within thirty (30) days of the approval of site, including all other instruments as required by the Franchise Agreement applicable to the approved site. It shall be a condition precedent to Franchisor's obligations under this Agreement and the Franchise Agreements, that Developer shall have performed all of Developer's obligations under and pursuant to all agreements between Developer and Franchisor.

4.5 Conditions Precedent to Franchisor's Obligation

Franchisor shall not execute the Franchise Agreement if: (a) Developer is not in compliance with all, or is in default of any, of its obligations under this Development Agreement or any other agreement between Franchisor and Developer; or (b) in the case of each then existing Franchise Agreement, Developer, as Franchisee, is not in compliance with all, or is in default of any, of its obligations under any Franchise Agreement. Franchisor and Developer shall execute the Franchise Agreement for each additional Commercial Office Agency before the date stated in the Development Schedule that such Commercial Office Agency must be established and operating.

4.6 No Sub-franchising by Developer

Developer has no right under this Development Agreement to license or sub-franchise others to use the Trademarks or System.

5. TERM

Unless sooner terminated in accordance with the terms of this Development Agreement, the term of this Development Agreement and all Development Rights granted hereunder to Developer shall expire on the last Opening Date as set forth in the Development Schedule. At the end of the term of this Development Agreement, the exclusive Development Rights with respect to the Development Territory will automatically terminate, and Developer shall have no right to renew or extend the term of this Development Agreement.

6. TRADEMARKS AND CONFIDENTIAL INFORMATION

6.1 No License Under Development Agreement

Notwithstanding any provision to the contrary under this Development Agreement, this Development Agreement does not grant Developer any right to use the Trademarks. The right to use the Trademarks may only be granted by the terms of a Franchise Agreement. Developer shall

not use any Trademark as part of any corporate entity or trade name or with any prefix, suffix, or other modifying words, terms designs, or symbols, or in any modifying words, terms designs or symbols, or in any modified form, nor may Developer use any Trademarks in connection with any business or activity other than the business conducted by Developer pursuant to a Franchise Agreements or in any other manner not explicitly authorized in writing by Franchisor.

6.2 Confidential Information

Except as hereinafter provided, Developer shall not, during the term of this Development Agreement or at any time thereafter, communicate, divulge or use for the benefit of any other person or entity, any Confidential Information which may be communicated to Developer or of which Developer may learn by virtue of Developer's activities under this Development Agreement. Developer may divulge Confidential Information only to such of its employees as deemed necessary by Developer. At Franchisor's request, Developer shall require its employees and any other person to whom Developer wishes to disclose any Confidential Information to execute a nondisclosure agreement in a form the same as or similar to the Confidentiality, Non-Disclosure and Non-Competition Agreement attached to the Initial Franchise Agreement.

7. TRANSFERABILITY OF INTEREST

7.1 By Franchisor

This Development Agreement and all rights hereunder may be assigned and transferred by Franchisor and, if so, shall be binding upon and inure to the benefit of Franchisor's successors and assigns; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder and Franchisor shall have no liability for the performance of any obligations contained in this Development Agreement after the effective date of such transfer or assignment.

7.2 By Developer

7.2.1 The Development Rights set forth in this Development Agreement are personal to Developer and are granted in reliance upon the personal qualifications of Developer. Developer has represented, and hereby represents, that it is entering into this Development Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder.

7.2.2 Developer, without Franchisor's prior written consent, by operation of law or otherwise, shall not sell, assign, transfer, convey, give away or encumber any part of its interest in this Development Agreement, its interest in the Development Rights granted hereby or its interest in any entity that owns any interest in such rights, and shall not offer, permit or suffer the same to be sold, assigned, transferred, conveyed, given away or encumbered in any way. Developer shall not, without the prior written consent of Franchisor, fractionalize any of the Development Rights granted pursuant to this Development Agreement. Any purported assignment of any of Developer's rights herein not having Franchisor's express consent shall be

null and void and shall constitute a material default of this Development Agreement.

7.2.3 So long as Developer is in full compliance with this Development Agreement, and should Franchisor not elect to exercise its right of refusal as provided in Section 7.4, Franchisor shall not unreasonably withhold its approval of an assignment or transfer to proposed assignees or transferees if:

7.2.3.1 Developer has complied with the requirements of Section 4.1;

7.2.3.2 all obligations owed to Franchisor by Developer are fully paid and satisfied;

7.2.3.3 Developer (and any transferring owners, if Developer is a business entity) has executed a general release, in a form acceptable to Franchisor, of any and all claims against Franchisor, including its equity owners, officers, directors and employees, in their corporate and individual capacities including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Development Agreement or to the transfer of Developer's interest herein or to the transfer of Developer's ownership of all or any part of the Development Rights; provided, however, that if a general release is prohibited, Developer shall give the maximum release allowed by law;

7.2.3.4 the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require to demonstrate its ability to carry out the obligations contained herein and in the Franchise Agreement;

7.2.3.5 Developer has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Developer and the prospective transferee relating to the intended sale or transfer of the Development Rights;

7.2.3.6 Developer, or the transferee, has paid to Franchisor a transfer fee in the amount of Ten Thousand Dollars ($10,000); and

7.2.3.7 the transferee, or all owners of the transferee, has agreed to be personally bound jointly and severally by all provisions of this Development Agreement for the remainder of its term;

7.3 Public or Private Offerings

If Developer desires to make either a public or a private offering of its securities, prior to such offering and sale and prior to the public release of any statements, data or other information of any kind relating to the proposed offering of Developer's securities, Developer shall secure the written approval of Franchisor, which approval shall not be unreasonably withheld. Developer shall secure Franchisor's prior written approval of any and all press releases, news releases and any and all other publicity, the primary purpose of which is in the public interest in its offering. Only to the extent that written approval has been given by Franchisor may Developer proceed to file, publish, issue and release and make public any data, material or information regarding its securities offering. Any review by Franchisor is solely for its own information, and its

approval shall not constitute any kind of authorization, acceptance, agreement, endorsement, approval or ratification of the same, either express or implied; and Developer shall make no oral or written notice of any kind whatsoever indicating or implying that Franchisor or related corporations or persons have any interest in or relationship whatsoever to the proposed offering other than acting as Franchisor. Developer shall indemnify and hold harmless Franchisor and its subsidiaries, and their owners, directors, officers, employees, successors and assigns, from all claims, demands, costs, fees, charges, liabilities or expenses (including attorneys' fees) of any kind whatsoever arising from Developer's offering or information published or communicated and any actions taken with regard thereto.

7.4 Franchisor's Right of First Refusal

If Developer or its owners shall at any time determine to sell the Development Rights under this Development Agreement or any of their respective ownership interests in Developer, or any of Developer's assets (except in the ordinary course of business), Developer or its owners shall obtain a *bona fide*, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to Franchisor, and Franchisor shall, for a period of thirty (30) days from the date of delivery of such offer, have the right, exercisable by written notice to Developer, to purchase such interests for the price and on the terms and conditions contained in such offer; provided, however, that Franchisor may substitute cash for any form of payment proposed in such offer and that Franchisor shall have not less than sixty (60) days from the date of delivery of its written notice of intent to purchase to complete such purchase. If Franchisor does not exercise this right of first refusal, Developer may complete the sale of such interest, subject to Section 7.2. If such sale is not completed within one hundred and twenty (120) days after delivery of such offer to Franchisor, Franchisor shall again have the right of first refusal provided herein.

8. DEFAULT AND TERMINATION

8.1 Termination Without Opportunity to Cure

Franchisor has the right to immediately terminate this Development Agreement by delivering a written notice to Developer stating that Franchisor elects to terminate this Development Agreement as a result of any of the breaches set forth below:

8.1.1 Developer makes or attempts to make an unauthorized assignment or transfer of this Development Agreement or an ownership interest in Developer;

8.1.2 Developer has made any material misrepresentation or omission in its application for the Development Rights conferred by this Development Agreement;

8.1.3 Developer is convicted of or pleads no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Trademarks;

8.1.4 Developer makes any unauthorized use of the Trademarks or unauthorized use or disclosure of the Confidential Information;

8.1.5 Franchisor has delivered a notice of termination for a Franchise Agreement between Franchisor and Developer in accordance with its terms and conditions, or Developer has

terminated a Franchise Agreement without cause;

8.1.6 Developer fails to develop and operate the minimum number of Commercial Office Agencies as required under Exhibit A, unless Developer pays to Franchisor, as liquidated damages and not as a penalty, by the 30th day after the date Developer failed to satisfy the Development Schedule, in the amount of Two Thousand Dollars ($2,000) per Commercial Office Agency on or before the first day of each month commencing with the second month after the date Developer failed to satisfy the Development Schedule and continuing while the Development Schedule remains unsatisfied. If Developer fails to timely make any liquidated damage payment or fails to satisfy the Development Schedule in any two (2) consecutive Development Periods, Franchisor may terminate this Agreement. This clause will not be in effect if Developer has a Commercial Office Agency under development with an expected opening date within ninety (90) days of date given in Exhibit A; and

8.1.7 In the event that: (i) Developer shall become insolvent, shall admit inability to meet Developer's financial obligations as they become due, or shall enter into liquidation (either compulsory or voluntary); (ii) Developer shall allow a judgment in the amount of more than Five Thousand Dollars ($5,000) to remain unsatisfied for a period of more than thirty (30) days; (iii) an administrative order is made against Developer or a receiver is appointed in respect of all or a part of Developer's assets; or (iv) Developer allows or permits any judgment to be entered against Franchisee and/or Franchisor, or any parent, subsidiary or affiliated corporations, arising out of or relating to the operation of the Developer.

8.2 Termination With Opportunity to Cure

If Developer fails to comply with any other provision of this Development Agreement, Franchisor may terminate this Development Agreement by delivering notice of termination to Developer stating the reason for termination, provided that Developer shall have the right to cure a breach within thirty (30) days after delivery of Franchisor's notice of termination.

8.3 USA Patriot Act

Developer hereby represents, warrants, and certifies to Franchisor that neither Developer nor any of Developer's directors, officers, shareholders, partners, members, employees, or agents, nor any of Developer's affiliates or directors, officers, shareholders, partners, members, employees, or agents, nor any other direct or indirect interest holders of any of the preceding: (a) are or have been listed on any Government Lists (as defined below); (b) are or have been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (Sept. 23, 2001), or any other similar prohibitions contained in the rules and regulations of OFAC (as defined below) or in any enabling legislation or other Presidential Executive Orders in respect thereof; (c) have been indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any offenses under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA Patriot Act"); (d) are or have been under investigation by any Governmental Authority (as defined below) for alleged criminal activity; or (e) have or have had a reputation in the community for criminal or unethical behavior. As used in this Section, the following definitions apply: (a) "Government Lists" means any of the following lists: (i) the "Specially Designated Nationals and Blocked Persons List" maintained by OFAC; (ii) any other

list of terrorists, terrorist organizations, or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC; or (iii) any similar list maintained by the United States Department of State, the United States Department of Commerce, or any other Governmental Authority, or pursuant to any Executive Order of the President of the United States of America. (b) "OFAC" means the Office of Foreign Assets Control, United States Department of the Treasury, or any other office, agency, or department that succeeds to the duties of OFAC. (c) "Governmental Authority" means all federal, state, national, territorial, county, local, foreign, or other governmental or regulatory agencies, authorities (including self-regulatory authorities), instrumentalities, commissions, boards, and bodies.

9. RIGHTS AND DUTIES ON TERMINATION OR EXPIRATION

9.1 Loss of Development Rights

Upon termination of this Development Agreement, the Development Rights granted to Developer under this Development Agreement shall automatically terminate. Developer shall have no additional rights to establish or operate any Commercial Office Agency for which a Franchise Agreement has not been executed by Franchisor and Developer. No default under this Development Agreement shall constitute a default under any Franchise Agreement between the parties, except to the extent that any default under this Development Agreement constitutes a default under any Franchise Agreement in accordance with the terms of the Franchise Agreement. Notwithstanding the above, the terms and conditions of each Franchise Agreement must be complied with by the Developer thereunder and shall control in determining whether any default exists under such Franchise Agreement.

9.2 Amounts Owed to Franchisor

Developer shall immediately pay to Franchisor upon termination or expiration of the Development Agreement any amounts owed by Developer to Franchisor that are then unpaid, plus any interest due.

9.3 Confidential Information

Upon termination or expiration of this Development Agreement, Developer and all of its employees, agents or other representatives shall immediately cease to use and will maintain the absolute confidentiality of any Confidential Information disclosed or otherwise learned or acquired by Developer and shall not use such Confidential Information in any other business or venture.

9.4 Covenant Not to Compete

During the term and after the termination of this Development Agreement, Developer and any owner of a five percent (5%) or greater interest in Developer shall be subject to all of the restrictive covenants set forth in Section 10.2(a) of the Initial Franchise Agreement, which covenants by this reference are incorporated herein.

9.5 Continuing Obligations

All obligations of Franchisor and Developer under this Development Agreement that expressly or by their nature survive the expiration or termination of this Development Agreement shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Development Agreement and until they are satisfied in full or by their nature expire.

10. OWNERS OF DEVELOPER

If Developer is a business entity, then each of the individual owners of Developer shall be identified in Exhibit C and Developer represents, and Franchisor enters into this Development Agreement in reliance upon such representation, that such individuals identified in Exhibit C are the sole owners (in the stated proportions) of Developer.

11. RELATIONSHIP AND INDEMNIFICATION

11.1 Relationship

This Development Agreement is a contractual relationship between the parties and does not appoint or make Developer an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever. Developer may not represent or imply to third parties that Developer is an agent of Franchisor, and Developer is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt or any other obligation of Developer. In no event shall this Development Agreement or any conduct pursuant hereto make Franchisor a fiduciary with respect to Developer. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the development of any Commercial Office Agency pursuant to this Development Agreement. Any third-party contractors and vendors retained by Developer remodeling or construction are independent contractors of Developer alone.

11.2 Indemnification

Developer shall hold harmless and indemnify Franchisor, its Affiliates, all owners of Franchisor and its Affiliates, and all of Franchisor's and its Affiliates' officers, directors, executives, managers, employees, agents, successors and assigns (collectively "Franchisor Indemnitees") from and against all losses, damages, fines, costs, expenses or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, that arise from, are based upon or are related to Developer's (a) development, ownership or operation of any Commercial Office Agency; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Development Agreement or any other agreement between Developer and Franchisor (or any of its Affiliates); (d) defamation of Franchisor or the System; (e) acts, errors or omissions by Developer or any of its officers, directors, employees or agents, committed or incurred in connection with the development of Agencies, including any negligent or intentional acts; or (f) infringement, violation or alleged

infringement or violation of any Trademark, patent or copyright or any misuse of the Confidential Information. Franchisor's right to indemnity hereunder shall exist notwithstanding that joint or several liability may be imposed upon Franchisor by statute, ordinance, regulation or judicial decision.

12. GENERAL CONDITIONS AND PROVISIONS

12.1 Superiority of Franchise Agreement

For each Commercial Office Agency developed by Developer in the Development Territory, a separate Franchise Agreement shall be executed and the individual franchise fee as prescribed by Franchisor shall be paid to Franchisor. Developer acknowledges that any and all Franchise Agreements executed in connection with an individual Commercial Office Agency within the Development Territory are independent of this Development Agreement. The continued existence of any such Franchise Agreement shall not depend on the continuing existence of this Development Agreement. If any conflict shall arise in connection with this Development Agreement and any such Franchise Agreement, the latter shall have precedence and superiority over the former.

12.2 No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Developer with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Development Agreement. Waiver by Franchisor of any particular default by Developer shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants or conditions of this Development Agreement.

12.3 Injunctive Relief

As any breach by Developer of any of the restrictions contained in Sections 10.1 and 10.2 would result in irreparable injury to Franchisor, and as the damages arising out of any such breach would be difficult to ascertain, in addition to all other remedies provided by law or in equity, Franchisor shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without having to post bond.

12.4 Notices

All notices required or permitted under this Development Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system when accompanied by system-generated confirmation of successful transmission; (c) on the next business day after being sent via guaranteed overnight delivery by a commercial courier service;

or (d) five (5) business days after being sent by Registered Mail, return receipt requested. All notices shall be sent to Developer at the address listed on page one (1) of this Development Agreement, or such other address as Developer may designate in writing to Franchisor. All notices, payments and reports required by this Development Agreement shall be sent to Franchisor at the following address unless and until a different address has been designated in writing to Developer:

ESTRELLA Franchising Corp.
3750 West Flagler Street
Miami, Florida 33134

And notices shall be sent to Developer, until a different address is designated in writing by Developer at:

_____
_____
_____

12.5 Cost of Enforcement or Defense

If Franchisor or Developer is required to enforce this Development Agreement in a judicial proceeding, the prevailing party shall be entitled to reimbursement of all of its costs and expenses incurred including, without limitation, reasonable accounting and attorneys' fees and related fees and costs, in connection with such proceeding. If Franchisor incurs costs and expenses due to Developer's failure to pay when due amounts owed to Franchisor or its Affiliates, to submit when due any reports, information, or supporting records, or otherwise comply with this Development Agreement, Developer agrees, whether or not Franchisor initiates a formal legal proceeding, to reimburse Franchisor for all of the costs and expenses that Franchisor incurs including, without limitation, reasonable accounting, attorneys' and related fees and costs.

12.6 Guaranty and Assumption of Obligations

Any person having an ownership interest of Developer of five percent (5%) or greater shall be required to execute the Guaranty and Assumption of Obligations attached as Exhibit B, through which such owners agree to assume and discharge all of Developer's obligations under this Development Agreement and to be personally liable hereunder for all of the same.

12.7 Approvals

Whenever this Development Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor therefore and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Developer may rely, and assumes no liability or obligation to Developer or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Developer in connection with this Development Agreement, or by reason of any neglect, delay or denial of any request therefore.

12.8 Entire Agreement

This Development Agreement, its exhibits and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between Franchisor and Developer concerning the subject matter hereof, and shall supersede all prior agreements. No other representation, oral or otherwise, has induced Developer to execute this Development Agreement, and there are no representations, inducements, promises or agreements, oral or otherwise, between the parties that are of any force or effect with respect to the matters set forth in or contemplated by this Development Agreement or otherwise. Nothing in this or any related agreement is intended to disclaim the representations in the franchise disclosure document delivered by Franchisor to Developer. No amendment, change or variance from this Development Agreement shall be binding on either party unless executed in writing by both parties.

12.9 Severability and Modification

12.9.1 Except as noted below, each paragraph, part, term and provision of this Development Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Development Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Development Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Development Agreement, Franchisor has the right to, at its option, terminate this Development Agreement.

12.9.2 Notwithstanding the above, each of the covenants contained in Sections 6.2 and 9.4 shall be construed as independent of any other covenant or provision of this Development Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Confidential Information or on competition to the maximum extent permitted by law.

12.10 Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

12.11 Force Majeure

Whenever a period of time is provided in this Development Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorist acts, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Development Agreement.

12.12 Timing

Time is of the essence; failure to perform any act within the time required or permitted by this Development Agreement shall be a material breach.

12.13 Further Assurances

Each party to this Development Agreement shall execute and deliver such further instruments, contracts, forms or other documents, and shall perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Development Agreement.

12.14 Third-Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Development Agreement is intended, nor shall be deemed, to confer any rights or benefits upon any person or legal entity other than Franchisor or Developer, and their respective successors and assigns.

12.15 Multiple Originals

Both parties shall execute multiple copies of this Development Agreement and each executed copy shall be deemed an original. Facsimile and electronic signatures shall be as valid as and deemed to be original.

13. DISPUTE RESOLUTION

13.1 Procedures

13.1.1 Any dispute or controversy between the parties arising out of or relating to this Agreement, including, without limitation, a dispute or controversy relating to the construction of any provision or the validity or enforceability of any term or condition (including this provision) or of the entire Agreement, or any claim that all or any part of this Agreement (including this provision) is void or voidable, shall be submitted to arbitration before a panel of three (3) arbitrators in accordance with the Commercial Rules of Arbitration of the American Arbitration Association then in effect, same to be conducted in Miami-Dade County, Florida. The choice of organization conducting the arbitration shall be made by the party filing for arbitration. All matters relating to such arbitration shall be governed by the Federal Arbitration Act. (9 U.S.C. Sec. 1 et seq.) In any such arbitration, the Federal Rules of Civil Procedure in effect at the time of the filing of the arbitration demand, including, but not limited to, the rules of evidence and the rules regarding discovery, shall apply. If the panel of arbitrators issues a subpoena or otherwise orders discovery, and if a party subject to said subpoena or discovery order fails to comply, the other party may apply to any court of competent jurisdiction for an order compelling compliance with the arbitrators' subpoena or order and if the court compels compliance, shall be entitled to any award of attorneys' fees and costs incurred in obtaining the court order. The prevailing party shall be entitled to recover its attorneys' fees and costs in any such proceeding. To the fullest extent permitted by law, Franchisee/Developer irrevocably submits to the jurisdiction of such forum and waives any objection to either the jurisdiction or venue of such forum. This arbitration provision shall be deemed self-executing, and if either party fails to appear at any properly noticed

arbitration proceeding, an award may be entered against such party, notwithstanding such failure to appear.

13.1.2 The provisions of this Article shall be construed as independent of any other covenant or provision of this Agreement; provided that if a court of competent jurisdiction determines that any such provisions are unlawful in any way, such court shall modify or interpret such provisions to the minimum extent necessary to have them comply with the law.

13.1.3 Judgment upon an arbitration award may be entered in any court having competent jurisdiction and shall be binding, final and non-appealable. Developer and Franchisor (and their respective owners and guarantors, if applicable) hereby waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

13.1.4 Franchisor and Developer agree that arbitration shall be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between Franchisor and Developer shall not be consolidated with any other arbitration proceeding involving Franchisor and any other person, corporation, partnership or other entity. Developer further agrees that Developer is precluded from filing a class action or acting as a class representative.

13.1.5 Prior to any arbitration proceeding taking place, Developer or Franchisor may, at its respective option, elect to submit the controversy or claim to non-binding mediation before a mutually agreeable mediator, in which event both parties shall execute a suitable confidentiality agreement.

13.1.6 The obligation herein to arbitrate or mediate shall not be binding upon either party with respect to claims relating to: monies owed by Developer to Franchisor or an affiliate; the Trademarks; any lease or sublease of real property between the parties or their affiliated entities; or requests by either party for temporary restraining orders, preliminary injunctions, or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution by arbitration of the actual dispute between the parties.

DEVELOPER EXPRESSLY ACKNOWLEDGES THAT DEVELOPER HAS READ THE TERMS OF THIS BINDING ARBITRATION PROVISION AND AFFIRMS THAT THE PROVISION IS ENTERED INTO WILLINGLY AND VOLUNTARILY AND WITHOUT ANY FRAUD, DURESS OR UNDUE INFLUENCE ON THE PART OF FRANCHISOR OR ANY OF THE FRANCHISOR'S AGENTS OR EMPLOYEES.

13.2 Choice of Law

Except to the extent this Development Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Development Agreement shall be governed by and construed in accordance with the laws of the State of Florida (without reference to its conflict of laws principles). References to any law refer also to any successor laws and to any published regulations for such law, as in effect at the relevant time. References to a

governmental agency also refer to any regulatory body that succeeds the function of such agency.

13.3 Consent to Jurisdiction

Any action not subject to Arbitration, brought by either party, shall be brought in the appropriate state or federal court located in or serving Miami-Dade County, Florida. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. The parties hereby submit to service of process by registered mail, return receipt requested, or by any other manner provided by law. Claims for injunctive relief may be brought by Franchisor where Developer is located.

13.4 Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to Franchisor or Developer by this Development Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing contained herein shall bar Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

13.5 Limitations of Claims

Any claim concerning this Development Agreement or any related agreement shall be barred unless an action for that claim is commenced within one (1) year from the date on which Developer or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim. Notwithstanding the above, Franchisor's claims attributable to failure to pay monies owed and/or indemnification shall be subject to applicable state or federal statutes of limitation.

13.6 Limitation of Damages

Developer and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other, and agree that if there is a dispute with the other, each shall be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Section 12.5. Developer waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Development Agreement or any related agreement. In any claim or action brought by Developer against Franchisor concerning this Development Agreement, Developer's contract damages shall not exceed and shall be limited to refund of Developer's Development Fee payments.

13.7 Waiver Of Jury Trial

DEVELOPER AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

14. ACKNOWLEDGMENTS

Developer hereby acknowledges the following:

DEVELOPER ACKNOWLEDGES THAT FRANCHISOR HAS PROVIDED DEVELOPER WITH A FRANCHISE DISCLOSURE DOCUMENT NOT LATER THAN FOURTEEN (14) DAYS BEFORE THE EXECUTION OF THIS AREA DEVELOPMENT AGREEMENT, OR FOURTEEN (14) DAYS BEFORE ANY PAYMENT OF ANY CONSIDERATION, UNLESS STATE LAW REQUIRES A DIFFERENT PERIOD. DEVELOPER FURTHER ACKNOWLEDGES THAT DEVELOPER HAS READ SUCH FRANCHISE DISCLOSURE DOCUMENT AND UNDERSTANDS ITS CONTENTS. IF REQUIRED BY STATE LAW FRANCHISOR PROVIDED DEVELOPER WITH A FRANCHISE DISCLOSURE DOCUMENT AT THE FIRST PERSONAL MEETING HELD TO DISCUSS THE SALE OF AN AGENCY.

DEVELOPER ACKNOWLEDGES THAT DEVELOPER HAS HAD AN OPPORTUNITY TO REVIEW THIS AREA DEVELOPMENT AGREEMENT, AS WELL AS THE FRANCHISE DISCLOSURE DOCUMENT AND THAT DEVELOPER HAS HAD THE CHANCE TO CONSULT WITH AN ATTORNEY OR OTHER PROFESSIONAL ADVISOR. DEVELOPER ACKNOWLEDGES THAT IF FRANCHISOR UNILATERALLY AND MATERIALLY ALTERED THE AREA DEVELOPMENT AGREEMENT OR ANY OTHER AGREEMENT ATTACHED TO THE FRANCHISE DISCLOSURE DOCUMENT, DEVELOPER RECEIVED AN EXECUTION READY COPY OF THAT AGREEMENT SEVEN (7) DAYS PRIOR TO DEVELOPER'S SIGNING THAT AGREEMENT.

DEVELOPER ALSO CONFIRMS DEVELOPER'S UNDERSTANDING THAT THE SUCCESS OF THE BUSINESS LICENSED BY THIS AREA DEVELOPMENT AGREEMENT IS SPECULATIVE AND DEPENDS TO A LARGE EXTENT ON DEVELOPER'S ABILITY AS AN INDEPENDENT BUSINESS PERSON AS WELL AS OTHER FACTORS. DEVELOPER ALSO RECOGNIZES AND ACKNOWLEDGES THAT DEVELOPER MAY INCUR EXPENSES OR OBLIGATIONS WHICH THIS AREA DEVELOPMENT AGREEMENT MAY NOT ADDRESS.

DEVELOPER ACKNOWLEDGES AND AGREES THAT DEVELOPER HAS NOT RECEIVED ANY REPRESENTATION, WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF AN ESTRELLA INSURANCE AGENCY OTHER THAN AS STATED IN THE FRANCHISE DISCLOSURE DOCUMENT. IN FACT, DEVELOPER ACKNOWLEDGES THAT DEVELOPER HAS ENTERED INTO THIS FRANCHISE AGREEMENT AFTER MAKING AN INDEPENDENT INVESTIGATION OF THE BUSINESS AND OF THE FRANCHISOR.

DEVELOPER IS AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE DEVELOPERS OF FRANCHISOR MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT(S), AND CONSEQUENTLY THAT THE FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS DEVELOPERS MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Development Agreement on the day and year first above written.

ESTRELLA FRANCHISING CORP

By:_____

Title:_____

Developer:

_____

(type/print name)

By:_____

Title:_____

SCHEDULE 1
TO THE
AREA DEVELOPMENT AGREEMENT

DEVELOPMENT TERRITORY

The Development Territory is as follows: _____

EXHIBIT A TO THE AREA DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

Estrella Insurance Commercial Office Agencies	Opening Date	Cumulative Number to be in Operation

EXHIBIT B TO THE
AREA DEVELOPMENT AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ____ day of _____, 20____, by _____.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith ("Agreement") by Estrella Franchising Corp. ("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 _____ ("Developer") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) shall personally be 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. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right he may have to require that an action be brought against Developer or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he may be entitled.

If Franchisor is required to enforce this Guaranty in a judicial proceeding, and prevails in such proceeding, Franchisor shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs.

Each of the undersigned consents and agrees that: (a) his direct and immediate liability under this guaranty shall be joint and several; (b) he shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and (d) 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 Developer 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.

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

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____

_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN DEVELOPER:_____%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____

_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN DEVELOPER:_____%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____

_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN DEVELOPER:_____%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____

_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN DEVELOPER:_____%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____

_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN DEVELOPER:_____%

PERSONAL GUARANTOR

_____
Personally and Individually (Printed Name)

_____
Personally and Individually (Signature)

HOME ADDRESS

_____

_____

TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP
IN DEVELOPER:_____%

EXHIBIT C TO THE
AREA DEVELOPMENT AGREEMENT

OWNERS OF DEVELOPER;
OFFICERS, DIRECTORS, MANAGERS AND TRUSTEES

Owners	Percentage of Ownership	Position/Title

Officers, Directors and Managers	Position/Title

Exhibit "C"

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Pre-Training Requirements	3
Staffing Your Office	7
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Local Marketing Campaigns/Ways to Increase Your Sales	5
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Estrella Insurance National Advisory Council	1
Disaster/Emergency Plan	8
-TOTAL	**182**

ALPHIBETICALLY BY STATE, CITY, AGENCY
Exhibit "D"
Franchisees as of December 31, 2018

ARIZONA

Infinite Star Insurance, Inc.
135 E Ray Rd.
Chandler, AZ. 85225
480-454-7275

Johnson Family Insurance Corp.
1214 W Baseline Rd.
Mesa, AZ. 85202
480-376-8866

Barajas Inc.
6771 E. Main St.
Mesa, AZ. 85205
480-421-5777

Doherty Insurance Services, Inc.
3219 E Thomas Rd.
Phoenix, AZ. 85018
602-753-5520

M&M Insurance Corp.
3449 W Northern Ave.
Phoenix, AZ. 85051
602-347-6595

Victoria's Insurance, Inc.
4301 W Indian School Rd.
Phoenix, AZ. 85031
623-474-9614

Corona Insurance, Inc.
7501 W Indian School Rd.
Phoenix, AZ. 85033
623-435-4062

AGNA- JC, Inc.
7710 W Lower Buckeye Rd #100
Phoenix, AZ. 85043
623-223-9277

J&E Insurance Services Corp.
2425 S 6th Ave.
South Tucson, AZ. 85713
520-231-4300

J&E Insurance Services Corp.
3802 S 6th Ave.
Tucson, AZ. 85714
520-903-6928

RKR Insurance Services Corp.
5504 E 22 St #100
Tucson, AZ. 85711
520-902-6924

5 Star Insurance Services Corp.
727 W Ajo Way
Tucson, AZ. 85713
520-903-6932

CALIFORNIA

MVH Arceo Corp.
1075 N Western Ave
Los Angeles, CA. 90029
323-489-8122

A&E Family Insurance Service Corp.
3404 W Florence Ave.
Los Angeles, CA. 90043
323-621-6947

Valles Family, Inc.
11002 Magnolia Blvd Suite B
North Hollywood, CA. 91601
818-639-9644

J Arceo Corp.
801 E Palmdale Blvd.
Palmdale, CA. 93550
661-234-8100

Fil'Rich Corp.
4550 Mack Rd.
Sacramento, CA. 95823
916-304-8180

FLORIDA

Gator Insurance Agency Inc.
23038 Sandalfoot Plaza Dr.
Boca Raton, FL. 33428
561-410-7700

ACG Motor Insurance Inc.
4729 N Congress Ave.
Boynton Beach, FL.

Martinez Group Holdings, LLC.
2108 E Osceola Parkway
Buena Vista, FL. 34743
407-978-6103

Yassi Michele Insurance, Inc.
20214 Old Cutler Rd.
Cutler Bay, FL. 33189
305-232-7690

G&J Insurance, Inc
6911 Sterling Rd.
Davie, FL. 33314
954-368-1341

Grecol Consultants, LLC.
4985 SW 148th Ave. Store#4
Davie, FL. 33330
954-636-3696

New Trust Insurance Agency, Corp.
4651 S University Dr.
Davie, FL. 33328
954-744-1875

Martinez Group Holdings, LLC.
345 Semoran Blvd, Suite 103
Fern Park, FL. 32730
407-953-6366

Jasmelly Insurance Inc.
1142 S Federal Hwy
Ft. Lauderdale, FL 33316
954-368-1300

Jasmelly Insurance Inc.
3553 Davie Blvd.
Ft. Lauderdale, FL 33312
954-530-6967

Rivero-Mendoza, Inc.
11150 S Cleveland Ave #110
Ft. Myers, FL. 33907
239-271-3570

Buhos Income Tax & Insurance
3945 Jog Rd. Unit 25
Greenacres, FL. 33467
561-965-2250

Ventura Insurance Group, Inc.
4651 Lake Worth Rd.
Greenacres, FL. 33463
561-410-7710

ME193, Inc.
720 Hallandale Beach Blvd.
Hallandale, FL 33009
954-315-2323

Camejo Insurance Inc.
3640 Palm Ave.
Hialeah, FL. 33012
305-381-5025

Camejo Insurance Inc.
415 W 29th St
Hialeah, FL 33012
305-883-2003

Evelyn Star, Inc.
610 E 49th St.
Hialeah, FL 33013
305-681-2900

Evelyn Star, Inc.
1041 E 8th Ave
Hialeah, FL 33010
305-887-8696

Gardin Insurance Agency Inc.
5985 W. 25th Ct. #A106
Hialeah, FL 33016
305-828-5313

Jireh Insurance Inc.
61 W 3rd St.
Hialeah, FL 33010
305-884-4646

Odalys Alpizar Insurance Corp.
1313 W 49th St., Suite A
Hialeah, FL 33012
305-556-2886

Odalys Alpizar Insurance Corp
1140 W 68th St., Suite B
Hialeah, FL 33012
305-825-2613

Odalys Insurance Inc.
795B W 49 St.
Hialeah, FL 33012
305-556-3772

Odalys Insurance Inc.
16855 NW 67th Ave
Hialeah, FL. 33015
305-825-0002

Soler Insurance Inc.
3331 W 80th St.
Hialeah, FL 33018
305-558-6577

Cuevas Solutions Services, Inc.
7061 Taft Street
Hollywood, FL. 33024
954-602-2299

Grecol Consultants, LLC.
5845C Hollywood Blvd.
Hollywood, FL 33021
954-962-8662

High-Class Insurance Inc.
1655 N Federal Hwy.
Hollywood, FL 33020
954-544-4405

Sky Insurance Group Corp.
2329 N State Rd. 7
Hollywood, FL 33021
954-241-0542

AVJ Insurance Group Corp.
30422 S Dixie Highway
Homestead, FL. 33030
305-242-0232

J& G Insurance Services, Inc.
338 N Krome Ave.
Homestead, FL 33030
786-504-1365

All Casualty Insurance Corp.
612 W Vine St.
Kissimmee, FL. 34744
407-505-4045

Martinez Group Holdings, LLC.
3309 S. Orange Blossom Trail
Kissimmee, FL. 34746
407-530-5300

Martinez Group Holdings, LLC.
3260 Vineland Rd Unit 108
Kissimmee, FL. 34746

Insurance For Everyone, LLC.
3939 S Congress Ave #102
Lake Worth, FL. 33461
561-966-9741

MCJ Insurance Inc.
2435C 10 Ave. N.
Lake Worth, FL 33461
561-228-6424

Sun Life Personal Service Inc.
3991 W Oakland Park
Lauderdalelake, FL 33311
954-730-9777

Sureness Corporation
5107 Overseas Highway
Marathon, FL. 33050
305-501-5055

Arguello Insurance, Inc.
269 S State Rd 7
Margate, FL. 33068
954-970-1414

Palacio Insurance Inc.
7384 W Atlantic Blvd.
Margate, FL. 33063
954-233-5210

Albridan Corp.
8733 SW 24th St.
Miami, FL 33165
305-220-3151

Alliance Insurance Underwriters
2959 NW 79 St.
Miami, FL 33147
305-779-2409

All Star Insurance Partners Inc.
20708 S. Dixie Highway
Miami, FL 33189
305-278-9710

All Stars Insurance Partners Inc.
8219 S Dixie Hwy.
Miami, FL 33143
305-644-9301

All Stars Insurance Partners Inc.
18545 S Dixie Hwy
Miami, FL 33157
305-255-2985

All Star Insurance Partners, Inc.
3830 SW 137 Ave
Miami, FL 33175
305-667-7637

ARA Insurance Group Inc.
7279 NW 36 St.
Miami, FL 33166
305-599-8505

ARA Insurance Group Inc.
8672 Sunset Drive
Miami, FL. 33143
305-799-2448

ARA Insurance Group, Inc.
10760 SW 72 St
Miami, FL. 33173
305-779-2447

ARA Insurance Group
11756 SW 88th St.
Miami, FL 33186
305-598-2074

Ariadna & Anette
8615 Biscayne Blvd.
Miami, FL 33138
305-757-5900

Betty Palma Insurance Consultant Inc.
13788 SW 152nd St.
Miami, FL 33177
305-256-0100

Bigorra Insurance Inc.
12460 SW 8th St. Suite# 101
Miami, FL 33184
305-553-4800

Bigorra Insurance Inc.
9561 NW 41st St.
Miami, FL 33178
305-599-1333

Bigorra Insurance Inc.
6801 SW 40 Street
Miami, FL 33155
305-665-4147

Bogani Business Group
2506 NE Miami Gardens Dr.
Miami, FL. 33180
305-779-2457

Ed & Ernest Insurance Corp.
2923 NW 7th St
Miami, FL 33125
305-649-1001

Fagundo Group Corp.
13520 SW 120th St #104
Miami, FL 33186
305-961-1626

Frady Insurance Inc.
899 NW 37 Ave
Miami, FL 33127
305-501-5060

Fradyn Suarez Insurance Agency
3750 W Flagler St
Miami, FL 33143
305-446-6822

Fradyn Suarez Insurance Agency
3000-A NW 36th St
Miami, FL 33142
305-635-6335

Geada Insurance Inc.
4901 SW 8th St.
Miami, FL 33134
305-446-4342

GP Insurance Inc.
11735 SW 147th Ave. Suite 28
Miami, FL 33196
305-428-3884

Hope Insurance Inc.
14035 SW 88th St.
Miami, FL 33186
305-386-3787

JC & C Insurance Inc.
2032 NW 17th Ave
Miami, FL 33142
305-326-1155

J&G Insurance Services Inc.
9500 NW 27 Ave
Miami, FL 33142
786-518-2898

J&G Insurance Services Inc.
16241 SW 88 St.
Miami, FL. 33196
305-921-9955

Marivi Morales Inc.
180 NW 183rd St. #115
Miami, FL 33169
305-690-9499

Marivi Morales Inc.
19902 NW 2nd Ave.
Miami, FL. 33169
305-690-0261

Martinez & Alvarez Inc.
16635 S Dixie Highway
Miami, FL 33157
305-255-3436

Oller & Oller Insurance Inc.
2687 SW 25th Ter.
Miami, FL 33133
305-503-4120

Ryloma, Inc.
11504 Quail Roost Dr.
Miami, FL 33157
305-252-6888

Simple Solutions
1201 SW 8th St. Unit B
Miami FL 33135
305-859-8558

Vilau Insurance Inc.
14772 SW 56th St.
Miami, FL 33185
305-387-2040

Yessy Insurance Inc.
9461 W Flagler St.
Miami, FL 33174
305-221-0661

Yessy Insurance Inc.
7480 NW 186th St.
Miami, FL 33015
305-828-2444

Yessy Insurance II, Inc.
90 NW 79 Ave.
Miami, FL 33126
305-262-7022

Yessy Insurance II, Inc.
10973 SW 40th St.
Miami, FL 33165
305-221-1911

BGA Insurance Corp.
1108 Normandy Dr.
Miami Beach, FL 33141
305-867-0444

Star USA Management Corp.
1321 Alton Rd.
Miami Beach, FL 33139
305-534-9434

Blue Star Insurance of Miami, Inc.
19760 NW 27th Ave.
Miami Gardens, FL. 33056
305-925-4090

Lizette Arguello Insurance Inc.
18355 NW 57 Ave.
Miami Gardens, FL 33055
305-830-1477

AG Paradise Corporation
3488 Red Rd.
Miramar, FL. 33025
954-556-1830

G. Arguello, Inc.
3360 S University Dr.
Miramar, FL 33025
954-251-1654

Laurenceau Insurance Inc.
6327 Miramar Parkway
Miramar, FL 33023
954-404-6276

A&L Insurance, LLC.
27305 S Dixie Highway
Naranja, FL 33032
305-242-9666

Albear Insurance Group Inc.
167 NE 167th St., Suite A
North Miami Beach, FL 33162
305-651-7777

New Star Insurance Agency Corp.
1695 NE 163rd St.
North Miami Beach, FL. 33162
305-639-2666

M&G Insurance Management Inc.
12745 Biscayne Blvd.
North Miami, FL 33181
305-891-9797

All Casualty Insurance, Inc.
9914 B East Colonial Dr.
Orlando, FL. 32817
407-992-2290

Martinez Group Holdings, LLC.
10031 University Blvd.
Orlando, FL. 32817
407-755-4300

Martinez Group Holdings, LLC.
174 S Semoran Blvd.
Orlando, FL. 32807
407-985-1200

Martinez Group Holdings, LLC.
8204 Crystal Lane
Orlando, FL. 32809
407-413-5100

MCJ Insurance Inc.
1736 S Congress Ave., Suite # 1
Palm Springs, FL. 33406
786-531-4596

Grecol & Associates, LLC.
6758 Pembroke Rd.
Pembroke Pines, FL. 33023
954-368-1301

Grecol Consultants, LLC.
17171 Pines Blvd.
Pembroke Pines, FL. 33027
954-671-1341

Hope Insurance Inc.
672 N University Dr.
Pembroke Pines, FL 33024
954-315-2310

J&G Insurance Inc.
10275 Pines Blvd.
Pembroke Pines, FL. 33026
954-613-4560

Jasmelly Insurance Inc.
210 S Flamingo Rd
Pembroke Pines, FL 33027
954-704-1717

Belco Insurance & Multiservice
3920 W Broward Blvd.
Plantation, FL 33312
954-792-6556

MOD Insurance Inc.
8351 W Sunrise Blvd.
Plantation, FL. 33322
954-414-7045

Sunlife Personal Services, Inc.
2307 N Federal Highway
Pompano, FL. 33062
954-742-7272

Ventura Insurance Group Inc.
7186 S US Highway 1
Port St. Lucie, FL. 34952
772-497-0303

Hope Insurance, Inc.
4989 N State Rd 7
Tamarac, FL. 33319
954-660-8844

ACG Motor Insurance Inc.
1093 N Military Trail
West Palm Beach, FL 33415
561-964-8686

ACG Motor Insurance Inc.
2140 S. Military Trail
West Palm Beach, FL 33415
561-228-6436

Nordes Royalty Investment Insurance Corp
1271 Military Trail
West Palm Beach, FL. 33415
561-420-0676

ACG Motor Insurance Inc.
4645 Gun Club Rd.
West Palm Beach, FL. 33415
561-701-9080

MCJ Insurance Inc.
2822 Okeechobee Blvd.
West Palm Beach, FL. 33409
561-410-7770

Palm Beach Insurance Group, LLC.
2601 Old Dixie Highway
Wilton Manors, FL 33334
954-568-6220

Exhibit "E"

Franchises Not Yet Open as of December 31, 2018

FLORIDA

Financial Xperts Group, Inc.
1150 W Sunrise Blvd.
Ft. Lauderdale, FL. 33311
Faisal Younus & Naveed Peerani
954-379-8500

Rivero-Mendoza, Inc.
Ft. Myers, FL.
Eliecer Rivero
239-271-3570

RGGE Insurance LLC
2790 Stirling Rd. Unit 3
Hollywood, FL. 33020
Yeny Reyes
954-233-0796

Isaac Landrua
Kissimmee, FL.
ILandrua@live.com

Arguello Insurance Inc.
1297 S State Rd. 7 Unit 1291
Lauderdale Lakes, FL. 33068
Arnoldo X. Arguello
954-970-1414

Sun Life Personal Service Inc. 199
PENDING Boca Raton, FL.
Contact Address: 480 NW 76th Ave #302
Margate, FL. 33063
Luz Elena Meneses
(954)742-7272

GP Insurance Services, LLC.
14880 NW 27th Ave.
Miami, FL. 33054
Gipsy De La Paz
305-428-3884

La Perla Insurance Group Corp.
9808 S Dixie Highway
Miami, FL. 33156
Mariela Amezquita
Email: Amezquita_Mariela@yahoo.com

GP Insurance Services, LLC.
MIAMI- DADE County
Gipsy De La Paz
305-428-3884

YDR Insurance Agency Corp.
155 SW 57th Ave.
Miami, FL. 33144
Yenira Diaz
786-502-2676

A&A Insurance of Florida, LLC.
7255 SW 24th St.
Miami, FL. 33155
Luis Rivera
Rivera1243@comcast.net

Jing Zhao
Parkland, FL.
forsalebyjp@gmail.com

PSL Insurance Agency Inc.
3069 SW Port St. Lucie Blvd.
Port St. Lucie, FL. 34953
Alicia Calzado
772-281-3111

Ventura Insurance Group Inc.
321 Port St. Lucie Blvd.
Port St. Lucie, FL. 34984
Natalie Ventura
772-497-0303

Nubia Aguiree & Sara Silot
5855 N University Dr. Unit #49
Tamarac, FL. 33321
nubiaja@aol.com
Sarasilot@yahoo.com

Martinez Group Holdings, LLC.
2624 W Hillsborough Ave.
Tampa, FL. 33614
Rey or Jorge Martinez
813-485-8300

Exhibit "F"
Former Franchises
TRANSFERRED/ TERMINATED/ CEASED OPERATIONS
UNITS AS OF
DECEMBER 31, 2018

ARIZONA

Name: MDJV, LLC.
Unit Address: 135 E Ray Rd.
Chandler, AZ. 85225
Phone: 480-454-7275
Transferred to New Owners
Date Left the System: May 31, 2018

Name: MDJV, LLC.
Unit Address: 1214 W Baseline Rd.
Mesa, AZ. 85202
Phone: 480-376-8866
Transferred to New Owners
Date Left the System: May 31, 2018

Name: MDJV, LLC.
Unit Address: 6771 E Main St.
Mesa, AZ. 85205
Phone: 480-421-5777
Transferred to New Owners
Date Left the System: May 31, 2018

Name: MDJV, LLC.
Unit Address: 3219 E Thomas Rd.
Phoenix, AZ. 85018
Phone: 602-753-5520
Transferred to New Owners
Date Left the System: May 31, 2018

Name: MDJV, LLC.
Unit Address: 3449 W Northern Ave.
Phoenix, AZ. 85051
Phone: 602-347-6595
Transferred to New Owners
Date Left the System: May 31, 2018

Name: MDJV, LLC.
Unit Address: 4301 W Indian School Rd.
Phoenix, AZ. 85031
Phone: 623-435-4062
Transferred to New Owners
Date Left the System: May 31, 2018

Name: MDJV, LLC.
Unit Address: 7501 W Indian School. Rd.
Phoenix, AZ. 85033
Phone: 623-435-4062
Transferred to New Owners
Date Left the System: May 31, 2018

Name: MDJV, LLC.
Unit Address: 7710 W Lower Buckeye Rd. #100
Phoenix, AZ. 85043
Phone: 623-223-9277
Transferred to New Owners
Date Left the System: May 31, 2018

Name: MDJV, LLC.
Unit Address: 3802 S 6th Ave.
Tucson, AZ. 85714
Phone: 520-903-6928
Transferred to New Owners
Date Left the System: May 31, 2018

Name: MDJV, LLC.
Unit Address: 5504 E 22nd St. #100
Tucson, AZ. 85711
Phone: 520-902-6924
Transferred to New Owners
Date Left the System: May 31, 2018

Name: MDJV, LLC.
Unit Address: 727 W Ajo Way
Tucson, AZ. 85713
Phone: 520-903-6932
Transferred to New Owners
Date Left the System: May 31, 2018

FLORIDA

Name: Nery Juliet Insurance Group, Inc.
Unit Address: 20214 Old Cutler Rd.
Cutler Bay, FL. 33189
Phone: 305-232-7690
Transferred to New Owners
Date Left the System: April 30, 2018

Name: Belco Insurance & Multiservices, Inc.
Unit Address: 6758 Pembroke Rd.
Pembroke Pines, FL. 33023
Phone: 954-368-1301
Transferred to New Owners
Date Left the System: May 31 2018

CEASED OPERATIONS-OTHER REASONS

CALIFORNIA
Name: Fil'Rich, Corp.
Address: 2433 Northgate Blvd.
Sacramento, CA. 95833
Phone: 916-400-9990
Ceased Operations/Left System
Date Left the System: November 1,, 2018

FLORIDA
Name: Abikarram Financial Services, LLC.
Unit Address: 1001 N Federal Highway #256
Hallandale, FL. 33009
Phone: 954-368-0505
Ceased Operations/Left System
Date Left the System: November 1,, 2018

Name: ARA Insurance Group
Address: 10471 N Kendall Dr. #B105
Miami, FL. 33176
Phone: Not Available
Ceased Operations/Left System
Date Left the System: December 31, 2018

Exhibit "H"

Estrella Franchising Corp.
Franchisee Disclosure Questionnaire

You (either individually or as a principal of a corporation, partnership or limited liability company and on such entity's behalf) are preparing to enter into a Franchise Agreement for the operation of an Estrella Insurance Agency. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that were not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Franchise Agreement and each exhibit and schedule attached to it? Yes ___ No ___

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it? Yes ___ No ___

If no, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary)

_____
_____
_____
_____
_____
_____

3. Have you received and personally reviewed the Franchise Disclosure Document we provided to you? Yes ___ No ___

4. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it? Yes ___ No ___

5. Do you understand all of the information contained in the Franchise Disclosure Document? Yes ___ No ___

If no, what parts of the Franchise Disclosure Document do you not understand? (Attach additional pages, if necessary)

_____
_____
_____
_____
_____
_____

6. Have you discussed the benefits and risks of operating the franchise with an attorney, accountant or other professional advisor, and do you understand those risks? Yes ___ No ___

7. Do you understand that the success or failure of your franchise will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors? Yes ___ No ___

8. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the revenue, profits or operating costs of franchises operated by Franchisor or its affiliates or franchisees? Yes ___ No ___

8.A. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the revenue, profit or operating costs of franchises operated by Franchisor or its affiliates or franchisees that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes ___ No ___

9. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchise? Yes ___ No ___

9.A. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes ___ No ___

10. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the total amount of revenue the franchise will generate? Yes ___ No ___

10.A. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the total amount of revenue the franchise will generate that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
Yes ___ No ___

11. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the costs you may incur in operating the franchise? Yes ___ No ___

11.A. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the costs you may incur in operating the franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes ___ No ___

12. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the revenue, profits, operating costs or the likelihood of success that you should or might expect to achieve from operating the franchise? Yes ___ No ___

12.A. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the revenue, profits, operating costs or the likelihood of success that you should or might expect to achieve from operating the franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes ___ No ___

13. Has any employee or other person speaking on behalf of Franchisor made any statement, promise or agreement concerning advertising, marketing, training, support service or assistance that Franchisor will furnish to you that is contrary to, or different from, the information contained in the

Franchise Disclosure Document? Yes ___ No ___

14. Do you understand the limitations of the Financial Performance Representations in Item 19? Yes ___ No ___

15. Has any employee or other person speaking on behalf of Franchisor made any statement, promise, or agreement concerning the financial condition or financial statements of a parent or affiliate of Franchisor? Yes ___ No ___

16. Did you make your decision to enter into the Franchise Agreement based on the financial condition or financial statements of a parent or affiliate of Franchisor? Yes ___ No ___

17. In making your decision to enter into the Franchise Agreement, have you relied on any promises of Franchisor which are not contained in the Franchise Agreement? Yes ___ No ___

If you have answered "Yes" to any of the questions 8. through 17., please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.)

_____
_____
_____
_____
_____
_____
_____
_____

You understand that your answers are important to us and that we will rely on them in entering into the Franchise Agreement with you. Nothing in this Franchisee Disclosure Questionnaire is intended to disclaim any of the representations in our Franchise Disclosure Document.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

_____, 20___ _____

_____, 20___ _____

Exhibit "I"

State Addenda

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
ESTRELLA FRANCHISING CORP.

STATE OF CALIFORNIA

The following paragraphs are added to the Disclosure Document:

OUR WEBSITE www.estrellainsurance.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

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

The following is added to the information required at Item 3.C. of the Disclosure Document pursuant to the regulations promulgated under the California Franchise Investment Law:

Neither the franchisor nor any person or franchise broker identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a. et seq., suspending or expelling such persons from membership in such association or exchange.

The following paragraphs are added at the end of Item 17 of the Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

California Law Regarding Termination and Non-renewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Termination Upon Bankruptcy. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.

Post-Termination Non-Competition Covenants. The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Liquidated Damages. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code 1671, certain liquidated damages clauses are unenforceable.

Governing Law. The Franchise Agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California Law.

Arbitration. The Franchise Agreement requires binding arbitration. The arbitration will occur in Florida with the costs being borne by the losing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF CORPORATIONS BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIMS IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE § 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§ 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE § 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§ 20000 THROUGH 20043).

Exhibit "J"

Release

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (the "Release") is made as of _____ ___, 20___ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Estrella Franchising Corp., a Florida corporation ("Franchisor") and together with the Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (the "Agreement") pursuant to which Franchisee was granted the right to own and operate an Estrella Insurance Agency;

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee, [enter into a successor franchise agreement] and Franchisor has consented to such transfer [agreed to enter into a successor franchise agreement]; and

WHEREAS, as a condition to Franchisor's consent to the transfer [Franchisee's ability to enter into a successor franchise agreement], Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent to the transfer [Franchisor entering into a successor franchise agreement], and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims or obligations being terminated and released hereunder. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit and forever discharge Franchisor, and any and all of its affiliates, parents, subsidiaries or related companies, divisions and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business) or their reputation.

4. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Florida.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document. Facsimile signatures shall be deemed to be as valid as original signatures.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

h. The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

IN WITNESS WHEREOF Releasor has executed this Release as of the date first written above.

FRANCHISEE

_____,

a _____

By: _____

Name: _____

Its: _____

FRANCHISEE'S OWNERS

_____,

Print Name: _____

Date: _____

_____

Print Name: _____

Date: _____

_____

Print Name: _____

Date: _____

_____

Print Name: _____

Date: _____

Exhibit "K"

Receipt

RECEIPT

(Your Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit "A".

The name, principal business address and telephone number of each franchise seller offering the franchise:

□ Jose Merille, Estrella Franchising Corp., 3750 West Flagler Street, Miami, FL 33134, 305-443-2829; and

_____.

Issuance Date: May 1, 2019

See Exhibit "A" for our registered agents authorized to receive service of process.

I have received a disclosure document dated May 1, 2019, that included the following Exhibits:

Exhibit "A"	State Agencies and Administrators/Agents for Service of Process
Exhibit "B"	Franchise Agreement
Exhibit "B-1"	Area Development Agreement
Exhibit "C"	Table of Contents of Confidential Operating Manual
Exhibit "D"	Franchisees as of December 31, 2018
Exhibit "E"	Franchises Not Yet Open as of December 31, 2018
Exhibit "F"	Former Franchisees December 31, 2018
Exhibit "G"	Financial Statements
Exhibit "H"	Franchisee Disclosure Questionnaire
Exhibit "I"	State Addenda and Amendments
Exhibit "J"	Release
Exhibit "K"	Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name

KEEP THIS COPY FOR YOUR RECORDS. This disclosure document is also available in pdf format on our website, www.estrellainsurance.com.

RECEIPT
(Our Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

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_____

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Exhibit "I"	State Addenda and Amendments
Exhibit "J"	Release
Exhibit "K"	Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name

PLEASE SIGN AND DATE THIS COPY OF THE RECEIPT AND RETURN IT TO: Estrella Franchising Corp., 3750 West Flagler Street, Miami, Florida 33134