

FRANCHISE DISCLOSURE DOCUMENT



APPELL FRANCHISING, LLC

A Utah Limited Liability Company

~~2183 Megan Circle, Ogden, Utah~~
~~844036 Willowbrook Avenue, Bay Shore, NY 11706~~

(631) 757-1099

AppellStriping.com

Franchise@appellstriping.com

We franchise the right to operate a single “Appell” franchised business (each, a “Appell Business” or a “Franchised Business”) focused on providing proprietary parking lot maintenance and striping products and services, primarily for businesses, but also for industrial and residential facilities, with a lifetime guarantee, and other products and services we may authorize for sale in the future.

The total investment necessary to begin operation of a Appell Business is between \$105,450 and \$274,200. This includes an estimated \$74,500 to \$182,000 that must be paid to the franchisor and/or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with or make any payment to us 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 ~~Ryan Combe~~ Bryan Appell at ~~2183 Megan Circle, Ogden, Utah 844036 Willowbrook Avenue, Bay Shore, NY 11706~~ or by phone at ~~(801) 831-8524~~ (631) 757-1099.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor like a lawyer or 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: April 21, 2025, as amended on June 3, 2025

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation or litigation only in UtahNew York. Out-of-state mediation or litigation may force you accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in UtahNew York than in your own state.
2. **Governing Law.** The franchise agreement states that is it governed by UtahNew York law. This law may not provide the same protections and benefits as local law. You may want to compare these laws.

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

ITEM 1
FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The Franchisor is APPELL FRANCHISING, LLC (“we,” “us,” and “our”). “You” or “your” means the person(s), corporation, and/or other entity whom/which purchases a Appell Franchised Business. If the franchise is awarded in whole or in part to a legal or business entity, “you” or “your” includes both the entity and the owners of the entity.

We were organized under the laws of Utah as a limited liability company on February 22, 2023. Our principal business address is at ~~2183 Megan Circle, Ogden, Utah 844036~~ Willowbrook Avenue, Bay Shore, New York 11706, and our telephone number for purposes of this Disclosure Document is (631) 757-1099. We do business under the names “Appell”. We do not do business under any other name.

We first began offering franchises for the right to operate a Franchised Business in the United States in April 2023. We have not operated any businesses that are similar to the Franchised Business. We do not offer or sell franchises in any other line of business and, except as described in this Item, we are not otherwise engaged in any other business activity.

Our agents authorized to receive service of process are those persons/entities listed in Exhibit D of this Disclosure Document.

Predecessor, Parent and Affiliates

Our predecessor is APLS Franchising, LLC, a New York limited liability company with its principal place of business at 137 East Main Street, Bay Shore, NY 11706. Besides the above, we currently have no Predecessors or Parents required to be included in this Item.

Our Affiliates

Our affiliate, Appell Striping and Sealcoating Inc., a New York corporation formed on January 20, 2006, whose principal business address is 137 East Main Steet, Bay Shore, NY 11706. This affiliate has operated a business similar to the business offered by this disclosure statement since January 2006 in Bay Shore, New York.

Our affiliate has not offered franchises in any line of business.

Our affiliate, Appell Striping Corp., a New York corporation formed March 13, 2003, whose principal address was 217 Wensley Lane, East Islip, NY 11730. This affiliate operated a business similar to the business offered by this disclosure statement from March 2003 to January 2006. Appell Striping Corp. transferred its clients to Appell Striping and Sealcoating Inc. in January 2006 and is currently inactive.

Our affiliate has not offered franchises in any line of business.

Our affiliate, APLS Franchising, LLC, a New York limited liability company with its principal place of business at 137 East Main Street, Bay Shore, NY 11706. This affiliate was formed to offer Appell Striping franchises and briefly did so in 2022 and 2023 until we formed Appell Franchising, LLC. It is an owner/member in Appell Franchising, LLC. It did not operate any other business. It was also our predecessor.

~~Our affiliate, Cornerstone Franchise Partners, LLC, shares our principal address of 2183 Megan Circle, Ogden, UT 84403. Cornerstone Franchise Partners LLC was formed under the laws of the state of Utah on April 23, 2020, and is owned by our Founder/Managing Partner Ryan Combe and Founder Ryan Hicks. This affiliate has not offered or sold licenses in any line of business and, except as provided in this Item, this affiliate is not involved in any other substantive business activity.~~

Our affiliate has not offered franchises in any line of business.

Our affiliate, Appell IP, LLC, a New York limited liability company with a principal business address at 116 Elder Road, Islip, NY 11751 was formed on or about June 11, 2024. Appell IP, LLC owns the Proprietary Marks and has licensed us the right to use and sublicense use of the Proprietary Marks in connection with the administration and development of the Appell® franchise system in the United States and its territories. Appell IP LLC does not conduct any other business and has never offered franchises in this or any other line of business.

We do not have a parent or any predecessors. Except for the foregoing, we do not have any other affiliates that offer or operate franchises in any line of business.

Except as provided in this Item, we do not have any other affiliates that need to be disclosed in this Item.

The Business We Offer

We offer, to those who meet our qualifications, the opportunity to be awarded a Appell Franchised Business focused on the paving, maintenance, and striping services, primarily for businesses but also for industrial and residential parking lots, and other products or services that we authorize for offer or sale at the Franchised Business (the “Approved Products and Services”). In order to own and operate a Franchised Business, you must enter into our current form of franchise agreement that is attached as Exhibit B to this Disclosure Document (the “Franchise Agreement”).

Each Franchised Business is operated according to a unique system we have developed through our principals which includes certain proprietary systems, methods, know how, computer software programs, and other associated trade secrets with respect to the Appell Business (the “Franchise System”). We have created an operations manual (the “Operations Manual”) which provides guidelines and details regarding the Franchise System and provides you with the information needed to establish and operate the Franchised Business. All services will be rendered in accordance with the Operations Manual.

The Franchised Business will operate under the proprietary marks “Appell Striping” (word mark), “Appell” (design mark) and associated marks that we are now and in the future may designate as part of the System (collectively, the “Proprietary Marks”). You will operate from an approved location (the “Approved Location”) which must be located in your designated territory (the “Territory”).

We expect that a home office may serve as the Approved Location, provided that you have a quiet and organized workspace at home which may be dedicated to the Franchised Business. You will need a company vehicle and one (1) trailer. You will also need sufficient storage space, between 250 square feet to 2,000 square feet, to properly store and maintain the Franchised Business’s inventory and equipment.

We and our affiliate(s) provide the following to our franchisees: utilization of Appell Striping copyrighted methods of operation and services as well as our operational software program. We may offer you access to enroll with the Appell National Accounts Program. We may offer you the option to perform such work

Michael has been the COO since our inception and serves as the President of National Accounts for Appell Striping and Sealcoating. From 2011 to 2017 he was Director of Operations for Appell Striping and Sealcoating LLC.

Ryan Combe—Partner

~~Ryan has been a Partner since our inception, and serves as the managing partner of Cornerstone Franchise Partners. Mr. Combe has also served as the managing partner of Better Way Franchise Group since June 2017. From October of 2012 to June of 2017, Ryan was the Senior Vice President of Development for Harris Research Inc.~~

Ryan Hicks—Partner

~~Ryan has been a Partner since our inception and serves as a partner of Cornerstone Franchise Partners. Ryan has been the President of Modern Business Development since April 2018 and has served as a Partner and Vice President of Sales for SocialWise Inc. since March of 2018.~~

ITEM 3
LITIGATION

No litigation must be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information must be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

When you sign a Franchise Agreement, you must pay a lump sum initial franchise fee (“Initial Franchise Fee”) that will be \$5,000 plus \$.10 for each person in the Territory. As more fully described in Item 12 of this Disclosure Document, Territories will range from approximately 300,000 to 500,000 people.

U.S. Armed Forces Veterans or Military Veterans of Allied Countries with a General Discharge under Honorable Conditions, First Responders (Fire, Police, EMT, Nurses, etc.), Minority-owned, and Women-owned business will receive a five-thousand-dollar (\$5,000) discount of the Initial Franchise Fee on the purchase of the first Franchised Unit. Discount may not be combined with other discounted offers.

Initial Inventory and Equipment Package

Prior to opening your Franchised Business, you are required to purchase certain proprietary materials and equipment from us or our approved vendors that will be used in the operation of your business. Specifically, you must purchase: (i) certain equipment that is necessary to purchase in connection with establishing the

Market Kit and Training Fee	franchisees purchasing additional territory	existing franchisees purchasing additional territory						payment of attorney fees and court costs incurred in collecting the debt
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ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, Appell is not required to provide you with any assistance.

A. Pre-Opening Obligations.

Before you open your Franchised Business, we will provide you with the following assistance:

1. Define your Territory. (Franchise Agreement, Section 1.2).
2. We will provide to you the Marketing Kit, Initial Inventory, and Equipment Package after you have paid the fees for such items and materials. (Franchise Agreement, Section 6).
3. Provide you with our list of all items and equipment needed to open your Franchised Business, along with our proprietary list of Approved Suppliers for those items (as applicable). (Franchise Agreement, Sections 6).
4. Loan you one copy of our confidential Operations Manual. You must operate the Franchised Business in accordance with the Operations Manual and all applicable laws and regulations. The Operations Manual may be amended or modified to reflect changes in the System. You must keep the Operations Manual confidential and current and may not copy any part of any Operations Manual. (Franchise Agreement, Section 6). The table of contents for our Operations Manual as of the Issue Date of this Disclosure Document is attached as Exhibit F.
5. Provide you and up to 1 additional employee with initial training that you must attend and complete to our satisfaction, in accordance with the initial training chart below. (Section 8 of the Franchise Agreement).

INITIAL TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Brand Awareness	1	0	Ogden, Utah Bay Shore, NY, or another location we designate

Product Knowledge	2.5	2	Ogden, Utah Bay Shore, NY, or another location we designate
Marketing/Customer Relations	2.5	1	Ogden, Utah Bay Shore, NY, or another location we designate
Bid, Payments, Accounting	2.5	1	Ogden, Utah Bay Shore, NY, or another location we designate
Product Applications/General Operations	6	18	Ogden, Utah Bay Shore, NY, or another location we designate
Equipment Maintenance	1.5	1	Ogden, Utah Bay Shore, NY, or another location we designate
TOTALS	16	23	

The Initial Training Program must be completed prior to opening the Franchised Business and within 30 days of signing the Franchise Agreement. Instructional materials, including the Operations Manual, will be provided to you as necessary as you proceed through each of the components of the Initial Training Program. The Initial Training Program is subject to change without notice to reflect updates in the materials, methods and manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained. We do not currently have a set training schedule, but our Initial Training Program will be made available on an as-needed basis subject to the availability of our personnel.

At the conclusion of the Initial Training Program, we, at our sole discretion, will either certify that you have successfully completed the Initial Training Program, or we will require you to complete further training to be certified. If you have not completed the Initial Training Program to our complete satisfaction, you will not be permitted to commence operations of the Franchised Business.

Our training managers and their years of experience within the industry and with Appell are listed below. Our training managers may utilize other employees to assist them with all aspects of training. Failure to complete initial training to our satisfaction within the applicable time period may result in termination of the Franchise Agreement. (Section 8.1 of the Franchise Agreement).

Instructor	Years of Experience in the Industry	Years of Experience with Franchisor or the Affiliate
Bryan Appell	25	22
Mike Appell	18	18

We will train any additional or replacement personnel, subject to the availability of our personnel, at our corporate headquarters, or any other location we may select. We reserve the right to charge our then-current training fee, which is presently \$800 per trainee plus expenses. (Franchise Agreement, Section 8.1). You may only use the training materials we provide you with to train your other employees. We will provide updated training materials to you as we develop them. All training materials we provide you with will remain our property, and you agree not to challenge our or our affiliates' title or rights in or to the training

establish, or authorize another Appell franchisee to operate or establish, a Franchised Business within your Territory. ~~For this reason, your Territory is deemed “exclusive” under applicable franchise disclosure laws (but please note our reserved rights described later in this Item). Your Protected Territory is not dependent upon achieving certain sale volumes, market penetration or any other contingency. You are not required to attain and/or maintain minimum sales volume, market penetration, and any other required quotas.~~

You are prohibited from directly marketing to or soliciting customers whose principal residence or business is outside of your Territory; however, you may sell products and provide services to customers located outside of your Territory, provided that: (a) the customer is not located in the Territory of another franchisee; (b) the customer initiates the contact with you; (c) you receive our express written consent; (d) no more than 50% of your total annual Gross Sales are derived from customers located outside of your Territory; and (e) you follow any applicable policies and procedures in our Manuals. Any work performed outside of your Territory that does not comply with these requirements constitutes a default under your Franchise Agreement and will result in you forfeiting all revenue received from the provision of such work. If you are provided with such notice and subsequently fail to comply with these territorial restrictions, then we may, in our sole discretion: (i) terminate your Franchise Agreement; (ii) remove exclusivity from all or a portion of your Territory; or (iii) require you, your management and any key role personnel we designate to attend Remedial Training as part of your cure actions.

Rights Reserved By Us

We and our affiliates also reserve the exclusive right to: (i) establish and operate, and license third parties the right to establish and operate, other Franchised Businesses using the Proprietary Marks and System at any location outside of the Territory; (ii) acquire, merge with, engage in joint ventures with, or otherwise affiliate with, and thereafter own and operate and franchise others the right to own and operate, any business of any kind, including businesses that offer products that are similar to those provided by your Franchised Business, within or outside your Territory; (iii) open and operate, or license third parties the right to open or operate, businesses that offer products and services similar to the Franchised Business under marks other than the Proprietary Marks at any location; and (iv) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited under your Franchise Agreement.

Alternate Channels of Distribution

We, our affiliates, or third parties may distribute our and our affiliates' products and services in your Territory, including those already developed and those yet to be developed, through alternate channels of distribution that we may choose. These alternate channels of distribution may include, but are not limited to, the sale and distribution of the products and services via the Internet and through joint marketing with partner companies under terms and conditions that we deem appropriate. This does not give you the right to: (i) to distribute such products or services; or (ii) to share in any of the proceeds that a party received through these alternate channels.

National Accounts and Franchisor Programs

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to provide services to any business or businesses under common control, ownership, or branding, which operate locations in or have undertaken construction projects in more than one designated territory, regardless of the volume of services or referrals (a “National Account”). “**National Account**” as defined by the Appell National Accounts Program, shall mean any customer or account designated as such by Franchisor, in its discretion, based on characteristics, including but not limited to multiple locations, desire

	Provision	Article in Franchise Agreement	Summary
			Franchised Business or any other Appell client that you become aware of as a result of access to our System and other franchisees, and attempt to provide such Appell client with competitive services.
r.	Non-competition covenants after the franchise is terminated or expires	17.2	For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither you, your owners, officers, directors, principals, or employees, nor any member of the immediate family of you or your owners, officers, directors, principals, or employees may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation: (i) own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to or have any interest in any Competitive Business within (a) the Territory, (b) a 25-mile radius of the Territory or (c) a 25-mile radius of any other protected territory franchised or licensed by us to a Appell Business or any Appell Business we operate, provided that this does not apply to your ownership of a Franchised Business under a Franchise Agreement with us; and/or (ii) solicit any current, former, or prospective Appell client solicited by your Franchised Business or any other Appell client that you have become aware of as a result of access to our System and other franchisees, for any competitive purpose.
s.	Modification of the agreement	22.1	The Franchise Agreement may not be modified except by a written agreement that both of us sign.
t.	Integration/merger clause	22.1	Only the terms of the Franchise Agreement and the Franchise Disclosure Document are binding (subject to state law). Any representations or promises made outside of the disclosure document and franchise agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations we made in this Disclosure Document.
u.	Dispute resolution by mediation and arbitration	18.2 18.3	All claims arising under the Franchise Agreement must first be brought to our President or CEO to determine whether the dispute can be resolved by Internal Dispute Resolution at our corporate headquarters. At our option, any disputes and claims that are not resolved by Internal Dispute Resolution must, at our option, be submitted to mediation. The mediation will take place in Ogden, Utah Bay Shore, NY , under the auspices of the American Arbitration Association (“AAA”) in accordance with the AAA’s Commercial Mediation Rules then in effect. Before commencing any legal action against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of thirty (30) days following receipt of such

	Provision	Article in Franchise Agreement	Summary
		18.3.1	<p>notice within which to notify you as to whether we or our affiliates elect to exercise the option to submit such claim or dispute to mediation.</p> <p>Franchisee may not commence any action against us or our affiliates with respect to any such claim or dispute in any court unless we fail to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. Our right to mediation, as set forth herein, may be specifically enforced by us. Each party shall bear its own cost of mediation, except that we will share the mediator's fees with you equally. This agreement to mediate will survive any termination or expiration of the Franchise Agreement.</p> <p>The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in Section 18.3 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information; (ii) any claims pertaining to or arising out of any warranty issue; or (iii) any of the restrictive covenants contained in this Agreement.</p>
v.	Choice of forum	Article 18.4	All claims not subject to mediation must be brought before a court of general jurisdiction in Weber Suffolk County, Utah New York, or the United States District Court for the Eastern District of Utah New York. You consent to the personal jurisdiction and venue of any court of general jurisdiction in Weber Suffolk County, Utah New York, and the United States District Court for the Eastern District of Utah New York (subject to state law).
w.	Choice of law	Article 18.1	The franchise agreement is governed by the laws of the State of Utah New York (subject to state law).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for

Your financial results may differ from the results presented in this Item 19. Actual results will vary from franchisee to franchisee for a variety of reasons, including and without limitation, location, the franchisee’s prior business experience, the franchisee’s pricing decisions, the franchisee’s labor decisions, the franchisee’s active involvement in the franchised business, and other factors.

You will be responsible for developing your own business plan for your Franchised Business. You should conduct an independent investigation of the costs and expenses you will incur in launching and operating your Franchised Business, and you are encouraged to consult with your own accounting, business, and legal advisors in doing so before you sign any agreement with us.

Except as specified above, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Appell Franchising LLC, at ~~2183 Megan Circle, Ogden, Utah 844036 Willowbrook Avenue, Bay Shore, New York 11706~~ or by phone at 615-230-5966, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-Wide Outlet Summary
For Fiscal Years 2022, 2023 and 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	3	+3
	2024	3	8	+5
Company-Owned or Affiliate-Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	1	1	0
	2023	1	4	+3
	2024	4	9	+5

New York	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Total	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

Table 5
Projected Openings as of Issuance Date of this Disclosure Document

State	Franchise Agreement Signed But Facility Not Opened	Projected Franchise Agreements to be Signed in the Next Fiscal Year	Projected Company Openings in the Next Fiscal Year By Us
State: Alabama (AL)	0	2	0
State: Arizona (AZ)	0	2	0
State: Louisiana (LA)	0	2	0
State: Utah (UT)	0	1	0
State: New Jersey	0	4	0
State: North Carolina (NC)	0	2	0
State: Florida (FL)	0	4	0
State: Texas (TX)	0	6	0
State: Ohio (OH)	0	4	0
State: Pennsylvania (PN)	0	2	0
State: Michigan (MI)	0	3	0
State: Minnesota (MN)	0	3	0
State: Kansas (KS)	0	2	0
State: Missouri (MO)	0	2	0
TOTAL	0	39	0

ITEM 21
FINANCIAL STATEMENTS

Exhibit A to this Disclosure Document contains our audited financial statements for the fiscal years ended December 31, 2023 and December 31, 2024 and our unaudited financial statements as of April 30, 2025. We have not been franchising for three or more years and, as a result, we cannot therefore provide all financial statements that would otherwise be required in this Item.

ITEM 22
CONTRACTS

The following agreements and other required exhibits are attached to this Disclosure Document in the pages immediately following:

Exhibit B - Franchise Agreement (and exhibits attached thereto, listed below)

Exhibit E – State Addenda to the FDD and Franchise Agreement
Exhibit G – Sample Termination and Release Agreement
Exhibit H – Franchisee Certification/Compliance Questionnaire

ITEM 23
RECEIPTS

Exhibit I of this Franchise Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the Receipts. You should retain one signed copy for your records and return the other signed copy to: Appell Franchising, LLC, ~~2183 Megan Circle, Ogden, Utah 84403, Attn: Ryan Combe~~
6 Willowbrook Avenue, Bay Shore, New York 11706, Attn: Bryan Appell.

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

Balance Sheet

Appell Franchising LLC

As of April 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
Appell Franchising C (6930) - 1	136,159.05
Cash	
Total for Bank Accounts	\$136,159.05
Accounts Receivable	
Accounts Receivable (A/R)	110,657.16
Total for Accounts Receivable	\$110,657.16
Other Current Assets	
Payments to deposit	
Total for Other Current Assets	0
Total for Current Assets	\$246,816.21
Fixed Assets	
Tools, machinery, and equipment	
Chester Franchisee	
Marietta Franchisee	
North Jersey Franchisee	
Sarasota Franchisee	
Total for Tools, machinery, and equipment	0
Total for Fixed Assets	0
Other Assets	
Due to/from APLS Franchising	6,891.00
Notes Receivable	126,000.00
Total for Other Assets	\$132,891.00
Total for Assets	\$379,707.21
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	13,918.80
Total for Accounts Payable	\$13,918.80
Credit Cards	
Other Current Liabilities	
Other Liabilities	
Total for Other Current Liabilities	0
Total for Current Liabilities	\$13,918.80

Balance Sheet

Appell Franchising LLC

As of April 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
Long-term Liabilities	
Due to/from Appell Striping	-141,773.04
Total for Long-term Liabilities	-\$141,773.04
Total for Liabilities	-\$127,854.24
Equity	
Members Equity	422,167.23
Net Income	85,394.22
Total for Equity	\$507,561.45
Total for Liabilities and Equity	\$379,707.21

Profit and Loss

Appell Franchising LLC

January 1-April 30, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
Services	500,433.37
Wheel it Off Reimbursement	-400.00
Total for Income	\$500,033.37
Cost of Goods Sold	
Cost of goods sold	0
Subcontractor expenses	127,634.79
Total for Cost of goods sold	\$127,634.79
Equipment - Ohio	70,587.94
Equipment - West Houston	36,432.58
Total for Cost of Goods Sold	\$234,655.31
Gross Profit	\$265,378.06
Expenses	
Advertising & marketing	65,658.94
Commissions & fees	63,075.10
Conferences	3,372.10
Filing Fee	25.00
Meals	474.66
Office expenses	438.44
Professional Fees	61,148.87
QuickBooks Payments Fees	448.21
Travel	10,422.65
Total for Expenses	\$205,063.97
Net Operating Income	\$60,314.09
Other Income	
FastPay Royalty	4,919.27
National Royalty	20,160.86
Total for Other Income	\$25,080.13
Other Expenses	
Net Other Income	\$25,080.13
Net Income	\$85,394.22

APPELL FRANCHISING, LLC
FRANCHISE AGREEMENT

This FRANCHISE AGREEMENT (the “Agreement”) is entered into and made effective this _____ day of _____, 20____, by and between Appell Franchising, LLC, a Utah limited liability company with an address at ~~2183 Megan Circle, Ogden, Utah 84403~~6 Willowbrook Avenue, Bay Shore, NY 11706 (Franchisor”) and _____, a _____ with an address at _____ (“Franchisee”).

RECITALS

A. Franchisor and its affiliate have developed a system related to the establishment, development and operation of businesses focused on providing proprietary lot maintenance and line striping products and services, primarily for commercial spaces as well as industrial, office and residential spaces and other products and services Franchisor may authorize for sale in the future.

B. Franchisor is engaged in the business of granting qualified persons the right to operate a single Franchised Business within a defined geographical territory.

C. Franchisee desires to enter into an agreement with Franchisor to obtain the right and undertake the obligation to operate a Franchised Business using our proprietary lot maintenance and line striping product (the “Proprietary Product”) and our proprietary systems, methods, know how, computer software programs, and other associated trade secrets with respect to the Appell Business (the “Franchise System”).

D. The System is identified by proprietary trademarks, service marks, trade dress, logos and other indicia of origin including, without limitation, the primary mark “APPELL” (word mark), “APPELL” (design mark) and all other marks designated by Franchisor or otherwise associated with the System (collectively, the “Proprietary Marks”). The rights to all such Proprietary Marks as are now, or shall later be, designated as part of the System will be owned exclusively by Franchisor or its affiliates and used for the benefit of Franchisor, its affiliates and System franchisees to identify to the public the source of the products and services marketed thereunder. Franchisor may continue to develop, expand, use, control, and add to the Proprietary Marks and System.

F. Franchisee has applied to Franchisor for a franchise to operate a Franchised Business and such application has been approved by Franchisor in reliance upon all the representations made therein.

G. Franchisee hereby acknowledges that adherence to the terms of this Agreement and the standards and specifications of Franchisor are essential to the operation of its Franchised Business and to the operations of the System.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, commitments and understandings contained herein, Franchisor and Franchisee hereby agree as follows:

18 DISPUTE RESOLUTION

18.1 **Choice of Law.** This Agreement shall take effect upon its acceptance and execution by Franchisor. Except to the extent governed by the United States Arbitration Act (9 U.S.C. §§ 1, et. seq.) and the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. §1050 et seq.), this Agreement, the franchise and all claims arising from or in any way related to the relationship between Franchisor and/or any of its affiliates, officers, directors, shareholders, members, guarantors, employees, representatives, independent contractors and/or owners (each a “Franchisor Related Party”), on the one hand, and Franchisee and/or any of Franchisee’s owners, affiliates, officers, directors, shareholders, guarantors, employees, or members (each a “Franchisee Related Party”), on the other hand, shall be interpreted and construed under the laws of the State of ~~Utah~~New York, which laws shall prevail in the event of any conflict of law.

18.2 **Internal Dispute Resolution.** Franchisee must first bring any claim or dispute between Franchisee and/or any Franchisee Related Party, and Franchisor and/or any Franchisor Related Party, to Franchisor’s management, after providing the written Notice of Claims as set forth in Section 18.6 below. Franchisee must exhaust this internal dispute resolution procedure, as well as the mediation pre-condition set forth in Section 18.3 below, before Franchisee and/or any Franchisee Related Party may bring Franchisee’s dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

18.3 **Mediation.** The parties have reached this Agreement in good faith and in belief that it is advantageous to each of them. In recognition of the enormous strain on time, unnecessary expense and wasted resources potentially associated with litigation, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably, without litigation. Other than an Excluded Action (as defined below), as a pre-condition to the filing of any legal action, the parties agree to mediate any dispute, controversy or claim by and between Franchisee and/or any Franchisee Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, including, without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the parties’ relationship; (c) events occurring prior to the entry into this Agreement; (d) the Franchised Business; or (e) any System standard, in accordance with the procedures set forth in this Section, inclusive of all subparts. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to the filing or commencement of any legal action, including any action to interpret or enforce this Agreement. The term “Excluded Claims” means any claim by Franchisor and/or any Franchisor Related Party relating to: (i) Franchisee’s failure to pay any fee due to Franchisor under this Agreement; (ii) Franchisee’s and/or any Franchisee Related Party’s failure to comply with any of the confidentiality covenants and/or non-competition covenants set forth in this Agreement; (iii) use of the Proprietary Marks and/or the System, including, without limitation, claims for violations of the Lanham Act; and/or (iv) Franchisee’s indemnification obligations under this Agreement. The mediation must occur in person in ~~Ogden, Utah~~Bay Shore, New York under the auspices of the American Arbitration Association (“AAA”), in accordance with AAA’s Commercial Mediation Rules then in effect. Franchisee must submit a written notice to Franchisor, which specifies, in detail, the precise nature and grounds of any claim or dispute. Neither Franchisee nor any Franchisee Related Party may file or otherwise commence any action against Franchisor and/or any Franchisor Related Party until this mediation pre-condition is satisfied and the mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as

a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and Franchisor and Franchisee shall share mediation costs equally. This agreement to mediate shall survive any termination or expiration of this Agreement.

18.4 Selection of Venue. With respect to any claims not subject to or not resolved through mediation as set forth in Section 18.3 above or governed by Section 18.8 below, and subject to Franchisor's right to obtain injunctive relief in any court of competent jurisdiction, the parties expressly agree that the United States District Court for the ~~Eastern~~ District of ~~Utah~~New York, or if such court lacks subject matter jurisdiction, the State Court in ~~Weber~~Suffolk County, ~~Utah~~New York, shall be the exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of or related to, either directly or indirectly, the events leading up to the entry into this Agreement, this Agreement and/or any ancillary agreements, and/or the relationship between the parties. The parties further agree that in the event of such litigation, they will not contest or challenge the jurisdiction or venue of these courts. Franchisee acknowledges that this Agreement has been entered into in the State of ~~Utah~~New York, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters in ~~Ogden, Utah~~Bay Shore, New York including but not limited to training, assistance, support and the development of the System. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for purposes of carrying out this provision.

18.5 Third Party Beneficiaries. Franchisor's officers, directors, shareholders, members, managers and/or employees are express third party beneficiaries of the provisions of this Agreement, including the mediation provision set forth in Section 18.3, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Franchisee and/or any Franchisee Related Party.

18.6 Prior Notice of Claims. As a condition precedent to commencing any action against Franchisor and/or any Franchisor Related Party, including for damages and/or for violation or breach of this Agreement, Franchisee must provide written notice to Franchisor within thirty (30) days after the occurrence of the conduct giving rise to the claims, violation and/or breach (the "Notice of Claims"). The Notice of Claims must specify the details regarding the alleged misconduct and/or breach and any damages alleged as a result of such misconduct and/or breach. Failure to provide the Notice of Claims in accordance with this provision shall preclude any claim for damages or other relief.

18.7 No Right to Offset. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates or designated suppliers on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

18.8 Injunctive Relief. Nothing in this Agreement shall prevent Franchisor from seeking to obtain injunctive relief in any jurisdiction, without posting a bond, against threatened conduct that will cause Franchisor loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions. If injunctive relief is granted, Franchisee's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Franchisee expressly waives all claims for damages Franchisee incurred as a result of the wrongful issuance.

18.9 **Limitation of Action.** Franchisee (and Franchisee’s officers, directors, owners and guarantors) expressly agree that no claim or cause of action may be filed or maintained against Franchisor and/or any of Franchisor’s present and former owners, officers, directors, employees, representatives, affiliates, parent companies, subsidiaries, predecessor, successors and assigns (each a “Franchisor Related Party”) arising out of or relating to this Agreement, the relationship established by this Agreement, the offer and sale of the franchise opportunity, and/or the operation of the Franchised Business unless such claim or cause of action is filed before the expiration of the “Limitations Period.” For purposes of this paragraph, the term “Limitations Period” means: one (1) year from the earlier of: (a) the date of the act, transaction or occurrence giving rise to the claim against us or a Franchisor Related Party; or (b) the date on which Franchisee (Franchisee’s officers, directors, owners and/or guarantors) knew or reasonably should have known of the facts or circumstances giving rise to the claim against us or a Franchisor Related Party. Notwithstanding the foregoing, if the Limitations Period is unenforceable under ~~Utah~~New York law, then the Limitations Period shall be equal to the shortest time period for a limitation of claims provision that is enforceable under ~~Utah~~New York law.

This contractual limitation of claims provision applies to all claims, whether based on contract, tort, statute, or any other legal theory. Franchisee acknowledges that this limitation of claims provision and the Limitations Period is a material inducement for Franchisor to enter into this Agreement and that it is intended to provide certainty and finality to potential disputes. To the fullest extent permitted by law, Franchisee hereby waives any longer statutory limitation period and agrees that the foregoing limitation is reasonable and enforceable.

18.10 **Waiver of Punitive Damages.** Franchisee hereby waives, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor and/or any Franchisor Related Party arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, Franchisee’s recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section shall be construed to prevent Franchisor from claiming and obtaining punitive or consequential damages, including lost future royalties for the balance of the term of this Agreement.

18.11 THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE’S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, ALL ACTIONS SHALL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE OR COLLECTIVE BASIS, AND ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE’S GUARANTORS, AND FRANCHISOR OR ITS AFFILIATES OR EMPLOYEES MAY NOT BE

If Franchisee is a corporation, or subsequent to execution hereof Franchisee assigns this Agreement to a corporation, all shareholders (or if Franchisee is a partnership, or subsequent to execution hereof Franchisee assigns this Agreement to a partnership, all general partners, or if Franchisee is a limited liability company, or subsequent to execution hereof Franchisee assigns this Agreement to a limited liability company, all members and managers) hereby personally and unconditionally guarantee without notice, demand, or presentment, the payment of all of Franchisee's monetary obligations under this Agreement, and any other agreement between Franchisee and Franchisor or Franchisor's affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All such personal guarantors further agree to be bound by the restrictions upon Franchisee's activities upon transfer, termination, or expiration and nonrenewal of this Agreement, as if each were an original party to this Agreement in his or her individual capacity. All such personal guarantors must execute a continuing Personal Guaranty in the form attached hereto as Exhibit A.

21 NOTICES

All notices and requests to be given under this Agreement are to be in writing, and delivered by overnight mail by a recognized carrier offering a delivery receipt, to the following addresses (which may be changed by written notice):

Franchisee Name/Address: _____

Franchisor

Appell Franchising, LLC
2183 Megan Circle
Ogden, Utah 84403
Willowbrook Avenue
Bay Shore, NY 11706

With a copy to: Lane Fisher, Esq.
Fisher Zucker, LLC
21 S. 21st Street
Philadelphia, PA 19103

22 MISCELLANEOUS

22.1 **Entire Agreement.** This Agreement contains the entire Agreement of the parties. There are no representations, either oral or written, except those contained in this Agreement. This Agreement may not be modified except by a written document signed by both parties. Nothing in this Agreement or any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee.

22.2 **Construction of Language.** The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Franchisee, their obligations and liabilities shall be joint and several. Headings are for reference

ARTICLE II MISCELLANEOUS

1. **Acknowledgment.** You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's Proprietary Marks or its System.
2. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of ~~Utah~~New York (without reference to its conflict of laws principles).
3. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the Franchise Agreement and this Guaranty, and the mediation provisions contained in the Franchise Agreement, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.
4. **Jury Trial and Class Action Waiver.** **YOU HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS GUARANTY, THE FRANCHISE AGREEMENT, AND/OR THE OPERATION OF THE FRANCHISED BUSINESS. THE PARTIES ALSO HEREBY AGREE THAT ALL PROCEEDINGS WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS, AND FRANCHISOR OR ITS AFFILIATES, PRINCIPALS OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON OR ENTITY.**
5. **Attorneys' Fees.** If you or Franchisee is in breach or default of any monetary or non-monetary material obligation under this Guaranty, the Franchise Agreement, or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), you and Franchisee must pay all reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs. If you or Franchisee institutes any legal action to interpret or enforce the terms of this Guaranty or the Franchise Agreement, and such claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.
6. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty and the Franchise Agreement shall not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Franchisor's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.
7. **Severability.** The parties agree that if any provisions of this Guaranty may be construed

6. Except as otherwise approved in writing by Franchisor, I will not, while in my position with Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business that, directly or indirectly, by itself or through licensees or franchisees, offers or other cleaning products or services, or any other products and/or services authorized or offered for sale by System franchisees, except for another Appell franchised business operating under the System and Proprietary Marks.

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

8. I understand and acknowledge that Franchisor will have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

9. Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with Franchisee. I am aware that my violation of this Agreement will cause Franchisor and Franchisee irreparable harm; therefore, I acknowledge and agree that Franchisee and/or Franchisor may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay Franchisee and Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to Franchisee and Franchisor, any claim I have against Franchisee or Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

10. This Agreement will be construed under the laws of the State of ~~Utah~~New York (without reference to its conflict of laws principles). The only way this Agreement can be changed is in writing signed by both the Franchisee and me, with Franchisor’s written consent.

Signature: _____

Print Name: _____

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

EXHIBIT E
to
APPELL FRANCHISING, LLC
FRANCHISE AGREEMENT

PROMISSORY NOTE

FOR VALUE RECEIVED, _____ (the “Undersigned”) promises to pay the order of Appell Franchising, LLC. (the “Holder”) the sum of _____ DOLLARS (\$) along with ____% interest in _____ monthly payments of \$ _____. The first payment is due on _____, 20____, and subsequent payments are due on the first day of each month thereafter through _____, 20_____.

All unpaid amounts owing on this Promissory Note (the “Note”) shall immediately become due and payable at the option of Holder without notice or demand upon the occurrence of any of the following events of default: (i) the default of any provision of the Note; (ii) the termination of any other agreement between the Undersigned and Holder; or (iii) the death, dissolution, insolvency (however expressed or indicated) or the filing of a petition in bankruptcy, reorganization or for the adjustment of debts for, by or against the Undersigned.

There is no prepayment penalty under this Note.

Holder’s failure to enforce any rights granted to it under this Note shall not constitute a waiver of such rights.

The validity, enforceability, construction and interpretation of this Note shall be governed by the laws of the State of ~~Utah~~New York, which laws shall control in the event of any conflict of law. If any provision of this Note is deemed illegal under any state or federal law, then such provision shall not be considered a part of this Note and the remainder of this Note shall not be affected.

The Undersigned agrees that it will have a substantial relationship with the Holder at its offices in ~~Utah~~New York and that any action by it arising out of or relating to this Note shall be litigated to conclusion only in any state or federal court of general jurisdiction located within ~~Utah~~New York and waives any objection they may have to either the jurisdiction or venue of such court, and further waive any argument that such venue is inconvenient.

This Note shall be binding upon and shall inure to the benefit of the parties and their successors, heirs and assigns.

In the event that it becomes necessary for Holder to retain the services of legal counsel to enforce terms of this Note, Holder shall be entitled to recover all costs and expenses, including reasonable attorney’s fees, incurred in enforcing the terms of this Note.

The persons executing this Note on behalf of corporations acknowledge their authority to do so.

I HAVE READ THE ABOVE NOTE AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS NOTE IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

By: _____

**VIRGINIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
& FRANCHISE AGREEMENT**

(Applies only to Virginia franchisees)

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Virginia Amendment concurrently with the execution of the Franchise Agreement on this day _____.

FRANCHISEE

(If Entity)

Name of Entity

By: _____

Print Name: _____

Title: _____

(If Individuals)

By: _____

Print Name: _____

FRANCHISOR

APPELL FRANCHISING, LLC

By: _____

Print Name: _____

Title: _____

SAMPLE TERMINATION OF FRANCHISE AGREEMENT AND RELEASE
UPON TRANSFER TO AN AUTHORIZED FRANCHISEE

This Termination of Franchise Agreement and Release (the “Agreement”) is made this _____ day of _____, 20____, by and between Appell Franchising, LLC, a Utah limited liability company with its principal place of business at ~~2183 Megan Circle, Ogden, Utah 84403~~ Willowbrook Avenue, Bay Shore, New York 11706 (“Franchisor”) and _____, a _____ with its principal place of business at _____ (“Transferor”).

BACKGROUND

A. On _____, Transferor entered into a franchise agreement (the “Franchise Agreement”) with Franchisor for the right to operate a Appell Business under Franchisor’s proprietary marks and system (the “System”) at the following approved location: _____ (the “Appell Business”).

B. Transferor has satisfied all conditions of transfer as specified in the Franchise Agreement and now desires to sell the business to _____, who has been approved by Franchisor as an authorized transferee.

C. In order to complete Transferor’s sale of the business, Transferor now desires to terminate the Franchise Agreement and all rights and obligations between the parties relating to the Franchise Agreement, and Franchisor desires to accept such termination, pursuant to the terms of this Agreement.

AGREEMENT

In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Subject to the terms and conditions contained in this Agreement, the Franchise Agreement and all rights and obligations between Franchisor and Transferor arising from or related to the Franchise Agreement are terminated, effective as of the date of this Agreement.

2. Notwithstanding anything in this Agreement to the contrary, the parties agree that Transferor shall remain bound by all of the post-term covenants and obligations contained in the Franchise Agreement including, without limitation, those relating to Confidential Information and Non-competition.

3. Transferor represents and warrants that all of Transferor’s monetary obligations to Franchisor and its subsidiaries and affiliates have been satisfied in full as of the date of this Agreement.

4. Transferor, for itself and all persons and entities claiming by, through or under it, release, acquit and forever discharge Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, successors and assigns (the “Franchisor Releasees”) from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which Transferor, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Franchisor Releasees arising out of or related to the offer, sale and operation of the business, and the parties’ rights or obligations under the Franchise Agreement.

5. Excluding the indemnification obligations in the Franchise Agreement, and Transferor's obligations as in Section 2 of this Agreement, Franchisor, for itself and all persons and entities claiming by, through or under it, releases, acquits and forever discharges Transferor and Transferor's employees, agents, servants, representatives, affiliates, successors and assigns (the "Transferor Releasees") from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which it, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Transferor Releasees arising out of or related to the offer, sale and operation of the business, and the parties' rights or obligations under the Franchise Agreement.

6. This Agreement constitutes the entire integrated agreement of the parties with respect to the subject matter contained in this Agreement and may not be subject to any modification without the written consent of the parties.

7. This Agreement shall be construed under the laws of the State of ~~Utah~~New York, which laws shall control in the event of any conflict of law.

8. This Agreement shall be for the benefit of and binding upon the parties and their respective representatives, successors and assigns.

9. Each party acknowledges that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Agreement.

10. In the event that Franchisor retains the services of legal counsel to enforce the terms of this Agreement, it shall be entitled to recover all costs and expenses, including reasonable attorney's fees, incurred in enforcing the terms of this Agreement.

11. Transferor agrees that Transferor has and had a relationship with Franchisor at its offices in the State of ~~Utah~~New York and that, with the exception of Franchisor's right to seek injunctive relief in any appropriate jurisdiction, any action by or against Franchisor arising out of or relating to this Agreement shall be commenced and concluded in the State of ~~Utah~~New York pursuant to the mediation, venue and jurisdiction provisions of the Franchise Agreement.

12. This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement shall not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of the Agreement. Executed facsimile copies of this Agreement shall be deemed to be effective as original signatures.

SIGNATURE PAGE FOLLOWS

FRANCHISEE QUESTIONNAIRE/COMPLIANCE CERTIFICATION

As you know, Appell Franchising LLC (“we”, “us” or “Appell”), and you are preparing to enter into a Franchise Agreement for the operation of a Appell franchise (a “Appell Business”). The purposes of this Questionnaire are to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

- Yes ___ No ___ 1. Have you received and personally reviewed the Franchise Agreement, as well as each exhibit or schedule attached to this agreement, you intend to enter into with us?
- Yes ___ No ___ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?
- Yes ___ No ___ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?
- Yes ___ No ___ 4. Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?
- Yes ___ No ___ 5. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating a Appell Business with these professional advisor(s)?
- Yes ___ No ___ 6. Do you understand the success or failure of your Appell Business will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?
- Yes ___ No ___ 7. Do you understand we have only granted your certain exclusive territorial rights under the Franchise Agreement and that we have reserved certain rights under the Franchise Agreement?
- Yes ___ No ___ 8. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the APPELL mark or other mark, at any location outside your Territory, without regard to the proximity of these activities to the premises of your Appell Business?
- Yes ___ No ___ 9. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated, at our option, in ~~Weber~~Suffolk County, ~~Utah~~New York?
- Yes ___ No ___ 10. Do you understand the Franchise Agreement provides you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and you are not entitled to any punitive, consequential or other special damages?
- Yes ___ No ___ 11. Do you understand the sole entity or person against whom you may bring a claim

RECEIPTS (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 APPELL FRANCHISING, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires 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 agreements or payment of any consideration that relates 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 APPELL FRANCHISING, LLC does 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 state administrator identified in Exhibit A of this Franchise Disclosure Document.

The Issue Date of this Disclosure Document is April 21, 2025, as amended on June 3, 2025.

A list of franchisor’s agents registered to receive service of process is listed as Exhibit D to this Franchise Disclosure Document.

I have received a Franchise Disclosure Document with an issue date of April 21, 2025, as amended on June 3, 2025, which contained the following Exhibits.

- | | |
|---|---|
| Exhibit A – Financial Statements | Exhibit F –Table of Contents for Operations Manual |
| Exhibit B – Franchise Agreement | Exhibit G – Sample Termination and Release Agreement |
| Exhibit C – List of Current Franchisees and Franchisees Who have Left the System | Exhibit H – Franchisee Certification/Compliance Certification |
| Exhibit D –List of State Administrators and List of Agents for Service of Process | Exhibit I – Receipts |
| Exhibit E – State Specific Addenda | |

The franchise seller(s) for this offering is/are as follows:

If an individual:

By: _____

Name: _____

Date: _____

Telephone Number: _____

If a Partnership, Corporation or Limited Liability Corporation:

Entity Name: _____

Signee Name: _____

Signature: _____

Date: _____

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The franchise seller(s) for this offering is/are as follows:

If an individual:

By: _____

Name: _____

Date: _____

Telephone Number: _____

If a Partnership, Corporation or Limited Liability
Corporation:

Entity Name: _____

Signee Name: _____

Signature: _____

Date: _____