

FRANCHISE DISCLOSURE DOCUMENT



Stayfull Services, LLC
an Illinois limited liability company
7325 Janes Avenue, Woodridge, IL 60517
630-417-5408
Admin@stayfull.com

Stayfull Services, LLC offers individual unit franchises for the development and operation of stayfull® business (“Business”) offering engine fluid delivery services and related products and services.

The total investment necessary to begin operation of a stayfull® business ranges from \$122,380 to \$225,780. This includes \$30,200 to \$37,760 that must be paid to the franchisor or affiliate.

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 governmental 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 Tom McGovern at 630-417-5408 or email tom@stayfull.com.

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, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 30, 2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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, arbitration and/or litigation only in Illinois. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Illinois than in your own state.

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.

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, “we” means Stayfull Services, LLC, the franchisor. “You” means the person who buys the franchise. If a corporation, partnership or limited liability company buys a franchise, “you” also may refer to the shareholders of the corporation, partners of the partnership or members of the limited liability company.

The Franchisor

We are an Illinois limited liability company formed on May 1, 2018. Our principal place of business is at 7325 Janes Avenue, Woodridge, IL 60517, and our telephone number is 630-417-5408. Our agents for service of process are disclosed in Exhibit C.

We grant franchises for the operation of stayfull® businesses under the name “stayfull®” offering engine fluid delivery services and other related services and products. We began offering franchises for stayfull® businesses in August 2018. We have not directly operated the type of business you will operate. We have never offered franchises in any other line of business.

Parents, Predecessors and Affiliates

Our parent is StayFull International, LLC (“Parent”). Parent has never operated a stayfull® business and has never offered franchises in this or any other line of business. Parent’s principal business address is the same as ours.

Our affiliate, Your Back Office LLC (“YBO”) may provide franchisees certain products and services required for the operation of a stayfull® business. YBO’s principal business address is the same as ours. YBO has not directly operated the type of business you will operate, and has never offered franchises in any other line of business.

Except as described above, we have no affiliates, predecessors or parents required to be disclosed in this Item 1.

Franchise Offered

You will sign a “Franchise Agreement” to receive the right to own and operate a stayfull® business in a territory to which we have consented, offering the “Products” and “Services” we approve, and using our formats, designs, methods, specifications, standards, operating and marketing procedures and the Marks (as defined in Item 13), including the Mark “stayfull®” (collectively, the “System”).

Market and Competition

stayfull® businesses offer engine fluid delivery services and related products and services to individuals, business, and commercial customers. The stayfull® customer base consists of anyone that operates equipment or vehicles powered by an engine.

The market is developing. Your competition will include traditional fuel outlets, gasoline stations, and established and emerging delivery services.

Laws and Regulations

In addition to laws and regulations that apply to businesses generally, federal, state and local jurisdictions have enacted laws, rules, regulations and ordinances which will or may apply to the operation of your Business, including those which (a) regulate matters affecting the health, safety and welfare of your customers, such as hazardous materials permits, (b) establish standards pertaining to employee health and safety; (c) establish standards and requirements for spill remediation and fire safety and general emergency preparedness; and (d) regulate the proper use, storage and disposal of waste and other hazardous materials. You will also need to apply for and maintain a motor fuel tax reseller license. You should investigate whether there are other regulations and requirements that may apply in the geographic area in which you are interested in locating your franchise and should consider both their effect and cost of compliance.

ITEM 2

BUSINESS EXPERIENCE

Tom McGovern, Chief Executive Officer

Mr. McGovern has been our Chief Executive Officer since our formation in May 2018. Mr. McGovern has been a managing member of Parent since its formation in May 2018. Mr. McGovern has also served as the President of Your Back Office, LLC in Woodridge, Illinois since September 2013.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

The “Initial Franchise Fee” for a single stayfull® business is \$25,000. The Initial Franchise Fee is paid to us when you sign the Franchise Agreement and is not refundable under any circumstances.

During the period beginning 90 days before the opening of your Business and ending 90 days following such opening, you must spend a minimum of \$2,500 on a Business opening marketing campaign that we have approved in advance. We reserve the right to collect the \$2,500 directly from you and spend it on your behalf in connection with the Business opening marketing campaign.

Before you begin operations, you must pay us or our affiliate an initial software license fee equal to \$2,700 for proprietary software we provide to you for use in your Business. You must also pay us or our affiliate an initial fee equal to \$2,500 for access to QuickBooks. These payments are not refundable.

As described further in Item 10, if you meet our qualifications, including a credit check, we may agree to lease certain products to be used in the operation of the Business to you. In such instances, we will

require you to sign an “Equipment Lease Agreement.” The initial payment due under the Equipment Lease Agreement will be approximately \$3,960 - \$5,060.

ITEM 6

OTHER FEES

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Royalty Fee	6% of Gross Profit (See Note 2)	Payable on Tuesday of each week based on Gross Profit for the preceding week, or as described in the Operations Manual	
Marketing Fee	Currently, 0% of Gross Profit during the previous week	Payable by electronic funds transfer at same time as Royalty Fee	We may begin charging the Marketing Fee upon 30 days' prior written notice to you. We may also increase the Marketing Fee upon 30 days' prior written notice to you, provided that the Marketing Fee will not exceed 10% of Gross Profit.
Local Marketing	1% of Gross Profit during the previous month	Minimum amount must be spent on approved marketing during each calendar month	If you fail to spend this amount, we may collect the difference between what you should have spent and what you actually spent for deposit into the System Marketing Fund.
Advertising Cooperative	In the future, we may require you to participate in local or regional advertising cooperatives	Established by us.	Your contributions to any regional or local advertising cooperatives will be credited toward your local marketing obligations.
Technology Fee	In the future, we may require you to pay us our then-current monthly “Technology Fee” to offset costs related to the Management System (as defined in Item 11), including one or more proprietary software programs.	Payable by electronic funds transfer at same time as Royalty Fee	We may establish the Technology Fee following written notice of at least 60 days and thereafter may increase the Technology Fee on an annual basis. Any increase to the Technology Fee will be limited to 25% per year. As of the issuance date of this disclosure document, we do not charge any Technology Fee.
Software Access Fees	Currently, \$120 per month	Payable on the first Tuesday of each month or as described in the Operations Manual	You must pay the then-current ongoing access or license fees applicable to the software used in your Business to us or our designated supplier, as applicable. We may increase the Software Access Fees upon 30 days' notice to you; however, we will not increase the fee more than 25% annually.
Business Opening Campaign	A minimum of \$2,500 spent during the period beginning 90 days before the opening of your Business and ending 90 days following such opening	When incurred	We reserve the right to collect this amount and spend it on your behalf.

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Initial Training Program	Our then-current fee. Currently, \$600.	When incurred	If you appoint a new Operating Principal or general manager, such individuals must attend our initial training program. We may charge you a reasonable fee for those new individuals. You must also pay any related travel, room and board expenses. We may increase the training fee upon 30 days' notice to you; however, we will not increase the fee more than 25% annually.
Supplemental or Refresher Training	Our then-current fee. Currently, \$600.	When incurred	We may require your Operating Principal and any general manager to attend all supplemental and refresher training programs that we designate for up to 3 days each calendar year. We may charge you a reasonable fee for these supplemental and refresher training programs. You must also pay any related travel, room and board expenses. We may increase the training fee upon 30 days' notice to you; however, we will not increase the fee more than 25% annually.
Income and Sales Taxes	We may collect from you the cost of all taxes arising from our licensing of intellectual property to you in the state where your Business is located, as well as any assessment on fees and any other income we receive from you.	When applicable, payable 15 days after invoiced by us	Only imposed if state collects these taxes or assessments
Approved Supplier/ Product Testing Fee	Will vary under circumstances	Payable when you request our approval of a proposed supplier or product	We may require you to pay the actual cost of the inspection and evaluation, including the cost of our time spent evaluating the alternative product or supplier.
Transfer Fee	25% of then-current standard initial franchise fee If the transfer involves less than a "controlling interest" in you (as defined in the Franchise Agreement), the fee will be reduced to \$5,000.	Before completion of transfer	You pay this fee upon the transfer of your business, the Business, substantially all or all of the assets of the Business, the Franchise Agreement, or any interest in you.
Renewal Fee	\$3,500	At least 30 days before the term of the Franchise Agreement expires	
Remodeling Expenses	Will vary under circumstances	When incurred	See Note 3
Costs and Attorneys' Fees	Will vary under circumstances	When incurred	We may recover costs and reasonable attorneys' fees if you lose in a dispute with us.
Audit	Cost of audit plus interest from due date	15 days after receipt of report	Payable only if audit shows an understatement of at least 2% of Gross Profit for any month
Interest Expenses	Lesser of 18% per year or the maximum rate permitted by law	When due	Payable if you do not timely pay Royalty Fees, Marketing Fees, Technology Fees or other amounts owed to us or our affiliates

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Service Charge	Up to \$250 for each delinquent payment	When due	In addition to interest charges on late fee payments, you must pay to us a service charge of up to \$250 for each delinquent payment that you owe to us. A payment is delinquent if: (1) we do not receive the payment on or before the date due; or (2) there are insufficient funds in your bank account to collect the payment by a transfer of funds on or after the date due.
Insurance	Cost of insurance	Payable before opening	If you fail to obtain and maintain required insurance, we may immediately obtain insurance and you must promptly reimburse us for the cost of the insurance, together with late charges and an administrative fee equal to 5% of the insurance premium.
Non-Compliance Fee	\$1,000 per occurrence, and \$100 for each week such default or non-compliance remains uncured	When incurred	The Non-Compliance fee is intended to reimburse us for our damages and other losses incurred, as well as the time, expense, and other expenditure of resources incurred due to your default or non-compliance. The additional or weekly charge is our best estimate of ongoing costs to monitor your actions until the default or non-compliance is rectified. The Non-Compliance fee applies to each notice of non-compliance that we provide you, for each separate event, action, or inaction of default or non-compliance.
Operating Assistance	Currently \$500 per day plus reimbursement of our related travel, room and board expenses	When incurred	We may provide you with additional operating assistance for a fee. You may request such assistance or we may require such assistance. We may increase the daily costs upon 30 days' notice to you; however, we will not increase the costs more than 25% per year.
Mystery Shopper or Compliance Assessment Program Expenses	Cost of third party mystery shopper or other compliance assessment services	When incurred	Payable if we establish a mystery shopper or compliance assessment program and seek reimbursement for third-party fees related to your Business.
Management Services	Will vary under circumstances	When incurred	If at any time the Operating Principal or general manager does not manage the Business, we immediately may appoint a manager to manage the Business for you and charge you a reasonable fee for these management services.
National Accounts Program	Then-current fee	When incurred	See Note 4
Annual convention and meeting Fee	Then-current fee, currently \$0	When incurred	We may begin charging you a fee to attend the annual franchise convention or meeting that we sponsor or designate. Should we do so, the fee will not exceed \$200 per attendee.

Notes:

(1) Except where otherwise noted, all fees are payable to us, are non-refundable, and are uniformly imposed.

(2) “Gross Profit” means the aggregate amount of all sales of all Services and Products, and other goods and services, whether for cash, on credit or otherwise, made or provided at or in connection with the Business, including off-premises sales and monies derived at or away from the Business, less the cost of Products purchased from us or our designated suppliers, as further described in the Operations Manual. The term “Gross Profit” does not include: (1) any federal, state, municipal or other sales, value added or retailer’s excise taxes paid or accrued by you; or (2) adjustments for net returns on salable goods and discounts allowed to customers on sales. Gross Profit will not be adjusted for uncollected accounts. For purposes of the Royalty Fee, the sale is made at the earlier of delivery of the service or product, or receipt of payment.

(3) You must make such reasonable capital expenditures necessary to maintain the Equipment Package (including the trailer, sled, and other core products listed in the Operations Manual) and to replace and modernize and other fixtures, equipment, furniture, or signs so that your Business reflects the then-current physical appearance of new stayfull® businesses. We may require you to take such action: (1) as a condition of transfer; (2) as a condition of renewal; and (3) otherwise during the term of the Franchise Agreement as further described in the Operations Manual. We cannot estimate the current cost for a projects like these because requirements will vary. You may make these payments in whole or in part to various third parties.

(4) As further described in Item 12, we may establish a “National Accounts Program” that is designed to generate customer leads as a result of national marketing, strategic alliances and partnerships, or other lead generation efforts we or our affiliates conduct or that otherwise involves National Accounts. You must pay our then-current fees for participation in the National Accounts Program. Should we implement a National Accounts Program and charge you a fee for your participation, we may increase the fee upon 30 days’ notice to you. However, we will not increase the fee more than 25% annually.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (See Note 1)	Amount (See Note 2)	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee See Note 3	\$25,000	Lump Sum	When you sign the Franchise Agreement	Us
Rent (3 months) See Note 4	\$4,950	As agreed upon	As incurred	Landlord
Lease, Utility and Security Deposits	\$1,650	As agreed upon	As incurred	Landlord, various third parties
Leasehold Improvements See Note 4	\$0 to \$550	As agreed upon	As incurred	Landlord, various third parties
Equipment See Note 5	\$2,860 to \$7,260	As agreed upon	Before opening	LDJ Manufacturing, Inc., us
Initial Inventory, Supplies and Uniforms See Note 6	\$23,570	As agreed upon	As ordered	Various suppliers, us
Management System See Note 7	\$7,700 to \$11,000	Lump sum	Before opening	Various suppliers
Exterior Signage See Note 8	\$550	As incurred	As incurred	Third party vendors

Type of Expenditure (See Note 1)	Amount (See Note 2)	Method of Payment	When Due	To Whom Payment Is To Be Made
Training Expenses See Note 9	\$5,500 to \$11,000	As incurred	Before opening	Various third parties
Opening Advertising and Promotion See Note 10	\$2,750 to \$3,850	As incurred	As ordered	Third party advertising service vendors
Licenses, Permits and Professional Fees See Note 11	\$550 to \$1,100	As incurred	Before opening	Local government agencies; various third parties
Insurance See Note 12	\$14,300	As incurred	Before opening	Various third parties
Additional Funds - 3 months See Note 13	\$33,000 to \$121,000	As incurred	As incurred	Employees, suppliers
TOTAL	\$122,380 to \$225,780			

Notes:

- (1) This Table reflects your estimated initial investment for a single Business operated under a Franchise Agreement.
- (2) Except where otherwise noted, all fees that you pay to us are non-refundable. Third-party lessors, contractors and suppliers will decide if payments to them are refundable.
- (3) You will pay us the Initial Franchise Fee as more fully described in Item 5.
- (4) Depending on the market conditions and other factors in your geographic area, the cost associated with the Business premises may vary from the estimates provided in this Item 7. Our estimates assume that you will lease the Business premises. The exact cost or impact on your rental expense will depend on several factors, including the condition of the premises, whether you elect to do more than the minimum required renovations, the landlord's agreement to reimburse you for certain improvements, the size and location of the premises for your Business and other economic factors. If you purchase the land and building for your Business, you will incur significantly greater costs in developing your Business.
- (5) This amount includes estimated expenses for a pick-up truck, one customized trailer, one sled, and a load system made up of hoses and valves and other equipment we require for the operation of your Business. The low end estimates the monthly lease expense for these items, and the high end estimates that you will purchase these items. The cost of purchasing equipment and other items may vary as a result of the characteristics of the office site for your Business, your territory, price differences among suppliers and shipping distances from suppliers. We may require you to purchase or lease certain equipment and other items from us or our designated suppliers. You may purchase or lease approved brands and models of other equipment from any approved supplier.
- (6) You will need to purchase an opening inventory of engine fluid and related products and supplies. You must purchase engine fluid from us, our affiliates, or a designated supplier approved by us. We may be an approved supplier for certain other items as well (see Item 8 for additional information.) This amount does not reflect amounts needed to replenish inventory during the initial stage of operation. You must also purchase uniforms for your staff members.

- (7) We require you to purchase the Management System described further in Item 11, which includes certain computer hardware and software, and costs to subscribe to required business software, including account management, accounting, payroll, and communication software.
- (8) We require you to purchase and install exterior signage that meets our specifications. Local sign codes will dictate the type of signage that is allowed on certain properties and in certain areas. You will also be required to display signage and decals on certain of the equipment used in the operation of your Business.
- (9) Estimated training expenses include salaries, benefits, lodging, meals and travel expenses for 2 people to attend the initial training program.
- (10) This amount includes estimated expenses for additional print media, neighborhood marketing, and other initial marketing efforts through your first 90 days of operations. You must spend at least \$2,500.
- (11) This amount includes expenses related to legal and financial advisor fees, and local license and permit fees.
- (12) This amount estimates the expenses you will incur for insurance premiums during the first 3 months of Business operations.
- (13) This amount estimates the expenses you will incur during the first 3 months of Business operations, including initial wages and fringe benefits (for staff only), taxes, repairs, utilities, and interest payments on any business loans as well as on any interim financing or construction loans. These amounts are estimates, and we cannot guarantee that you will not incur additional expenses in starting the business. Your costs will depend on factors such as how much you follow our systems and procedures, your management skills and experience, local economic conditions, the local market for the stayfull® concept and products, the prevailing wage rate, competition, the amount of the initial investment you decide to finance, and the sales level reached during the initial period. This total is based on our estimate of regional (primarily Midwest) average costs and prevailing market conditions, and our Chief Executive Officer's 20 years of experience in the fuel industry.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and uniform quality of Products and Services throughout the System, you must maintain and comply with our quality standards.

Designated Products and Services

You must purchase for use or sale from your Business those products used in or sold from your Business and other services or products we designate from us, our designees or from other suppliers we approve. We or our designees may be the designated or sole source of supply for certain services and products. As of the issuance date of this disclosure document, we and our affiliate are the only supplier for certain software used in connection with the Management System. As further described in Item 14, LDJ Manufacturing, Inc. is currently the sole supplier of certain equipment used in the operation of the Business.

Location of your Business

You must locate a territory for your Business and an office site within that territory for your Business. We recommend that you use a territory location specialist to assist you in finding potential territories for your Business, and we reserve the right to require that you use an approved territory specialist or obtain our written acceptance of the territory you use. You may not sign a lease or enter into a purchase agreement to acquire any land or building for your office site until we have given our consent in writing. We approve office locations and territories on a case-by-case basis. For territories, we consider items such as population, adjacent businesses, size, and other characteristics of the territory, demographic characteristics, traffic patterns, concentration of potential customers, competition from other businesses in the area and other commercial characteristics. For office sites, we consider the same characteristics, but primarily whether the proposed office site is located within your territory. You are not required to purchase, lease or sublease the Business premises for your office from us or our affiliate.

Equipment & Signs

You must satisfy our specifications and standards in equipping and developing your Business. We will furnish to you specifications for your Business, including requirements for equipment and signs. You must comply with all laws in the build-out and operation of your office space, including ensuring the plans and specifications comply with the Americans with Disabilities Act and all other applicable federal, state and local laws, ordinances, building code and permit requirements and lease requirements and restrictions. In developing and operating your Business, you may purchase only the types of equipment and signs that we require and have approved as meeting our specifications and standards for quality, design, appearance, function and performance. We or our affiliate, may be an approved supplier of one or more of these items. We may require you to lease certain equipment from us or our affiliate.

Computer Hardware and Software

We currently require you to purchase the Management System we designate (including the Designated Software) from our designated third-party supplier or other approved suppliers (if any). See Item 11 for further information.

Insurance

You must purchase and maintain in force, at your expense, insurance at a minimum in the types of coverage and amounts we specify in the Operations Manual or otherwise in writing. All insurance policies will: (1) be issued by an insurance carrier(s) acceptable to us and having an A.M. Best rating of A or higher; (2) name us and our affiliates, and their respective officers, directors and employees, as additional insured parties; (3) contain a waiver of the insurance company's right of subrogation against us; (4) contain the above-mentioned insurance coverage for each Business that you operate; (5) as applicable, provide primary and non-contributory endorsement or language in form and content as we may periodically require; and (6) provide that we will receive 30 days' prior written notice of a material change in or termination, expiration or cancellation of any policy (or such shorter period as the insurance carrier may require and as we may approve). We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If at any time you fail to maintain in effect any insurance coverage we require, or to provide satisfactory evidence of such coverage, we, at our option, may obtain insurance coverage for you. You agree to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to us, on demand, all premiums and other costs we incur, together with an administrative fee equal to 5% of the insurance premium. You will provide us with copies of the certificate of insurance, insurance policy endorsements and other evidence of compliance with these requirements as we periodically require

at least 2 weeks before you take possession and commence development of the Business premises and at such other times as we may require.

Advertising and Promotional Approval

We may develop, and make available to you, local media planning assistance. If we do so, you must use our recommended media plan in promoting the Business or otherwise develop, and obtain our advance written approval for, an alternative media/promotion plan. In addition, you will use only our approved advertising and promotional materials in promoting the Business. See Item 11 for further information regarding advertising programs.

Supplier and Product Approval

We will provide you with lists of approved manufacturers, suppliers and distributors (“Approved Suppliers List”) and approved products and services, other inventory items, equipment, signs, supplies and other items or services necessary to operate your Business (“Approved Supplies List”). The Approved Suppliers List may specify the specific manufacturer of a specific product or piece of equipment, in which case you can purchase those products only from a source identified on the Approved Suppliers List. We, an affiliate of ours or a third-party vendor or supplier periodically may be the only approved supplier or lessor for certain products. The lists specify the suppliers and the products and services that we have approved for use in the System. We may revise these lists and provide you with a copy of approved lists as we deem advisable. If you propose to use any product, material, equipment, sign or other item that we have not approved, or purchase any items from any supplier that we have not approved, you must first notify us in writing and must provide us with sufficient information, specifications, samples photographs, drawings or other information to permit us to determine whether the product, service, material, fixture, equipment, sign or other item (or brand of such item) complies with our specifications, or the supplier meets our approved supplier criteria. We will notify you of our decision within a reasonable time following our receipt of all information requested. You must pay the reasonable cost of the inspection and evaluation and the actual cost of the test we conduct. We may re-inspect the facilities and products of any supplier or approved item and revoke our approval of any item or supplier failing to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or supply. As part of the approval process, we may require that a proposed supplier sign a supplier agreement covering such items as insurance, product quality, trademark use, and indemnification. We do not provide material benefits to you based on your use of designated or approved sources of supply.

We apply certain general criteria in approving a proposed supplier, including the supplier's quality and pricing of products, ability to provide products/services that meet our specifications, responsiveness, quickness to market with new items, financial stability, credit program for franchisees, freight costs, and the ability to provide support to the System (merchandising, field assistance, education and training respecting sales and use of products and services).

We will notify you in writing if we elect to revoke our approval of a supplier. If we revoke our approval of a supplier, you will have 30 days to stop offering, selling or using those products or other items or services in your Business.

We did not receive any revenue as a result of franchisee purchases or leases during the fiscal year ended December 31, 2024.

One or more of our officers have an interest in us and our affiliates. No officer owns a material interest in any other supplier.

Miscellaneous

We may negotiate prices for numerous products for the benefit of the System, but not for any individual franchisee. There is no purchasing or distribution cooperative in the System. We may, however, attempt to receive volume discounts for the System.

We (directly or through an affiliate) may derive revenue directly or in the form of rebates or other payments from suppliers, based directly or indirectly on sales of products, advertising materials and other items to franchisees, and from other service providers. These payments may range from less than 1% up to 10% or more of the total purchase price of those items.

We estimate that the purchase or lease of products, equipment, software, signs, fixtures, furnishings, supplies, advertising and sales promotions materials and other items meeting our specifications will represent approximately 60% to 85% of the cost to develop the Business and 20% to 45% of the cost to operate your Business.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement. It will help you find more detailed information about your obligations in the Franchise Agreement and other items of this disclosure document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 2 and 6(A)	Items 7, 8, 11, and 12
b. Pre-opening purchases/leases	Sections 6(D) and (E)	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 6 and 7(A)	Item 5, 7, and 11
d. Initial and ongoing training	Sections 3(B)(4), 7(B), 14(B)-(C)	Items 5, 7 and 11
e. Opening	Sections 6(D)-6(E), 7(C)	Items 5 and 11
f. Fees	Sections 3(B), 4, 5, 6(D), 6(F)-(G), 7(D), 9(L), 11(C) and 14(B)	Items 5, 6 and 7
g. Compliance with standards and policies/ Operations Manual	Sections 3(B), 5(B)-(E), 6(C),(E), (G), 7(D)-(E), 9 and 14(B), 15(A)	Items 11 and 16
h. Trademarks and proprietary information	Sections 8, 9(M), 12, 13(C), 13(D), 17(A)	Items 13 and 14
i. Restriction on products/services offered	Sections 2, 9(C) and 9(E)	Items 8 and 16
j. Warranty and customer service requirements	Sections 9(F), (H)	Items 11 and 16
k. Territorial development and sales quotas	Sections 2(B), 6(A)	Items 11 and 12
l. Ongoing product/service purchases	Sections 6(B)-(C), 9(E), 9(I) and 9(L)	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3(B), 9(A), (B) and (I)	Items 6 and 11
n. Insurance	Section 9(L)	Items 6, 7 and 8
o. Advertising	Sections 5, 6(E), 9(I)	Items 6, 7 and 11
p. Indemnification	Section 18	None
q. Owner's participation/management/ staffing	Sections 9(D) and (K)	Items 11 and 15
r. Records and reports	Section 10	Item 6
s. Inspections and audits	Section 11	Item 6
t. Transfer	Section 14	Items 6 and 17

Obligation	Section in Agreement	Disclosure Document Item
u. Renewal	Section 3	Items 6 and 17
v. Post-termination obligations	Sections 13(B), 13(D) and 17	Item 17
w. Non-competition covenants	Section 13	Item 17
x. Dispute resolution	Sections 19 and 20	Item 17

ITEM 10

FINANCING

If you meet our qualifications, including a credit check, we may agree to lease certain products to be used in the operation of the Business to you. In such instances, we will require you to sign an Equipment Lease Agreement. The rent payable under the Equipment Lease Agreement will be approximately \$3,960-\$5,060 per month. The Equipment Lease Agreement is valid for the term of the Franchise Agreement or until the Franchise Agreement is terminated. You must use the equipment leased under the Equipment Lease Agreement only in the operation of your Business. We reserve the right to file a financing statement encumbering the leased equipment. When your Franchise Agreement expires (or is terminated), you must return the equipment to us. You must sign a personal guaranty that guarantees performance of, and payment under, the Equipment Lease Agreement. The Equipment Lease Agreement disclaims all warranties, express or implied, regarding the operation and performance of the leased equipment. Presently, it is not our intention to assign or sell the Equipment Lease Agreement to another party; however, the Equipment Lease Agreement preserves our right to do so in the future.

Except as described above, we do not offer direct or indirect financing. 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.

Pre-Opening Assistance. Before you open your Business, we will:

- (1) Provide reasonable consulting services in your evaluation and selection of a territory for the Business and consent to the Business site if it meets our minimum standards (Franchise Agreement – Section 7(A) and Exhibit B).
- (2) Provide you with specifications for your Business, reflecting our requirements for equipment and signs (Franchise Agreement – Section 6).
- (3) Provide the initial training program described below to your “Operating Principal,” (as defined in Item 15) and general manager (Franchise Agreement – Section 7(B)).
- (4) Provide you with access to the confidential Operations Manual. You must keep the Operations Manual confidential and discontinue using it when the Franchise Agreement terminates (Franchise Agreement – Section 7(E)).
- (5) Make available to you the Management System that we have selected for the System as described further below (Franchise Agreement – Section 6(C)).

(6) Provide you with lists of approved suppliers and approved products, equipment, or services necessary to operate your Business (Franchise Agreement – Section 9(E)).

We are not required to provide you any assistance with conforming your Business to any ordinances or codes, or hiring any employees.

Ongoing Assistance. During the operation of your Business, we will:

- (1) Provide you with on-site assistance for up to 3 days at our discretion to assist you in the opening and initial operations of the Business (Franchise Agreement – Section 7(C)).
- (2) Provide advisory services relating to Business operations, including Products and Services offered for sale, selecting, purchasing and marketing other approved materials and items, marketing assistance and sales promotion programs, and general administrative and operating procedures (Franchise Agreement – Section 7(D)).
- (3) Periodically provide you with updated and revised materials for the Operations Manual (Franchise Agreement – Section 7(E)).
- (4) Operate the System Marketing Fund (Franchise Agreement – Section 5(A)).

We are not required to provide you any assistance with hiring of any employees.

Advertising Programs. We establish and conduct certain advertising programs as follows:

We intend to establish and operate a production and marketing fund (the “System Marketing Fund”) to promote stayfull® businesses in the System and conduct other promotional and marketing activities. Upon 30 days’ prior written notice to you, we may begin charging you a weekly “Marketing Fee” for contribution to the System Marketing Fund. We reserve the right to increase the Marketing Fee upon at least 30 days’ notice to you, provided that the Marketing Fee will not exceed 10% of Gross Profit. We will deposit the Marketing Fee in the System Marketing Fund that we manage through a separate account. Disbursements from the System Marketing Fund will be made solely to pay reasonable expenses we incur in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and implementing advertising, marketing, promotional and public relations campaigns; the cost of market research and analytics; and the costs of administering the System Marketing Fund, including the cost of employing advertising, public relations and other third-party agencies to assist us and providing promotional brochures and advertising materials to stayfull® businesses and to regional and local advertising cooperatives, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the System Marketing Fund.

We are not required to spend any particular amount on marketing, advertising or production in the area in which your Business is located. Marketing Fees not spent in any fiscal year will be carried over for future use. We may make loans to the System Marketing Fund bearing reasonable interest to cover any deficit of the System Marketing Fund and cause the System Marketing Fund to invest in a surplus for future use by the System Marketing Fund. Marketing Fees will not be used for advertising principally directed at the sale of franchises. At your request, we will provide you with an annual unaudited statement of the receipts and disbursements of the System Marketing Fund for the most recently completed calendar year.

stayfull® businesses that we operate in the United States will contribute to the System Marketing Fund at the same percentage rate as a majority of stayfull® businesses must pay to the System Marketing Fund. We did not collect any Marketing Fees in the fiscal year ended December 31, 2024.

During the period beginning 90 days before the opening of your Business and ending 90 days following such opening, you must spend a minimum of \$2,500 on a Business opening campaign that we have approved in advance. You will use our designated media vendor (if any) and must implement our recommended media plan (if any) in conducting the Business opening campaign. We reserve the right to collect the \$2,500 directly from you and spend it on your behalf in connection with the Business opening campaign. On or before the last day of each month during the first 4 months of Business operations, you must provide us with an accurate accounting of the Business opening campaign (advertising and marketing) expenses.

In addition to the Marketing Fee and beginning with the calendar month in which the Business opening campaign ends, you must spend each month at least 1% of Gross Profit during the previous calendar month on “approved” Business marketing and promotional activities in your local geographic area. Within 15 days following the end of each calendar month, you will provide us with an accounting of the funds that you have spent on local marketing for the preceding calendar month. If you fail to spend the minimum amount required on approved local marketing, you will deposit with us the difference between what you should have spent on approved marketing during the calendar month and what you actually spent on approved marketing during the calendar month. We will deposit that amount in the System Marketing Fund. Business marketing and promotional activities are “approved” if they comply with the requirements described further below.

You will participate in, support and contribute a proportionate share of the cost of any regional or other geographic cooperative marketing programs we designate. Each stayfull® business located within the designated area of a cooperative will be a member of the cooperative. We or members of the cooperative and their designated officials may be responsible for administering the cooperative. stayfull® businesses that we or our affiliates own and operate are not obligated to participate in any cooperative we form or approve. Each cooperative must adopt written governing documents, which must reflect any form documents that we provide to franchisees or are otherwise approved by us. A copy of the governing documents of the cooperative (if one has been established) for your market area will be available upon request. The cooperative will determine the amount of your contribution; provided that if the cooperative is unable or unwilling to designate the amount of the contribution, we may designate the contribution amount. In addition, we reserve the right to establish minimum and maximum contribution amounts. We reserve the right to designate regional and other geographic marketing or advertising markets, to establish marketing cooperatives and to establish the bylaws and other rules under which such cooperatives will operate. Your contributions to marketing cooperatives will be credited toward your local marketing obligations described above. As of the issuance date of this disclosure document, we have not established any advertising cooperatives.

We may develop, and make available to you, local media planning assistance. If we do so, you must use our recommended media plan in promoting the Business or otherwise develop, and obtain our advance written approval to, an alternative media/promotion plan. In addition, you will use only our approved advertising and promotional materials in promoting the Business. If you desire to use any advertising or promotional materials in promoting the Business which we previously have not approved, you must submit all materials to us for our approval before using any such materials, which approval will not be unreasonably withheld. If we do not disapprove those advertising or promotional materials within 5 days after you submit those materials to us, then you may use the materials, although we reserve the right to disapprove those materials at any later time. If you use any advertising or promotional materials without submitting those materials to us or if you use materials we disapprove, in addition to any separate remedies we may have, any amounts spent on those materials will not be credited toward your local marketing obligations.

As of the issuance date of this disclosure document, we do not have an advertising council composed of franchisees.

Management System.

You will use in the Business the management and reporting system, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed or selected for the System (the “Management System”). The Management System may include one or more proprietary or other software programs developed or customized for us (the “Designated Software”). You must use the Designated Software, and the Designated Software will remain the confidential property of us or our designated supplier. You must enter into our or our designee’s standard form software license agreement in connection with your use of any Designated Software. You will pay the then-current initial fees as well as any then-current ongoing access or license fees applicable to the Designated Software to us or our designated supplier, as applicable. As of the issuance date of this disclosure document, you must pay us or our affiliate initial license fees of \$5,200 before you receive the Designated Software, and ongoing fees of \$120 per month for the Designated Software. Additional monthly software fees may be paid directly to the relevant approved third-party supplier.

As of the issuance date of this disclosure document, the required Management System includes: a laptop computer, Android cell phone, our proprietary software and certain other software programs provided by third parties such as QuickBooks Online. We estimate that the initial cost for the Management System will range from \$7,000 to \$10,000.

You must have Internet access with a form of high-speed connection as we require. You will use an e-mail address we designate for communication with us. We have the right to designate a single source from which you must purchase the Management System, any software or hardware components thereof or associated service, and we or our affiliates may be that single source. You will be required to use and, at our discretion, pay for all future updates, supplements and modifications to the Management System, including any additions or modifications to any Designated Software. We also may independently access financial information and customer data produced by or otherwise located on your Management System (collectively the “Client Data”). During the Term, we and you will have joint ownership of the Customer Data that is stored on the Management System, although you will be responsible for obtaining all customer consents necessary to allow us to use the Customer Data for various purposes as we may identify. We will periodically establish policies respecting the Customer Data. You must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You cannot use the Customer Data for any purpose other than the operation of the Business consistent with our standards of use. There are no contractual limitations on our right to access the information and data.

You may be required to obtain ongoing maintenance and repairs respecting the Management System, as well as upgrades or updates respecting the Designated Software. We estimate the cost of optional or required maintenance, updates and upgrades will be \$0 to \$500 per year. There are no contractual limitations on the frequency and cost of additional maintenance or repair. You must incorporate these upgrades and updates to the Management System. We, our affiliates, and third-party suppliers are not currently required to provide any ongoing maintenance, repairs, upgrades or updates to you.

Territory Selection. If you already have a potential territory for the Business, you may propose the territory to us. We may consent to the territory after we have independently evaluated it. The territory for the Business will be identified in Exhibit A to the Franchise Agreement. If you do not have a proposed territory, you will sign Exhibit B to the Franchise Agreement and will have 90 days following the date of the Franchise Agreement to identify a territory for the Business acceptable to us. We will provide you with our general territory selection and evaluation criteria. You are solely responsible, however, for locating and obtaining a territory which meets our standards and criteria and that is acceptable to us. We recommend that you use a territory location specialist to assist you in finding potential territories for your Business, and

reserve the right to require that you use an approved territory location specialist or obtain our written acceptance of the territory location specialist you use. If you sign Exhibit B to the Franchise Agreement and we cannot agree on a territory for the Business, we can terminate your Franchise Agreement.

You must submit to us a complete territory report (containing information that we may reasonably require) for the proposed territory for the Business. The general territory evaluation criteria which you should consider include demographic characteristics of the proposed location, the predominant character of the neighborhood, the proximity to other businesses (including other stayfull® businesses), and other commercial characteristics. We will notify you in writing within 30 days after we receive your complete territory report and other materials we request whether the proposed territory satisfies our territory selection criteria. Our review of a territory for the Business does not represent any recommendation or guaranty as to the success of the proposed territory. If you and we are unable to agree on a territory for the operation of the Business, the opening of your Business may be delayed. If you do not open your Business within 12 months following the date of the Franchise Agreement, we may terminate the Franchise Agreement if you fail to cure this default.

Development Time. The typical length of time between our acceptance of the Franchise Agreement and the opening of your Business is expected to vary from 6 to 9 months. This period may be longer or shorter, depending on the time of year, availability of financing, how soon you can attend training or other factors. You must complete development and open your Business within 12 months following the date of the Franchise Agreement.

Training. Before you open your Business, your Operating Principal and general manager must attend our initial training program. Our initial training program is conducted at our training center in Bloomingdale, Illinois, or another location we designate. We currently plan to offer the initial training program once or more each calendar quarter, or as we determine is necessary during the upcoming year. The initial training program may include online, classroom and on-the-job modules. The initial training program includes instruction relating to Business operations, understanding the equipment and product use, costs and cash control, customer service, comprehensive marketing and sales programs, accountability for sales and marketing, and methods of controlling operating costs, safety procedures, spill control and remediation, and hazardous materials handling procedures. The Operating Principal and general manager may be the same person.

You may not open your Business unless the Operating Principal and general manager complete the initial training program to our satisfaction. If we determine that the proposed Operating Principal or general manager is not qualified to manage the Business, we will allow you to select a substitute Operating Principal or general manager to complete the initial training program at an additional expense to you.

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The initial training program consists of the following:

TRAINING PROGRAM

Subject	Training Hours	Hours of On-the-Job Training	Location
Safety	8	2	Woodridge, Illinois or another location we designate
Back Office	4	6	Woodridge, Illinois or another location we designate
CRDD (Field Data Capture)	1	40	Woodridge, Illinois or another location we designate
Keys to Quality	1	1	Woodridge, Illinois or another location we designate
Extinguisher / Spills	1	.5	Woodridge, Illinois or another location we designate
Descartes Logistics	2	2	Woodridge, Illinois or another location we designate
Digital	2	2	Woodridge, Illinois or another location we designate
TOTAL	19	53.5	

The instructional materials for all training programs include the Operations Manual, handouts and visual aids, and will include lecture, classroom discussion, hands-on demonstration and/or practice training at a stayfull® business.

Thomas McGovern oversees the initial training program. Mr. McGovern has served as our Chief Executive Officer since our formation, and has 29 years of experience in the fuel industry.

We do not charge a fee for your initial Operating Principal and general manager to attend the initial training program. You are, however, responsible for travel and living expenses that your Operating Principal and general manager incur while attending the initial training program. See Item 7 for additional information on travel and living expenses.

In addition, all new Operating Principals and general managers must complete our designated initial training program. We may charge you a reasonable fee for those new or additional individuals who attend the initial training program.

We may require that the Operating Principal and any general manager attend all supplemental and refresher training programs that we designate for up to 3 days each calendar year. We may decide the time and place of training and may charge you a reasonable fee for these supplemental and refresher training programs.

We periodically may hold or sponsor franchise conventions and meetings relating to new Services or Products, new operational procedures or programs, training, business management, sales and sales promotion, or similar topics. These franchise conventions and meetings may be optional or mandatory, as we designate. Your Operating Principal must attend, at your expense, all mandatory franchise conventions and meetings we may hold. If your Operating Principal cannot attend a convention or meeting, he or she must so notify us before the convention or meeting and must have a substitute person acceptable to us attend the event. We reserve the right to charge you a fee for any annual franchise convention or meeting that we sponsor or designate, regardless of your attendance.

You are solely responsible for the compensation, travel, lodging and living expenses you and your employees incur in attending the initial training program, supplemental or refresher training programs, and any franchise conventions or meetings. You also are solely responsible for paying your employees and providing all necessary insurance, including worker's compensation insurance, for you and your employees, while you and your employees attend training or any franchise conventions or meetings.

Operations Manual. During the term of the Franchise Agreement, we will allow you to access our Operations Manual (the "Operations Manual"). The current table of contents of the Operations Manual as of the issuance date of this disclosure document is attached as Exhibit H to this disclosure document.

ITEM 12

TERRITORY

You will receive a "Protected Territory," which will generally consist of a population containing approximately 100,000 people. During the term of the Franchise Agreement, if you are complying with the provisions of the Franchise Agreement, we will not establish any other franchised or company-owned stayfull® businesses in the Protected Territory.

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

The location of the Business and the Protected Territory will be identified in Exhibit A to the Franchise Agreement. If you do not have a territory for your Business when you sign the Franchise Agreement, you will sign Exhibit B to the Franchise Agreement and will have 90 days after the date of the Franchise Agreement to find a territory for the Business (acceptable to us) within the designated geographic area. Once we approve a territory within the geographic area established in Exhibit B, we and you will then sign Exhibit A (which identifies the Protected Territory for your Business). Maintenance of your Protected Territory is not dependent upon achieving certain sales volumes, market penetration or other contingency. Your Protected Territory will not be altered during the initial term of your Franchise Agreement, although it may be altered upon renewal of your franchise.

You will not relocate the Business from the Protected Territory without our prior written consent, which we may withhold or condition in our reasonable discretion.

We (for ourselves and our affiliates) reserve the right, without compensation to you:

1. To directly operate, or to grant other persons the right to operate, stayfull® businesses at locations outside the Protected Territory;
2. To promote, sell and distribute anywhere the Services and the Products authorized for sale at stayfull® businesses under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution;
3. To promote, sell, distribute and license the Services and the Products authorized for sale at stayfull® businesses as well as ancillary services and products under the Marks through dissimilar channels of distribution (*i.e.*, other than the operation of full-service stayfull® businesses), including direct mail, wholesale activities, and by electronic means such as the Internet, and pursuant to conditions we deem appropriate within and outside the Protected Territory;

4. To acquire businesses that are the same as or similar to the Business or other stayfull® businesses and operate such businesses regardless of whether such businesses are located within or outside the Protected Territory, and to be acquired by any third party which operates businesses that are the same as or similar to the Business or other stayfull® businesses regardless of whether such businesses are located within or outside the Protected Territory;

5. To promote the System and stayfull® businesses generally, including on the Internet (or any other existing or future form of one or more electronic commerce) and to create, operate, maintain and modify, or discontinue the use of websites using the Marks; and

6. To provide the Services and Products to National Accounts located inside or outside of the Protected Territory, as further described below.

If a proposed transfer would result in a change of control of you, your franchise, or any of your assets, including any stayfull® businesses owned, operated, or controlled by you, and such changes would result in the transferee-franchisee and its affiliates collectively, either directly or indirectly, owning more than three businesses, including the stayfull® business being transferred, then we may, in our sole discretion, withhold our written consent to the transfer.

We may establish a “National Accounts Program” that is designed to generate customer leads as a result of national marketing, strategic alliances and partnerships, or other lead generation efforts we or our affiliates conduct or that otherwise involves National Accounts. The term “National Account” means those customers or accounts we designate, in our sole and absolute discretion, as desiring central billing accounts, or that have 2 or more locations, and such locations are located in more than one franchised or company-owned territory or market. We may permit you to participate in the National Accounts Program and service National Accounts in your Protected Territory under the terms of the National Accounts Program as described in the Operations Manual or as we otherwise describe in writing. You understand that: (1) we will establish the rules under which you may participate, (2) we retain the absolute discretion in determining whether you may participate in the National Accounts Program; and (3) we may terminate, modify, or replace the National Accounts Program at any time. You must pay our then-current fees for participation in the National Accounts Program.

We recommend that you concentrate all advertising and other solicitation of customers inside the Protected Territory for your Business. You may not offer, promote or sell any Products or Services through any other channels of distribution, including the Internet (or any other existing or future form of electronic commerce). You will not have the right to subfranchise or sublicense any of your rights under the Franchise Agreement.

We do not grant to you any options, rights of first refusal or similar rights to acquire additional franchises within a particular territory.

Except as disclosed, neither we nor any affiliate operates, franchises, or has any current plans to operate or franchise any business selling the Products and Services authorized for sale at a stayfull® business under any other trademark or service mark.

ITEM 13

TRADEMARKS

We grant you the right under the Franchise Agreement to operate your Business under the name “stayfull,” and other trademarks or service marks (the “Marks”).

The following schedule lists only the principal Marks that you are licensed to use. We have filed all required affidavits for those Marks listed below.

Principal Trademarks	U.S. Registration Or Serial No.	Registration or Application Date	Principal/Supplemental Register
	6153760	September 15, 2020	Principal

We have the right to periodically change the list of Marks. Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks. You also retain no rights in the Marks when the Franchise Agreement expires or terminates. You may not use any Mark or portion of any Mark as part of any corporate or any trade name, or any modified form or in the sale of any unauthorized product or service, or in any unauthorized manner. You may not use any Mark or portion of any Mark on any website without our prior written approval.

There are currently no effective material determinations by the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the principal Marks that are relevant to your use in any state. There are currently no agreements in effect that significantly limit our rights to use or license the use of any principal Marks in any manner material to the franchise.

You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark, or any claim by any person of any rights in any Mark or any similar trade name or trademark of which you become aware. You must not communicate with any person other than us, our affiliates and our respective legal counsel regarding any infringement, challenge or claim. We or our affiliates may take any action we deem appropriate and have the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. You will sign all documents, provide assistance and take all action as we may reasonably request to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks.

You will have no obligation to and will not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. You will, however, immediately notify us of any claims or complaints made against you respecting the Marks and will, at your expense, cooperate in all respects with us in any court or other proceedings involving the Marks. Subject to your indemnification obligations, we will pay the cost and expense of all litigation we incur, including attorneys' fees, specifically relating to the Marks. We and our affiliates and our respective legal counsel will have the right to control and conduct any litigation relating to the Marks.

You cannot make any changes or substitutions to the Marks unless we so direct in writing. We reserve the right, in our discretion, to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks. In such event, you will, at your expense, comply with such modification or substitution within a reasonable time after we notify you.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or copyrights currently registered that are material to the franchise.

We and LDJ Manufacturing, Inc. (“LDJ”) are parties to an Exclusive Supply Agreement dated July 17, 2018 for certain trailer products used in the Business. Under the terms of the agreement, LDJ will not sell such trailer products or other equipment substantially similar to the products to any party other than stayfull® businesses, provided that each stayfull® business purchases all specialized trailers and related equipment only from LDJ in accordance with certain system-wide quotas. The supply agreement’s initial five-year term is complete, and the agreement now automatically renews for additional 12-month terms unless terminated or not renewed by either party. Either party may terminate the agreement if the other party becomes bankrupt or insolvent, fails to cure a material breach of the agreement within 30 days, or fails to maintain any required licenses or permits.

We do claim copyright ownership and protection for the Operations Manual as well as our advertising copy and design, written training materials and for certain other written materials we provide to assist you in operating your Business. In addition, we treat certain portions of our training curriculum as trade secrets.

We own certain proprietary or confidential information relating to the operation of stayfull® businesses, including information in the Operations Manual (“Confidential Information”). You must keep confidential during and after the term of the Franchise Agreement the Confidential Information. When your Franchise Agreement expires or terminates, you must return to us all Confidential Information and all other copyright material. You must notify us immediately if you learn of an unauthorized use of the Confidential Information. We are not obligated to take any action and we will have the sole right to decide the appropriate response to any unauthorized use of the Confidential Information. You must comply with all changes to the Operations Manual at your cost. During the term of your Franchise Agreement, you and we will have joint ownership of customer data stored on your Management System. As the customer data is Confidential Information, you must cease to use it when your Franchise Agreement expires or terminates. We will periodically establish policies respecting the Business customer data.

You and your employees may not, without our prior written consent, utilize any generative artificial intelligence software, tools, or technologies, including, natural language processing, deep learning algorithms, or machine learning models (“**Generative AI**”), while operating the Business. This includes, but is not limited to, uploading or sharing any Confidential Information with any third-party platforms, including Generative AI, except as authorized in writing by us.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Franchise Agreement

You must designate an individual we approve and who successfully completes our required training to be the operating principal (“Operating Principal”). The Operating Principal must be a “Principal Owner” (as defined below). The Operating Principal is responsible for day-to-day Business operations. The Operating Principal assumes his/her responsibilities on a full-time basis and may not engage in any other business or other activity that requires any significant management responsibility or time commitments, or

that otherwise may conflict with his/her obligations. In addition, at all times, the Business must be under the direct, on-site supervision of the Operating Principal or a general manager approved by us. The Operating Principal and general manager may be the same person. The general manager (if applicable) is not required to own an equity interest in the franchised business.

Each individual who owns a 10% or greater interest in the franchisee entity is considered a “Principal Owner” and must sign the Guaranty and Assumption of Obligations attached to the Franchise Agreement. These people agree to discharge all obligations of the franchisee entity to us under the Franchise Agreement and are bound by all of its provisions, including maintaining the confidentiality of Confidential Information described in Item 14 and complying with the non-compete covenants described in Item 17.

If at any time the Operating Principal does not manage the Business, we immediately may appoint a manager to manage the Business for you and charge you a reasonable fee for these management services.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell in your Business all, and only, those Products and Services that we have approved. You must at all times maintain an inventory of approved Products and other items in such quantities and variety that we direct. We may add new Products or Services that you must offer at or use in your Business. Our right to modify the Products and Services to be offered at a Business is not limited.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement or Other Agreement	Summary
a. Length of the franchise term	Section 3	5 years.
b. Renewal or extension of the term	Section 3	If you are in good standing, you can renew the Franchise Agreement for up to 2 additional 5-year terms.
c. Requirements for you to renew or extend	Section 3	Provide advance notice, comply with current franchise agreement, your Operating Principal satisfactorily completes any new/refresh training programs, sign new agreement (which may contain materially different terms and conditions than your original Franchise Agreement), remodel, provide proof you will maintain possession of the Business premises, pay renewal fee, and sign a general release of claims.
d. Termination by you	Section 16	If you comply with the Franchise Agreement, and we fail to cure a material provision within 60 days after written notice.
e. Termination by us without cause	Not Applicable	
f. Termination by us with cause	Section 15	We may terminate the Franchise Agreement only if you default.

Provision	Section in Franchise Agreement or Other Agreement	Summary
g. “Cause” defined – curable defaults	Sections 15(A) and (B)	<p>Failure to conform to the material requirements of the System or the material standards of uniformity and quality for the Services and Products as described in the Operations Manual or as we have established under the System; failure to timely pay Royalty Fees, Marketing Fees or any other obligations or liabilities due and owing to us or our affiliates, other stayfull® businesses or suppliers, or any advertising cooperative obligations; failure to complete the initial training program or open and commence full operations of the Business within the required timeline; violation of any material provision or obligation of the Franchise Agreement; violation of any federal, state or local government health, safety, or hazardous materials code in connection with the operation of the Business; or the result of an audit discloses an understatement of Gross Profit of 2% or more.</p> <p>The cure period is generally 30 days, except you have only 10 days to cure a failure to pay amounts due, and you have only 72 hours to cure a health, safety, or hazardous materials code violation (except as described in paragraph h below).</p>
h. “Cause” defined – non-curable defaults	Sections 15(A) and (B)	<p>Any material misrepresentation or omission in the application for the franchise; any of your managers (including the Operating Principal), directors, officers or any Principal Owner is convicted of, or pleads guilty to or no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe will injure the System, the Marks or associated goodwill, or if we have proof that such person has committed such a felony, crime or offense; insolvency; any assignment for the benefit of creditors; abandonment of the Business; any act or conduct which materially impairs or otherwise is prejudicial to the goodwill associated with the name “stayfull” or any of the Marks or the System; an unauthorized assignment or transfer; threat or danger to the public health or safety; the lease for the office premises for the Business expires or is terminated; falsification of any report, statement, or other written data furnished to us either during the franchise application process or after you are awarded a franchise; failure to comply with one or more material requirements of the Franchise Agreement on 3 separate occasions within any 12 month period; the Equipment Lease Agreement is cancelled; the nature of your breach makes it not curable; or you willfully and repeatedly deceive customers relative to the source, nature or quality of goods or services sold.</p>
i. Your obligations on termination/nonrenewal	Section 17 and 13	<p>Cease operation of the Business and use of Marks, pay all amounts due us, stop using and return Operations Manual and other materials, assign to us the Business telephone number and telephone listing or (at our option) disconnect the telephone number, remove all signs and other materials containing any Marks, comply with obligations under any proprietary software license/access agreements, cancel all fictitious or assumed name filings, cease using Confidential Information, sell back to us or return all Products, and agree not to divert Business customers to any competing business for 2 years (also see paragraphs o and r below).</p>
j. Assignment of contract by us	Section 14(A)	<p>Assignee must fulfill our obligations under the Franchise Agreement.</p>
k. “Transfer” by you-defined	Section 14(B)	<p>Includes transfer of Business or its assets, or your interest in the Franchise Agreement or any ownership change.</p>
l. Our approval of transfer by franchisee	Sections 14(B) and (C)	<p>We have the right to approve all transfers, but will not unreasonably withhold approval.</p>

Provision	Section in Franchise Agreement or Other Agreement	Summary
m. Conditions for our approval of transfer	Section 14(B)	<p>New franchisee qualifies and completes training, all amounts owed us or our affiliates are paid, and you are in good standing, new franchisee assumes existing Franchise Agreement or (at our option) signs then-current agreement, we approve transfer agreement, transfer fee paid, lease assigned (if applicable), and you sign non-compete agreement and general release.</p> <p>If a proposed transfer would result in a change of control of you, your franchise, or any of your assets, including any stayfull® businesses owned, operated, or controlled by you, and such changes would result in the transferee-franchisee and its affiliates collectively, either directly or indirectly, owning more than three businesses, including the stayfull® business being transferred, then we may, in our sole discretion, withhold our written consent to the transfer.</p>
n. Our right of first refusal to acquire your business	Section 14(E)	We can match any offer for your Business.
o. Our option to purchase your business	Section 17(C)	When the Franchise Agreement expires or terminates, we may purchase assets at fair market value, less the value of any goodwill associated with our Marks and other intangible assets.
p. Your death or disability	Section 14(C)	Franchise must be assigned by estate to an approved buyer within reasonable time not exceeding 12 months.
q. Non-competition covenants during the term of the franchise	Section 13(C) and (E)	No involvement in any business that offers or sells engine fluid delivery services related products and accessories, or any other offerings or items similar to the Services and Products, including any other business that may be confusingly similar to a stayfull® business.
r. Non-competition covenants after the franchise is terminated or expires	Sections 13(D) and (E) and 17(A)	No involvement in any business that offers or sells engine fluid delivery services, or any other offerings or items similar to the Services and Products, including any other business that may be confusingly similar to a stayfull® business in the former Protected Territory of the Business, or within a 20-mile radius of the former Protected Territory of the Business or any other then-existing stayfull® business, for a period of 2 years following the termination or expiration of the Franchise Agreement.
s. Modification of the agreement	Section 20(F)	No modifications generally, except in writing. We may modify Operations Manual, Marks, System and goods/services to be offered to your Business.
t. Integration/merger clause	Section 20(N)	Only the terms of the Franchise Agreement (including exhibits) are binding (subject to federal and state law). Any other promises may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Section 19	Except for actions we bring for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes first will be subject to non-binding mediation in the county where our headquarters is located, then (if not resolved) to binding arbitration in the county where our headquarters is located (subject to applicable law).
v. Choice of forum	Section 20(D)	Litigation (to the extent permitted) must be in state or federal court in the in the county where our headquarters is located at the time the suit is commenced (subject to applicable law). We also have the right to file suit where the Business is located (subject to applicable law).
w. Choice of law	Section 20(E)	Laws of the state where Business is located applies.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 Thomas McGovern, 7325 Janes Avenue, Woodridge, IL 60517, and 630-417-5408, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
Systemwide Outlet Summary
For Years 2022-2024

Business Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	1	1	1
	2023	1	1	1
	2024	1	1	1
Company-Owned	2022	1	1	1
	2023	1	1	1
	2024	1	1	1
Total Businesses	2022	2	2	2
	2023	2	2	2
	2024	2	2	2

TABLE NUMBER 2
Transfers of Outlets From Franchisee to New Owners (Other than the Franchisor)
For Years 2022-2024

State	Year	Number of Transfers
TOTAL	2022	0
	2023	0
	2024	0

TABLE NUMBER 3
Status of Franchised Outlets
For Years 2022-2024

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
Illinois	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TOTAL	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

TABLE NUMBER 4
Status of Company-Owned Outlets*
For Years 2022-2024

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year
Illinois	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 NUMBER 5
Projected Openings
As of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
TOTAL	0	0	0

Attached as **Exhibit F** is a list of all stayfull® franchisees as of December 31, 2024. We have not had a franchisee who has had a stayfull® franchise terminated, canceled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement nor transferred a stayfull®

franchise. In addition, no franchisee has failed to communicate with us within the 10-week period before the issuance date of the disclosure document.

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

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

Attached as **Exhibit A** are our audited financial statements for fiscal years ended December 31, 2024, December 31, 2023 and December 31, 2022.

ITEM 22

CONTRACTS

The Franchise Agreement (including the Personal Guaranty) is attached as **Exhibit B**. The State Addenda are attached as **Exhibit D**. The General Release Form is attached as **Exhibit E**. The Disclosure Acknowledgment Agreement is attached as **Exhibit G**.

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this disclosure document are included at the end of this disclosure document (**Exhibit I**). You should keep one copy as your file copy and return the second copy to us.

EXHIBIT A
FINANCIAL STATEMENTS



Financial Statements and
Independent Auditor's Report

Stayfull Services, LLC

As of and for the Years Ended
December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members
Stayfull Services, LLC
Woodridge, Illinois

Opinion

We have audited the accompanying financial statements of Stayfull Services, LLC, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stayfull Services, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stayfull Services, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stayfull Services, LLC's ability to continue as a going concern for a reasonable period of time.

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

DHJJ LTD.

Naperville, Illinois
April 24, 2025



Stayfull Services, LLC
BALANCE SHEETS
December 31, 2024 and 2023

	ASSETS	
	2024	2023
CURRENT ASSETS		
Cash	\$ 285,395	\$ 384,532
Accounts receivable	35,071	69,348
Accounts receivable, related party	48,840	32,689
Prepaid expenses and other current assets	14,163	3,979
Total current assets	<u>383,469</u>	<u>490,548</u>
PROPERTY AND EQUIPMENT		
Trucks and trailers	10,222	-
Finance lease - right-of-use (ROU) assets - trucks and trailers	163,551	163,551
Engineering equipment	67,750	67,750
Software development costs	11,000	11,000
	<u>252,523</u>	<u>242,301</u>
Accumulated depreciation and amortization	(242,301)	(201,000)
	<u>10,222</u>	<u>41,301</u>
OTHER ASSETS		
Advances to franchisee, net	<u>6,440</u>	<u>6,440</u>
	<u><u>\$ 400,131</u></u>	<u><u>\$ 538,289</u></u>

See accompanying notes.

Stayfull Services, LLC
BALANCE SHEETS
December 31, 2024 and 2023

LIABILITIES AND MEMBER'S EQUITY

	2024	2023
CURRENT LIABILITIES		
Finance lease, current maturities	\$ -	\$ 33,203
Accounts payable	4,965	11,182
Accounts payable, related party	37,457	2,935
Accrued payroll	26,063	22,881
Unearned revenue, current	4,402	-
Total current liabilities	<u>72,887</u>	<u>70,201</u>
COMMITMENTS AND CONTINGENCIES	-	-
MEMBER'S EQUITY	<u>327,244</u>	<u>468,088</u>
	<u><u>\$ 400,131</u></u>	<u><u>\$ 538,289</u></u>

See accompanying notes.

Stayfull Services, LLC
STATEMENTS OF OPERATIONS
Years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
REVENUES, net	\$ 1,015,437	\$ 933,481
COST OF REVENUES	<u>871,302</u>	<u>567,597</u>
Gross profit	144,135	365,884
OPERATING EXPENSES	<u>289,153</u>	<u>239,175</u>
Income (loss) from operations	(145,018)	126,709
OTHER (EXPENSE) INCOME		
Other (expense) income	5,129	(2,673)
Interest income	1,823	1,725
Interest expense	<u>(2,778)</u>	<u>(1,936)</u>
	<u>4,174</u>	<u>(2,884)</u>
NET EARNINGS (LOSS)	<u><u>\$ (140,844)</u></u>	<u><u>\$ 123,825</u></u>

See accompanying notes.

Stayfull Services, LLC

STATEMENTS OF CHANGES IN MEMBER'S EQUITY

Years ended December 31, 2024 and 2023

MEMBER'S EQUITY, December 31, 2022	\$ 344,263
Net earnings	<u>123,825</u>
MEMBER'S EQUITY, December 31, 2023	468,088
Net loss	<u>(140,844)</u>
MEMBER'S EQUITY, December 31, 2024	<u>\$ 327,244</u>

See accompanying notes.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings (loss)	\$ (140,844)	\$ 123,825
Adjustments to reconcile net earnings (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	11,317	14,840
Amortization of finance lease - ROU asset	29,984	35,436
(Increase) decrease in:		
Accounts receivable	34,277	35,559
Accounts receivable, related party	(16,151)	(28,543)
Prepaid expenses and other current assets	(10,184)	13,574
Increase (decrease) in:		
Accounts payable	(6,217)	(13,814)
Accounts payable, related party	34,522	(5,039)
Accrued payroll	3,182	18,311
Unearned revenue	4,402	-
Net cash provided (used) by operating activities	<u>(55,712)</u>	<u>194,149</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	<u>(10,222)</u>	-
Net cash used by investing activities	<u>(10,222)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Finance lease payments	<u>(33,203)</u>	(35,981)
Net cash used by financing activities	<u>(33,203)</u>	<u>(35,981)</u>
NET INCREASE (DECREASE) IN CASH		
	(99,137)	158,168
Cash, beginning of year	<u>384,532</u>	<u>226,364</u>
Cash, end of year	<u>\$ 285,395</u>	<u>\$ 384,532</u>

SUPPLEMENTAL CASH FLOW INFORMATION:**Cash paid for:**

Interest	\$ 2,778	\$ 1,936
Taxes	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business Activities

Stayfull Services, LLC (the "Company"), a wholly owned subsidiary of Stayfull International, LLC (the "Parent"), is primarily engaged in granting franchises for the operation of Stayfull business under the name "Stayfull" offering engine fluid delivery services and other related services and products. The Company also operates as a fluid delivery service under the name Stayfull. There was one franchised outlet during 2024 and 2023.

Basis of Accounting

The financial statements of the Company are prepared on the accrual basis of accounting.

Use of Estimates

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

Fair Value of Financial Instruments

The carrying value of the Company's cash, accounts receivable and accounts payable approximate fair value due to the short-term nature or liquidity of these items, the fact that these amounts resulted from recent transactions between willing buyers and willing sellers, and their close proximity to maturity. The amounts presented for finance leases are approximately fair value since the interest rates are at current market rates.

Cash

The Company classifies all bank deposits, interest and non-interest bearing, as cash.

Accounts Receivable and Accounts Receivable, Related Party

Accounts receivable and accounts receivable, related party, represent amounts billed to customers that the Company's right to consideration is unconditional (see Notes D and E). Invoicing is typically presented to customers at the end of each month upon completion of diesel exhaust fuel ("DEF") delivery due under normal trade terms requiring payment within 30 days from the invoice date. Management provides an estimate for a valuation by evaluating individual accounts receivable, which includes consideration of a customer's condition, credit history, and current economic conditions, and estimates the portion of the balance that will not be collected. At December 31, 2024 and 2023, management deems all accounts receivable to be fully collectible.

Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the most recent unpaid invoices.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Inventories

Inventories, if any, consisting of DEF are stated at the lower cost and net realizable value; cost is determined using the first-in, first-out method.

Management will provide an allowance, when deemed necessary, representing an estimate of inventory valued below net realizable value. Losses on the valuation of inventory and changes in allowance for inventory obsolescence, if any, are recorded as part of cost of sales. No inventory obsolescence was recorded for the years ended December 31, 2024 and 2023.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets, generally five years. Additions, renewals, and betterments that significantly extend the life of the asset are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization expense was \$41,301 and \$46,620 for the years ended December 31, 2024 and 2023, respectively.

Software Development Costs

The Company capitalizes certain costs associated with software development or obtained for internal use. This policy provides for the capitalization of amounts paid to independent third parties, who are directly associated with internal-use computer software projects. Upon completion of a project, the Company will amortize these capitalized computer software costs on a straight-line basis over an estimated life of three years. The software was placed in service in January 2021. Costs associated with preliminary project stage activities, training, maintenance, and all other post-implementation stage activities are expensed as incurred. The Company also expends internal costs related to minor upgrades and enhancements, as it is impractical to separate these costs from normal maintenance activities.

Amortization expense was \$ - and \$3,656 for the years ended December 31, 2024 and 2023, respectively.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, consisting of property, equipment and developed software, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable, but not less frequently than annually. An impairment loss would be recognized when the fair value is less than the carrying amount of that asset. The impairment loss would be measured and recorded by the amount in which the carrying amount exceeds its fair value. There were no impairment losses for the years ended December 31, 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Leases

The Company determines if an arrangement is a lease or contains a lease at the inception of the contract. The Company's finance lease is presented under the caption finance lease right-of-use (ROU) asset – trucks and trailers, the associated liability is presented as finance lease, current maturities and long-term maturities on the accompanying balance sheets.

The Company's finance lease ROU assets and lease liability are initially measured as the present value of future lease payments over the lease term as determined at each lease's commencement date. The Company has elected a practical expedient to combine lease and non-lease components. Finance lease expense is recognized in two separate components. Interest expense on the lease liability has been combined with other interest expense, if any, and displayed in other (expense) income on the accompanying statements of operations. The amortization of the ROU assets has been combined with other depreciation and amortization and presented as components of cost of revenues and operating expenses.

Revenue Recognition

The Company's revenues consist of sales of franchise agreements and delivery of DEF to customers throughout the Chicagoland area.

The Company recognizes royalties from franchisees as a percent of gross profit in each calendar week the franchise agreement is in effect. Royalties represent gross profit-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as the underlying franchise sales occur.

The Company recognizes revenue from sales of DEF as those sales are recognized upon delivery of the goods. That is when the customer takes physical possession of the goods, legal title is transferred, the customer has all risks and rewards of ownership and an obligation to pay for the goods is created.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2024 and 2023 was \$29,333 and \$38,362, respectively.

Income Taxes

The Company is a non-tax paying entity for federal and state income taxes as the Parent consolidates the accounts of the Company in its tax return. Therefore, no provision for federal and state income taxes has been included in the accompanying financial statements. The Company anticipates making distributions to the Parent based on income taxes resulting from taxable income generated by the Company, if any.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Income Taxes-continued

If it is probable that an uncertain tax position of the Company's as reported in the Parent's tax return will result in a material liability and the amount of the liability can be estimated, then the estimated liability is accrued. If the Company were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. Management has deemed no such liability or disclosure was applicable as of December 31, 2024 and 2023, as there were no uncertain tax positions.

The year ended December 31, 2021, and forward remain subject to examination by major tax jurisdictions.

Concentration of Credit Risk

The Company's financial instruments subject to credit risk are, primarily, cash and accounts receivable. The Company averts its risk by depositing its excess cash only in established, high quality financial institutions. Generally, management does not require collateral or exercise its lien rights in order to support accounts receivable. Management believes that any risk of loss is significantly reduced by its ongoing credit evaluations and the close working relationship developed with its customers.

Adoption of New Accounting Standard

Financial Instruments – Credit Losses

In June 2016, the FASB issued ASU 2016-3, *Financial Instruments – Credit Losses* (Topic 326) to amend the current accounting guidance which required the measurement of all expected losses to be based on historical experience, current conditions and reasonable and supportable forecasts. For trade receivables, loans, and other financial instruments, the Company will be required to use a forward-looking expected loss model that reflects probable losses rather than the incurred loss model for recognizing credit losses. The Company adopted the standard January 1, 2023, and it did not have a material impact on the Company's financial statements and disclosures.

Variable Interest Entities

The Company has adopted the accounting alternative offered to private companies in the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-17, *Consolidation* (Topic 810). Under the ASU, the Company has made an accounting policy election to not apply the Variable Interest Entity ("VIE") guidance to entities under common control if certain criteria are met.

As a result of the accounting policy election to not apply the VIE guidance, the Company does not evaluate entities that may meet the requirements in the VIE subsection of FASB Accounting Standards Codification ("ASC") 810-10. Instead, the Company discloses the nature of activities with related parties, the Company's maximum exposure with related parties, explicit and implicit arrangements with related parties, and the carrying amounts and classifications of assets and liabilities associated with related parties in the financial statements as required by the private company alternative (see Notes B, C, D and E).

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**Reclassifications**

Certain prior year balances have been reclassified to conform to the current year presentation.

Date of Management's Review

Management has evaluated subsequent events through April 24, 2025, which is the date the financial statements were available to be issued.

NOTE B--REVENUE RECOGNITION

Revenues during the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Diesel exhaust fuel delivery, net of discounts	\$ 1,004,422	\$ 904,938
Royalties from franchisees	41,185	28,543
	<u>\$ 1,045,607</u>	<u>\$ 933,481</u>

The following table reflects the beginning and ending balances of balance sheet accounts resulting from contracts with customers.

	2024	2023	2022
Accounts receivable	\$ 35,071	\$ 69,348	\$ 80,807
Accounts receivable, related party	\$ 48,840	\$ 32,689	\$ 28,246

NOTE C--LEASE OBLIGATIONS

The Company leases equipment beginning December 1, 2019, from CAM Asset Management, LLC ("CAM") (see Note D). The current monthly lease obligation of \$2,999 includes interest of 3.82%. The lease is a 60-month obligation, matures in December 2024 and is collateralized by the underlying equipment. Due to the current year maturity of the lease, the Company is paying rent on a monthly basis.

Effective January 1, 2022, the Company adopted the new leasing standard ASU 2016-02, *Leases (Topic 842)*. The Company adopted ASC 842 for the leased equipment that was previously categorized as a capital lease under ASC 840 - *Leases*.

The finance lease – ROU asset had a cost of \$163,551 with accumulated amortization of \$163,551 and \$133,567, and a net book value of \$ - and \$29,984 as of December 31, 2024, and 2023, respectively.

The following summarizes lease costs for the years ending December 31:

Finance lease expense	2024	2023
Amortization of ROU Assets	\$ 29,984	\$ 35,436
Interest expense on lease liability	\$ 2,778	\$ 1,936

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE C--LEASE OBLIGATIONS

The Company subleases property for tank storage on a month-to-month basis. During 2024 and 2023, the Company incurred \$30,544 and \$24,033, respectively, in rent expense.

The Company subleases office space on a month-to-month basis. During 2024 and 2023, the Company incurred \$1,980 in rent expense.

NOTE D--RELATED PARTY TRANSACTIONS

The Company leases equipment from CAM, a related party (see Note C). The Parent and CAM have common ownership. The amounts due to CAM are \$5,497 and \$ - on December 31, 2024 and 2023, respectively.

The Company makes purchases of DEF from two related parties throughout the year. The amount owed to the first related party is \$19,822 and \$ - as of December 31, 2024 and 2023, respectively. The amount due to the second related party was \$5,282 and \$ - as of December 31, 2024 and 2023, respectively.

The Company's accounting and back-office functions are performed by a company that has common ownership as the Parent. During 2024 and 2023, the Company incurred \$104,726 and \$96,134, respectively, in outside services to the related party. The amounts owed to the related party are \$6,856 and \$ - at December 31, 2024 and 2023, respectively.

The Company has amounts due to an owner of the Parent company in the amount of \$ - and \$2,935 for reimbursable expenses on December 31, 2024 and 2023, respectively. The Company had sales of DEF during 2024 and 2023 to two customers that have common ownership as the Parent (see Note E).

The Company has amounts due from a related party in the amount of \$72,440 at both December 31, 2024 and 2023. Amounts owed are for reimbursement of operational and marketing expenses paid by the Company. The Company has decreased the amounts due from the franchisee by an allowance for credit losses in the amount of \$66,000 at December 31, 2024 and 2023.

Receivables related to royalties due from franchisee as of December 31, 2024 and 2023 were \$48,840 and \$32,689, respectively, and included in accounts receivable, related party in the accompanying balance sheet.

NOTE E--CONCENTRATIONS

Cash

The Company maintains its cash balances at two financial institutions. Interest and non-interest-bearing accounts are insured up to a ceiling of \$250,000 per bank by the Federal Deposit Insurance Corporation. There was no uninsured cash balance for all accounts at December 31, 2024 and 2023, respectively.

The Company has not experienced any losses in these accounts and does not believe that a significant credit risk exists at this time.

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE E--CONCENTRATIONS-continued

Customers

The Company currently delivers DEF directly to customers throughout the Chicagoland area. Two wholesale customers accounted for 75% and 81% of DEF delivery sales for the years ending December 31, 2024 and 2023, respectively. Three wholesale customers accounted for 89% and 85% of accounts receivable at December 31, 2024 and 2023, respectively (see Note D).



**CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS**

**Financial Statements and
Independent Auditor's Report**

Stayfull Services, LLC

**As of and for the Years Ended
December 31, 2023 and 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Members
Stayfull Services, LLC
Woodridge, Illinois

Opinion

We have audited the accompanying financial statements of Stayfull Services, LLC, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stayfull Services, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stayfull Services, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stayfull Services, LLC's ability to continue as a going concern for a reasonable period of time.

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

DHJJ LTD.

Naperville, Illinois
April 8, 2024



Stayfull Services, LLC
BALANCE SHEETS
December 31, 2023 and 2022

	ASSETS	
	2023	2022
CURRENT ASSETS		
Cash	\$ 384,532	\$ 226,364
Accounts receivable	45,248	80,807
Accounts receivable, related party	56,789	28,246
Prepaid expenses and other current assets	3,979	17,553
Total current assets	<u>490,548</u>	<u>352,970</u>
PROPERTY AND EQUIPMENT		
Finance lease - right-of-use (ROU) assets - trucks and trailers	163,551	163,551
Engineering equipment	67,750	67,750
Software development costs	11,000	11,000
Accumulated depreciation and amortization	<u>242,301</u>	<u>242,301</u>
	<u>(201,000)</u>	<u>(150,724)</u>
	<u>41,301</u>	<u>91,577</u>
OTHER ASSETS		
Advances to franchisee, net	<u>6,440</u>	<u>6,440</u>
	<u><u>\$ 538,289</u></u>	<u><u>\$ 450,987</u></u>

See accompanying notes.

Stayfull Services, LLC
BALANCE SHEETS
December 31, 2023 and 2022

LIABILITIES AND MEMBER'S EQUITY

	2023	2022
CURRENT LIABILITIES		
Finance lease, current maturities	\$ 33,203	\$ 33,987
Accounts payable	11,182	24,996
Accounts payable, related party	2,935	7,974
Accrued payroll	22,881	4,570
Total current liabilities	<u>70,201</u>	<u>71,527</u>
LONG-TERM LIABILITIES		
Finance lease, net of current maturities	-	35,197
COMMITMENTS AND CONTINGENCIES	-	-
MEMBER'S EQUITY	<u>468,088</u>	<u>344,263</u>
	<u><u>\$ 538,289</u></u>	<u><u>\$ 450,987</u></u>

See accompanying notes.

Stayfull Services, LLC

STATEMENTS OF OPERATIONS

Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUES, net	\$ 933,481	\$ 821,274
COST OF REVENUES	<u>567,597</u>	<u>568,733</u>
Gross profit	365,884	252,541
OPERATING EXPENSES	<u>239,175</u>	<u>260,649</u>
Income (loss) from operations	126,709	(8,108)
OTHER (EXPENSE) INCOME		
Other (expense) income	(2,673)	5,803
Interest income	1,725	863
Interest expense	<u>(1,936)</u>	<u>(5,992)</u>
	<u>(2,884)</u>	<u>674</u>
NET EARNINGS (LOSS)	<u>\$ 123,825</u>	<u>\$ (7,434)</u>

See accompanying notes.

Stayfull Services, LLC

STATEMENTS OF CHANGES IN MEMBER'S EQUITY

Years ended December 31, 2023 and 2022

MEMBER'S EQUITY, December 31, 2021	\$ 351,697
Net loss	<u>(7,434)</u>
MEMBER'S EQUITY, December 31, 2022	344,263
Net earnings	<u>123,825</u>
MEMBER'S EQUITY, December 31, 2023	<u>\$ 468,088</u>

See accompanying notes.

Stayfull Services, LLC

STATEMENTS OF CASH FLOWS

Years ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings (loss)	\$ 123,825	\$ (7,434)
Adjustments to reconcile net earnings (loss) to net cash provided (used) by operating activities:		
Change in allowance for advances to franchisee	-	(60,000)
Depreciation and amortization	14,840	19,942
Amortization of ROU Asset - trucks and trailers	35,436	29,985
(Increase) decrease in:		
Accounts receivable	35,559	(70,446)
Accounts receivable, related party	(28,543)	(5,914)
Prepaid expenses and other current assets	13,574	(8,381)
Employee retention credit receivable	-	27,437
Increase (decrease) in:		
Accounts payable	(13,814)	3,535
Accounts payable, related party	(5,039)	2,653
Accrued payroll	18,311	1,323
Net cash provided (used) by operating activities	<u>194,149</u>	<u>(67,300)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Repayment from franchisee	-	60,000
Net cash provided by investing activities	<u>-</u>	<u>60,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Finance lease payments	(35,981)	(29,988)
Net cash used by financing activities	<u>(35,981)</u>	<u>(29,988)</u>
NET INCREASE (DECREASE) IN CASH	158,168	(37,288)
Cash, beginning of year	<u>226,364</u>	<u>263,652</u>
Cash, end of year	<u><u>\$ 384,532</u></u>	<u><u>\$ 226,364</u></u>

SUPPLEMENTAL CASH FLOW INFORMATION:

Cash paid for:

Interest	\$ 1,936	\$ 5,993
Taxes	\$ -	\$ -

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business Activities

Stayfull Services, LLC (the "Company"), a wholly owned subsidiary of Stayfull International, LLC (the "Parent"), is primarily engaged in granting franchises for the operation of Stayfull business under the name "Stayfull" offering engine fluid delivery services and other related services and products. The Company also operates as a fluid delivery service under the name Stayfull. There was one franchised outlet during 2023 and 2022.

Basis of Accounting

The financial statements of the Company are prepared on the accrual basis of accounting.

Use of Estimates

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

Fair Value of Financial Instruments

The carrying value of the Company's cash, accounts receivable and accounts payable approximate fair value due to the short-term nature or liquidity of these items, the fact that these amounts resulted from recent transactions between willing buyers and willing sellers, and their close proximity to maturity. The amounts presented for finance leases are approximately fair value since the interest rates are at current market rates.

Cash

The Company classifies all bank deposits, interest and non-interest bearings as cash.

Accounts Receivable and Accounts Receivable, Related Party

Accounts receivable and accounts receivable, related party, represent amounts billed to customers that the Company's right to consideration is unconditional (see Notes D and E). Invoicing is typically presented to customers at the end of each month upon completion of diesel exhaust fuel ("DEF") delivery due under normal trade terms requiring payment within 30 days from the invoice date. Management provides an estimate for a valuation by evaluating individual accounts receivable, which includes consideration of a customer's condition, credit history, and current economic conditions, and estimates the portion of the balance that will not be collected. At December 31, 2023 and 2022, management deems all accounts receivable to be fully collectible.

Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the most recent unpaid invoices.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Inventories

Inventories, if any, consisting of DEF are stated at the lower of cost and net realizable value; cost is determined using the first-in, first-out method.

Management will provide an allowance, when deemed necessary, representing an estimate of inventory valued below net realizable value. Losses on the valuation of inventory and changes in allowance for inventory obsolescence, if any, are recorded as part of cost of sales. No inventory obsolescence was recorded for the years ended December 31, 2023 and 2022.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets, generally five years. Additions, renewals, and betterments that significantly extend the life of the asset are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization expense was \$46,620 and \$46,255 for the years ended December 31, 2023 and 2022, respectively.

Software Development Costs

The Company capitalizes certain costs associated with software development or obtained for internal use. This policy provides for the capitalization of amounts paid to independent third parties, who are directly associated with internal-use computer software projects. Upon completion of a project, the Company will amortize these capitalized computer software costs on a straight-line basis over an estimated life of three years. The software was placed in service in January 2021. Costs associated with preliminary project stage activities, training, maintenance, and all other post-implementation stage activities are expensed as incurred. The Company also expends internal costs related to minor upgrades and enhancements, as it is impractical to separate these costs from normal maintenance activities.

Amortization expense was \$3,656 and \$3,672 for the years ended December 31, 2023 and 2022, respectively.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, consisting of property, equipment and developed software, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable, but not less frequently than annually. An impairment loss would be recognized when the fair value is less than the carrying amount of that asset. The impairment loss would be measured and recorded by the amount in which the carrying amount exceeds its fair value. There were no impairment losses for the years ended December 31, 2023 and 2022.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Leases

The Company determines if an arrangement is a lease or contains a lease at the inception of the contract. The Company's finance lease is presented under the caption finance lease right-of-use (ROU) asset – trucks and trailers, the associated liability is presented as finance lease, current maturities and the long-term maturities on accompanying balance sheets.

The Company's finance lease ROU assets and lease liability are initially measured as the present value of future lease payments over the lease term as determined at each lease's commencement date. The Company has elected a practical expedient to combine lease and non-lease components. Finance lease expense is recognized in two separate components, interest expense on the lease liability has been combined with other interest expense, if any, and displayed in other (expense) income on the accompanying statements of operations. The amortization of the ROU assets has been combined with other depreciation and amortization and presented as components of cost of revenues and operating expenses.

Revenue Recognition

The Company's revenues consist of sales of franchise agreements and delivery of DEF to customers throughout the Chicagoland area.

The Company recognizes royalties from franchisees as a percent of gross profit in each calendar week the franchise agreement is in effect. Royalties represent gross profit-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as the underlying franchise sales occur. The Company began recognizing royalty revenue during 2022.

The Company recognizes revenue from sales of DEF as those sales are recognized upon delivery of the goods as that is when the customer takes physical possession of the goods, legal title is transferred, the customer has all risks and rewards of ownership and an obligation to pay for the goods is created.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2023 and 2022 was \$38,362 and \$53,650, respectively.

Income Taxes

The Company is a non-tax paying entity for federal and state income taxes as the Parent consolidates the accounts of the Company in its tax return. Therefore, no provision for federal and state income taxes has been included in the accompanying financial statements. The Company anticipates making distributions to the Parent based on income taxes resulting from taxable income generated by the Company, if any.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Income Taxes-continued

If it is probable that an uncertain tax position of the Company's as reported in the Parent's tax return will result in a material liability and the amount of the liability can be estimated, then the estimated liability is accrued. If the Company were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. Management has deemed no such liability or disclosure was applicable as of December 31, 2023 and 2022, as there were no uncertain tax positions.

The year ended December 31, 2020, and forward remain subject to examination by major tax jurisdictions.

Concentration of Credit Risk

The Company's financial instruments subject to credit risk are, primarily, cash and accounts receivable. The Company averts its risk by depositing its excess cash only in established, high quality financial institutions. Generally, management does not require collateral or exercise its lien rights in order to support accounts receivable. Management believes that any risk of loss is significantly reduced by its ongoing credit evaluations and the close working relationship developed with its customers.

Adoption of New Accounting Standards

Leases

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in the ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company adopted the standard for the fiscal year ending December 31, 2022, using a modified retrospective approach method that required a cumulative effect adjustment to beginning retained earnings (if necessary) and did not require a change to prior year's presentation.

Financial Instruments – Credit Losses

In June 2016, the FASB issued this ASU to amend the current accounting guidance which requires the measurement of all expected losses to be based on historical experience, current conditions and reasonable and supportable forecasts. For trade receivables, loans, and other financial instruments, the Company will be required to use a forward-looking expected loss model that reflects probable losses rather than the incurred loss model for recognizing credit losses. The Company adopted the standard January 1, 2023, and it did not have a material impact on the Company's financial statements and disclosures.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**Variable Interest Entities**

The Company has adopted the accounting alternative offered to private companies in the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-17, Consolidation (Topic 810). Under the ASU, the Company has made an accounting policy election to not apply the Variable Interest Entity (“VIE”) guidance to entities under common control if certain criteria are met.

As a result of the accounting policy election to not apply the VIE guidance, the Company does not evaluate entities that may meet the requirements in the VIE subsection of FASB Accounting Standards Codification (“ASC”) 810-10. Instead, the Company discloses the nature of activities with related parties, the Company’s maximum exposure with related parties, explicit and implicit arrangements with related parties, and the carrying amounts and classifications of assets and liabilities associated with related parties in the financial statements as required by the private company alternative (see Notes B, C, D and E).

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation.

Date of Management’s Review

Management has evaluated subsequent events through April 8, 2024, which is the date the financial statements were available to be issued.

NOTE B--REVENUErecognition

Revenues during the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Diesel exhaust fuel delivery, net of discounts	\$ 904,938	\$ 793,028
Royalties from franchisees	28,543	28,246
	<u>\$ 933,481</u>	<u>\$ 821,274</u>

The following table reflects the beginning and ending balances of balance sheet accounts resulting from contracts with customers.

	2023	2022	2021
Accounts receivable	\$ 45,248	\$ 80,807	\$ 10,361
Accounts receivable, related party	56,789	28,246	22,332

NOTE C--LEASE OBLIGATION

The Company leases equipment beginning December 1, 2019, from CAM Asset Management, LLC (“CAM”) (see Note D). The current monthly lease obligation of \$2,999 includes interest of 3.82%. The lease is a 60-month obligation, matures in December 2024 and is collateralized by the underlying equipment.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE C--LEASE OBLIGATION-continued

Effective January 1, 2022, the Company adopted the new leasing standard ASU 2016-02, *Leases (Topic 842)*. The Company adopted ASC 842 for the leased equipment that was previously categorized as a capital lease under ASC 840 - *Leases*.

The finance lease – ROU asset had a cost of \$163,551 with accumulated amortization of \$133,567 and \$98,131, and a net book value of \$29,984 and \$65,420 as of December 31, 2023, and 2022, respectively.

The following summarizes lease costs for the years ending December 31:

	2023	2022
Finance lease expense		
Amortization of ROU Assets	\$ 35,436	\$ 29,985
Interest expense on lease liability	1,936	5,992

Future minimum lease payments, at present value, including interest are as follows:

Year Ending December 31,	
2024	\$ 33,824
Total future minimum lease payments	33,824
Less: Imputed interest	(621)
Present value of minimum lease payments	<u>\$ 33,203</u>

NOTE D--RELATED PARTY TRANSACTIONS

The Company leases equipment from CAM, a related party (see Note C). The Parent and CAM have common ownership.

The Company's accounting and back-office functions are performed by a company that has common ownership as the Parent. During 2023 and 2022 the Company incurred \$96,134 and \$87,371, respectively, in outside services to the related party. Amounts owed to the related party are \$ - and \$3,161 at December 31, 2023 and 2022, respectively.

The Company has amounts due to an owner of the Parent company in the amount of \$2,935 and \$4,813 for reimbursable expenses on December 31, 2023, and 2022, respectively. The Company had sales of DEF during 2023 and 2022 to two customers that have common ownership as the Parent (see Note E).

The Company subleases office space from a company on a month-to-month basis that has common ownership as the Parent. During 2023 and 2022, the Company incurred \$25,013 and \$16,356, respectively, in rent expense to the related party.

The Company has amounts due from a franchisee in the amount of \$6,440 at both December 31, 2023, and 2022. Amounts owed are for reimbursement of operational and marketing expenses paid by the Company. The Company has reduced the amounts due from the franchise by an allowance for credit losses in the amount of \$60,000 at both December 31, 2023, and 2022.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE D--RELATED PARTY TRANSACTIONS-continued

Receivables related to royalties due from franchisee as of December 31, 2023, and 2022 were \$56,789 and \$28,246, respectively, and included in accounts receivable, related party in the accompanying balance sheet.

NOTE E--CONCENTRATIONS

Cash

The Company maintains its cash balances at two financial institutions. Interest and non-interest-bearing accounts are insured up to a ceiling of \$250,000 per Bank by the Federal Deposit Insurance Corporation. There was no uninsured cash balance for all accounts at December 31, 2023 and 2022, respectively.

The Company has not experienced any losses in these accounts and does not believe that a significant credit risk exists at this time.

Customers

The Company currently delivers DEF directly to customers throughout the Chicagoland area. Two wholesale customers accounted for 81% and 84% of DEF delivery sales for the years ending December 31, 2023 and 2022, respectively. Three wholesale customers accounted for 85% and 89% of accounts receivable at December 31, 2023 and 2022, respectively.

EXHIBIT B
FRANCHISE AGREEMENT

**STAYFULL®
FRANCHISE AGREEMENT**

YOU (FRANCHISEE)

DATE OF AGREEMENT

Stayfull Services, LLC
2025 Franchise Agreement

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- D – GUARANTY AND ASSUMPTION OF OBLIGATIONS
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STAYFULL® FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into this _____ day of _____, 20_____, between Stayfull Services, LLC, with a principal place of business at 7325 Janes Avenue, Woodridge, IL 60517. (“we” or “us”), and _____, a _____ formed and operating under the laws of the State of _____ (“you”).

INTRODUCTION

- A. We have developed and own a “System” (as defined in Section 1(K) below) relating to the development and operation of stayfull® businesses offering engine fluid delivery services and related products.
- B. We own the stayfull® trademark, and other trademarks and service marks (the “Marks”) used in operating the System.
- C. We grant qualified persons the right to develop, own and operate a stayfull® business in a specific territory.
- D. You desire to obtain the right to develop and operate a stayfull® business using the System in a specific territory.

AGREEMENTS

In consideration of the mutual covenants and agreements stated below, the parties agree as follows:

1. DEFINITIONS

- A. “Business” means the stayfull® business developed and operated under this Agreement which offers the Services and Products.
- B. “Confidential Information” means the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, Operations Manual (as defined in Section 7(E)), systems, and knowledge of and experience in the operation and franchising of stayfull® businesses that we communicate to you or that you otherwise acquire in operating the Business (as defined in Section 1) under the System. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by you.
- C. “Gross Profit” means the aggregate amount of all sales of all Services and Products, and other goods and services, whether for cash, on credit or otherwise, made or provided at or in connection with the Business, including off-premises sales and monies derived at or away from the Business, less the cost of Products purchased from us or our designated suppliers, as further described in the Operations Manual. The term “Gross Profit” does not include: (1) any federal, state, municipal or other sales, value added or retailer’s excise taxes paid or accrued by you; or (2) adjustments for net returns on salable goods and discounts allowed to customers on sales. Gross Profit will not be adjusted for uncollected accounts. For purposes of the Royalty Fee described in Section 4(B) below, the sale is made at the earlier of delivery of the service or product, or receipt of payment.

D. “Marks” means the stayfull® trademark and service mark, the related design logo, and other trademarks, service marks, domain names, logos, slogans, and commercial symbols that we have designated, or may in the future designate, for use in the System.

E. “National Accounts” means those customers or accounts we designate, in our sole and absolute discretion, as desiring central billing accounts, or that have two (2) or more locations, and such locations are located in more than one franchised or company-owned territory or market.

F. “Operating Principal” means the designated individual responsible for the day-to-day operation of the Business. We must approve the Operating Principal and the Operating Principal must successfully complete our initial training program and all mandatory follow-up training programs.

G. “Principal Owner” means any person or entity who directly or indirectly owns a ten percent (10%) or greater interest in you. If any corporation or other entity other than a partnership is a Principal Owner, a “Principal Owner” also will mean a shareholder or owner of a ten percent (10%) or greater interest in such corporation or other entity. If a partnership is a Principal Owner, a “Principal Owner” also will mean each general partner of such partnership and, if such general partner is an entity, each owner of a ten percent (10%) or greater interest in such general partner.

H. “Products” means retail products, accessories, and other products that we periodically may modify or otherwise approve for sale from the Business.

I. “Protected Territory” means the geographic area, identified in Exhibit A, that we determine.

J. “Services” means the engine fluid delivery and transfer services, and other related services authorized for stayfull® businesses, as we periodically may modify or otherwise approve for sale from the Business.

K. “System” means the stayfull® system which includes the sale of Services and Products under the Marks at stayfull® businesses, using certain distinctive types of décor, products, equipment (including the Management System (as defined in Section 6(C) below)), supplies, Confidential Information, business techniques, methods and procedures, and sales promotion programs, as we periodically may modify and further improve.

2. GRANT OF FRANCHISE

A. Grant of Franchise, Authorized Location and Protected Territory. Subject to the provisions contained in this Agreement, we grant you a franchise (the “Franchise”) to own and operate a stayfull® business (the “Business”) in a Protected Territory we approve and to use the Marks and other aspects of the System in operating the Business. The location of the Business and your Protected Territory are identified in Exhibit A, or alternatively, we and you will complete and sign Exhibit B, in which we and you agree on a geographic area in which the location of the Business will be established, subject to our written consent, within ninety (90) days after the date of this Agreement. You do not receive any territorial rights upon designation of the geographic area in Exhibit B, and we and our affiliates have the right to operate and franchise other stayfull® businesses within the designated area. Once we consent to a territory for the Business within the geographic area established in Exhibit B, however, we and you will sign Exhibit A and identify the Protected Territory.

B. Nature of Your Protected Territory. During the term of this Agreement (as described in Section 3), if you are in compliance with the terms of this Agreement, we will not directly operate or

franchise other persons to operate any other stayfull® business within the Protected Territory. You may operate your Business only in the Protected Territory. The license granted to you under this Agreement is personal in nature, may not be used in any area other than within the Protected Territory, and does not include the right to sell any Services or Products identified by the Marks at any location other than in the Protected Territory. This Agreement does not include the right to sell any Services or Products identified by the Marks through any other channels of distribution, including the Internet (or any other existing or future form of electronic commerce). You will not have the right to subfranchise or sublicense any of your rights under this Agreement. You will not use the Business for any purposes other than the operation of a stayfull® business.

C. Rights Reserved to us. We (for us and our affiliates) retain the right:

1. To directly operate, or to grant other persons the right to operate, stayfull® businesses at locations outside the Protected Territory;

2. To promote, sell and distribute anywhere the Services and the Products authorized for sale at stayfull® businesses under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution;

3. To promote, sell, distribute and license the Services and the Products authorized for sale at stayfull® businesses as well as ancillary services and products under the Marks through dissimilar channels of distribution (*i.e.*, other than the operation of full-service stayfull® businesses), including direct mail, wholesale activities, and by electronic means such as the Internet, and pursuant to conditions we deem appropriate within and outside the Protected Territory;

4. To acquire businesses that are the same as or similar to the Business or other stayfull® businesses and operate such businesses regardless of whether such businesses are located within or outside the Protected Territory, and to be acquired by any third party which operates businesses that are the same as or similar to the Business or other stayfull® businesses regardless of whether such businesses are located within or outside the Protected Territory;

5. To promote the System and stayfull® businesses generally, including on the Internet (or any other existing or future form of one or more electronic commerce) and to create, operate, maintain and modify, or discontinue the use of websites using the Marks; and

6. To provide the Services and Products to National Accounts located inside or outside of the Protected Territory, as further described in Section 9(N).

3. TERM OF FRANCHISE; RENEWAL RIGHTS

A. Term. The term of this Agreement will be for five (5) years commencing on the date of this Agreement (the “Effective Date”).

B. Renewal Terms. You will have the right to enter into a successor agreement for the Franchise for two (2) additional renewal terms of five (5) years each, provided you satisfy the following conditions respecting each renewal term:

1. You have given us written notice at least one hundred eighty (180) days but no more than three hundred and sixty (360) days before the end of the term of this Agreement of your intention to enter into a successor agreement;

2. You have complied with all of the material provisions of this Agreement and all other agreements between you and us or any of our respective affiliates, including the payment of all monetary obligations you owe to us or our affiliates, and have complied with our material operating and quality standards and procedures;

3. You provide documentation satisfactory to us that you have the right to maintain possession of the Business premises during the renewal term described in our then-current Franchise Agreement and have, at your expense, made such reasonable capital expenditures necessary to remodel, modernize and redecorate the Business premises and to replace and modernize the décor, supplies, fixtures, signs, and equipment used in operating the Business so that the Business reflects the then-current physical appearance of new stayfull® businesses;

4. Both a Principal Owner we approve and the Operating Principal complete, to our satisfaction, any new training and refresher programs as we may reasonably require. You are responsible for travel, living and compensation costs of attendees;

5. You have paid to us at least thirty (30) days before the term of this Agreement expires a Renewal Fee equal to \$3,500.

6. You sign our then-current standard Franchise Agreement which may differ materially from the provisions of this Agreement; provided that you will be required to pay the Renewal Fee in lieu of the Initial Franchise Fee stated in the then-current Franchise Agreement; and

7. You and each Principal Owner sign a general release, in form acceptable to us, of all claims against us and our affiliates, officers, directors, employees, and agents.

4. FRANCHISE AND OTHER FEES

A. Initial Franchise Fee. You will pay us an “Initial Franchise Fee” of Twenty-Five Thousand and No/100 Dollars (\$25,000). The Initial Franchise Fee is payable when you sign this Agreement and is not refundable. If you paid us an application fee before signing this Agreement, the application fee will be credited toward the Initial Franchise Fee.

B. Royalty Fee. You will pay us a non-refundable weekly Royalty Fee equal to Six percent (6%) of your Gross Profit. The Royalty Fee is due and payable on or before Tuesday of each week based on Gross Profit for the preceding week, or as described in the Operations Manual.

C. Marketing Fee. As further described in Section 5(A) below, we may require you to pay us a non-refundable weekly Marketing Fee of up to ten percent (10%) of Gross Profit. We will deposit the Marketing Fee into the System Marketing Fund described in Section 5(A) below. The Marketing Fee is due and payable at the same time and in the same manner as the Royalty Fee.

D. Technology Fee. In the future, we may require you to pay us our then-current monthly technology fee (the “Technology Fee”) to offset all costs related to the Management System, including one or more proprietary software programs. We may establish the Technology Fee following written notice of at least sixty (60) days and thereafter may increase the Technology Fee on an annual basis. The Technology Fee (if applicable) for each month is due and payable on the first Tuesday of each month in the same manner as the Royalty Fee.

E. Electronic Transfer of Funds. We will require you to sign electronic transfer of funds authorizations and other documents as we periodically designate to authorize your bank to transfer, either

electronically or through some other method of payment we designate, directly to our account and to charge your account for all Royalty Fees, Marketing Fees, and other amounts you owe us. Your authorization will permit us to designate the amount to be transferred from your account. You must maintain a balance in your accounts sufficient to allow us to collect the amounts owed to us when due. You will be responsible for any penalties, fines or similar expenses associated with the transfer of funds described herein. Further, in addition to interest charges on late fee payments, you must pay to us a service charge of up to Two Hundred Fifty Dollars (\$250) for each delinquent payment that you owe to us under this Agreement. A payment is delinquent for any of the following reasons: (1) we do not receive the payment on or before the date due; or (2) there are insufficient funds in your bank account to collect the payment by a transfer of funds on or after the date due.

F. Interest on Late Payments. All Royalty Fees, Marketing Fees, and other amounts which you owe to us or our affiliates will bear interest after the due date at the lesser of: (1) eighteen percent (18%) per year; or (2) the maximum contract rate of interest permitted by law in the state in which the Business is located.

G. Application of Payments. We have discretion to apply amounts due to us or any of our affiliates any payments received from you or any amount we owe you.

H. Withholding Payments Unlawful. You agree that you will not withhold payment of any Royalty Fees, Marketing Fees, or any other amount due us, and that the alleged non-performance or breach of any of our obligations under the Franchise Agreement or any related agreement does not establish a right at law or in equity to withhold payments due us for Royalty Fees, Marketing Fees or any other amounts due.

I. Tax Indemnification. You will indemnify us and reimburse us for all income, capital, gross receipts, sales, and other taxes that the state in which the Business is located imposes as a result of your operation of the Business or the license of any of our intangible property in the jurisdiction in which the Business is located. If more than one stayfull® business is located in such jurisdiction, they will share the liability in proportion to their Gross Sales from the franchised business, except in the case of sales taxes and gross receipts taxes, which will be divided in proportion to taxable sales to you. If applicable, this payment is in addition to the Royalty Fee payments described above.

5. ADVERTISING

A. Marketing and Promotional Fund. During the term of this Agreement, we may require you to pay to us for deposit in a marketing and promotional fund (the “System Marketing Fund” or “Fund”) a weekly marketing fee (the “Marketing Fee”) of up to ten percent (10%) of Gross Profit. We may begin charging the Marketing Fee upon 30 days’ prior written notice to you. We also may increase the Marketing Fee upon thirty (30) days’ prior written notice to you. The Marketing Fee is due and payable in the same manner as the Royalty Fee described in Section 4(B) above. We will place all Marketing Fees we receive in the System Marketing Fund and will manage such Fund. We also will contribute to the System Marketing Fund for each stayfull® business that we operate in the United States at the same percentage rate as a majority of stayfull® businesses must pay to the System Marketing Fund. Reasonable disbursements from the System Marketing Fund will be made solely to pay expenses we incur in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and implementing advertising, marketing, promotional and public relations campaigns; the cost of market research and analytics; and the reasonable costs of administering the System Marketing Fund, including the cost of employing advertising, public relations and other third party agencies to assist us and providing promotional brochures and advertising materials to stayfull® businesses and to regional and local advertising cooperatives, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration

of the System Marketing Fund. The System Marketing Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the System Marketing Fund. We cannot ensure that you will benefit directly or on a pro rata basis from the future placement of any such advertising in your local market. We may spend in any fiscal year an amount greater or less than the aggregate contributions of stayfull® businesses to the System Marketing Fund in that year. We may, through the System Marketing Fund, furnish you with approved local marketing plans and materials on the same terms and conditions as plans and materials we furnish to other stayfull® businesses. We will determine the methods of advertising, media employed and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs. Upon written request, we will provide you an annual unaudited statement of the receipts and disbursements of the System Marketing Fund for the most recent calendar year.

B. Local Marketing and Business Promotion. In addition to the Marketing Fee due under Section 5(A) above, you must spend at least one percent (1%) of Gross Profit each month on “approved” Business marketing and promotional activities in your local geographic area. Within fifteen (15) days following the end of each month, you will provide us with an accounting of the funds that you have spent on local marketing for the preceding month. If you fail to spend the minimum amount required under this Section on approved local marketing, you will deposit with us the difference between what you should have spent on approved marketing during the month and what you actually spent on approved marketing during the month. We will deposit that amount in the System Marketing Fund. For purposes of this Section, Business marketing and promotional activities are “approved” if they comply with Section 5(D) below.

C. Cooperative Advertising. In the future, we may require that you will participate in, support and contribute to the cost of regional cooperative advertising programs we designate. We reserve the right to designate regional and local advertising markets, to establish regional advertising councils and to establish the bylaws and other rules under which such councils will operate. Your contributions to regional and local advertising cooperatives will be credited toward your local marketing obligations described in Section 5(B), as we periodically prescribe.

D. Approved Advertising, Media Plans and Business Promotion Materials. We may develop, and make available to you, local media planning assistance. If we do so, you must use our recommended media plan in promoting the Business or otherwise develop, and obtain our advance written approval to, an alternative media/promotion plan. In addition, you will use only our approved advertising and promotional materials in promoting the Business. If you desire to use any advertising or promotional materials in promoting the Business which we previously have not approved, you must submit all materials to us for our approval before using any such materials, which approval will not be unreasonably withheld. If we do not disapprove those advertising or promotional materials within five (5) days after you submit those materials to us, then you may use the materials, although we reserve the right to disapprove those materials at any later time. If you use any advertising or promotional materials without submitting those materials to us or if you use materials we disapprove, in addition to any separate remedies we may have, any amounts spent on those materials will not be credited toward your local marketing obligations described in Section 5(B) above.

E. Participation in Certain Programs and Promotions. You must use your best efforts to promote and advertise your Business and must participate in all advertising and promotional programs we establish in the manner we direct. You must, at your expense, participate in, and honor all provisions of any gift card and/or loyalty program that we have established or may establish and as we may modify, as further described in the Operations Manual. You also must honor all coupons, discounts and gift certificates as we may reasonably specify in the Operations Manual or otherwise in writing. You must also participate in any mystery shopper program or compliance assessments we require.

6. DEVELOPMENT AND OPENING OF THE BUSINESS

A. Territory Selection; Lease for Business Premises. You are solely responsible for securing a territory for the Business that we have approved. Once we approve of the territory it will be the Protected Territory described in this Agreement. We will provide you with reasonable assistance in connection with the selection and evaluation of proposed territories. We recommend that you use a location specialist to assist you in finding potential territories for your Business, and reserve the right to require that you use an approved location specialist or obtain our written acceptance of the location specialist you use. You must submit to us a complete territory evaluation form (containing any information that we may require) for the proposed territory. We will notify you in writing within thirty (30) days after we receive your complete territory evaluation form and other materials we request whether we accept or reject the proposed territory. If you enter into a letter of intent and/or lease for Business premises within your Protected Territory, you must provide the proposed lease and, if applicable, the proposed letter of intent to us and receive our prior written approval of the proposed lease and proposed letter of intent (which will not be unreasonably withheld) before you sign it. In addition, you and the landlord of the Business premises ("Landlord") must sign a "Lease Addendum" in the form attached hereto as Exhibit C.

B. Equipment Lease. You will be required to use in the Business certain proprietary equipment (the "Equipment Package") leased from us or our affiliate prior to commencing business or purchased from one or more suppliers approved by us. If you determine to lease the Equipment Package from us and you meet our qualification and underwriting criteria, you will lease the Equipment Package pursuant to the terms of an equipment lease agreement signed by you and us or our affiliate simultaneously with the execution of this Agreement (the "Equipment Lease Agreement"). A copy of the Equipment Lease Agreement is attached to this Agreement as Exhibit E.

C. Management System. You will use in the Business the management and reporting system, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed or selected for the System (the "Management System"). The Management System may include one or more proprietary or other software programs developed or customized for us (the "Designated Software"). You must use the Designated Software from us or our designated supplier. The Designated Software will remain the confidential property of us or our designated supplier. You must enter into our or our designee's standard form software license agreement in connection with your use of any Designated Software. We reserve the right to charge you initial and ongoing license and access fees related to your use of the Designated Software. You will pay the then-current initial fee (if any) for the Designated Software at or before the Designated Software is delivered to you. We reserve the right to assign our rights, title and interest in any Designated Software to a third party we designate or to replace the Designated Software. In such event, you may be required to enter into a separate computer software license agreement specified by the third party supplier of the Designated Software and pay any separate fees imposed under that agreement. You must participate in our designated Payment Card Industry ("PCI") compliance program if we establish such a program and pay the then-current fee associated with such program. If we do not designate a separate PCI compliance program, you must take all necessary steps to comply with all applicable PCI data security standards. We also may access financial information and customer data produced by or otherwise located on your Management System (collectively the "Customer Data"). During the Term, we and you will have joint ownership of the Customer Data that is stored on the Management System, although you will be responsible for obtaining all customer consents necessary to allow us to use the Customer Data for various purposes as we may identify. We will periodically establish policies respecting the Customer Data. You must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us immediately of any suspected data breach at or in connection with the Business. You will have Internet access with a form of high-speed connection as we require. You will use an e-mail address we designate for communication with us. The computer hardware component of the Management System must

comply with specifications we develop. We reserve the right to require the Management System to be configured as a package unit. We have the right to designate a single source from which you must purchase the Management System, any software or hardware components thereof or associated service, and we or our affiliates may be that single source. You will be required to use and, at our discretion, pay for all future updates, supplements and modifications to the Management System. It is your responsibility to protect yourself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and you waive any and all claims you may have against us as the direct or indirect result of such disruptions, failures and attacks.

D. Business Opening. You must comply with any Business opening requirements we periodically describe in the Operations Manual. You will not open the Business for business without our prior written approval. You agree to complete the development and open the Business for business within twelve (12) months following the Effective Date.

E. Business Opening Campaign. During the period beginning ninety (90) days before the opening of your Business and ending ninety (90) days following such opening, you must spend a minimum of Two Thousand Five Hundred Dollars (\$2,500) on a Business opening campaign that we have approved in advance. You will use our designated media vendor (if any) and must implement our recommended media plan (if any) in conducting the Business opening campaign. We reserve the right to collect the Two Thousand Five Hundred Dollars (\$2,500) directly from you and spend it on your behalf in connection with the Business opening campaign. On or before the last day of each month during the first four (4) months of Business operations, you must provide us with an accurate accounting of the Business opening campaign (advertising and marketing) expenses.

F. Relocation of Business. You will not relocate the Business from the Protected Territory without our prior written consent, which we may withhold or condition in our reasonable discretion.

G. Minimum Capital Requirements. We reserve the right, as periodically described in the Operations Manual, to require you to directly invest (i.e., assets belonging to you or the Principal Owner(s) of a corporate entity) a minimum amount of capital in operating the Business.

7. TRAINING AND OPERATING ASSISTANCE

A. Development of Business. We will provide you with reasonable consulting services in connection with the selection and evaluation of the proposed territory and development of the Business. You acknowledge that our assistance in territory location and consent to the territory does not represent a representation or guaranty by us that the territory will contribute to your Business being a success.

B. Training. Before the opening of the Business, we will provide to the Operating Principal and general manager an initial training program on the operation of a stayfull® business, provided at a place and time we designate. Each of these individuals must attend and successfully complete the entire initial training program. The Operating Principal and general manager may be the same person.

The initial training program for the Operating Principal and general manager will take place over a period of up to two (2) weeks. The initial training program may include online tutorials, classroom instruction and on-site training relating to Business operations, understanding the equipment usage and maintenance, customer service, marketing and sales programs and methods of controlling operating costs. If, during the initial training program, we determine that the Operating Principal or general manager is not qualified to manage the Business, we will notify you and you must select and enroll a substitute Operating Principal or general manager in the initial training program.

In addition, all new Operating Principals and general managers must complete our designated initial training program. We may charge you a reasonable fee for those new or additional individuals who attend the initial training program.

We may require that the Operating Principal and any general manager attend all supplemental and refresher training programs that we designate for up to three (3) days each calendar year. We may charge you a reasonable fee for these supplemental and refresher training programs.

You are solely responsible for the compensation, travel, lodging and living expenses you and your employees incur in attending the initial training program, as well as any supplemental or refresher training programs. You also are solely responsible for paying your employees and providing all necessary insurance, including worker's compensation insurance, for you and your employees, while you and your employees attend training.

C. Opening Assistance. We will provide you with the services of one of our representatives for up to three (3) days to assist you in the opening and initial operations of the Business. We will determine the number of days and the time at which our representative is available to you. You must reimburse us for all travel, lodging and living expenses incurred by our representatives to provide such on-site assistance.

D. Operating Assistance. We will advise you on operational issues and provide assistance in operating the Business as we deem appropriate. Operating assistance may include advice regarding the following:

1. additional Services and Products authorized for sale at stayfull® businesses;
2. selecting, purchasing and marketing products, equipment, and other approved materials and supplies;
3. marketing assistance and sales promotion programs; and
4. establishing and operating administrative, bookkeeping, accounting, inventory control, sales and general operating procedures for the proper operation of a stayfull® business.

We will provide such guidance, in our discretion, through our Operations Manual, bulletins or other written materials, telephone conversations and/or meetings at our office or at a location in your Protected Territory in conjunction with an inspection of the Business. We will provide additional assistance for a fee.

E. Operations Manual. We will provide on loan to you, during the term of this Agreement, electronic (Internet) access to an Operations Manual, which may include other handbooks, manuals and written materials (collectively, the "Operations Manual") for stayfull® businesses. The Operations Manual will contain mandatory and suggested specifications, standards and operating procedures that we develop for stayfull® businesses and information relating to your other obligations. Any required specifications, standards and operating procedures exist to protect our interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. We may add to, and otherwise modify, the Operations Manual to reflect changes in authorized Services and Products, and specifications, standards and operating procedures of a stayfull® business. The master copy of the Operations Manual that we maintain at our principal office or on our website, and make available to you by hard copy or electronic access, will control if there is a dispute involving the contents of the Operations Manual.

F. Conventions and Meetings. We periodically may hold or sponsor franchise conventions and meetings relating to new Services or Products, new operational procedures or programs, training, business management, sales and sales promotion, or similar topics. These franchise conventions and meetings may be optional or mandatory, as we designate. Your Operating Principal must attend, at your expense, all mandatory franchise conventions and meetings we may hold. If your Operating Principal cannot attend a convention or meeting, he or she must so notify us before the convention or meeting and must have a substitute person acceptable to us attend the event. We reserve the right to charge you a fee for any annual franchise convention or meeting that we sponsor or designate, regardless of your attendance.

8. MARKS

A. Ownership and Goodwill of Marks. You acknowledge that you have no interest in or to the Marks and that your right to use the Marks is derived solely from this Agreement and is limited to the conduct of business in compliance with this Agreement and all applicable specifications, standards and operating procedures that we require during the term of the Franchise. You agree that the use of the Marks and any goodwill established exclusively benefits us, and that you receive no interest in any goodwill related to your use of the Marks or the System. You must not, at any time during the term of this Agreement or after your termination or expiration, contest or assist any other person in contesting the validity or ownership of any of the Marks.

B. Limitations on Your Use of Marks. You agree to use the Marks as the sole identification of the Business, but you must identify yourself as the independent owner in the manner we direct. You must not use any Mark as part of any corporate or trade name or in any modified form, nor may you use any Mark in selling any unauthorized product or service or in any other manner we do not expressly authorize in writing. You agree to display the Marks prominently and in the manner we direct on all signs and forms. Subject to our rights described in this Agreement, you agree to obtain fictitious or assumed name registrations as may be required under applicable law.

C. Restrictions on Internet and Website Use. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Marks. You have the right to access and participate in our website as further described in Section 9(M) below. Except as we may authorize in writing, however, you will not: (1) link or frame our website; (2) conduct any business or offer to sell or advertise any Products or Services or similar products or services on the Internet (or any other existing or future form of electronic communication) including e-mail marketing or other digital marketing; (3) create or register any Internet domain name in any connection with the Business; (4) use any e-mail address which we have not authorized for use in operating the Business; and (5) conduct any activity on “social media” or related social networking website other than as we have expressly authorized in writing. You will not register, as Internet domain names, any of the Marks that we now or hereafter may own or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar.

D. Notification of Infringements and Claims. You must notify us immediately in writing of any apparent infringement of or challenge to your use of any Mark, or any claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. You must not communicate with any person other than us and our counsel regarding any infringement, challenge or claim. We may take any action we deem appropriate and have the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. You will sign all documents, provide assistance and take all action as we may reasonably request to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks.

E. Litigation. You will have no obligation to and will not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. You will, however, immediately notify us of any claims or complaints made against you respecting the Marks and will, at your expense, cooperate in all respects with us in any court or other proceedings involving the Marks. Subject to our right of indemnification (as described in Section 18(B) below), we will pay the cost and expense of all litigation we incur, including attorneys' fees, specifically relating to the Marks. We and our legal counsel will have the right to control and conduct any litigation relating to the Marks.

F. Changes. You cannot make any changes or substitutions to the Marks unless we so direct in writing. We reserve the right, in our discretion, to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks. In such event, you will, at your expense, comply with such modification or substitution within a reasonable time after notice by us.

9. BUSINESS IMAGE AND OPERATING STANDARDS

A. Condition and Appearance of Business/Remodeling of Business. You agree to maintain the condition and appearance of the Business and Equipment Package as we may require modify from time to time. You will replace worn out or obsolete items in the Equipment Package and other fixtures, equipment, furniture, or signs. If at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Business premises or Equipment Package or other fixtures, equipment, furniture or signs do not meet our then-current standards, we will so notify you, specifying the action you must take to correct the deficiency. If you fail, within ten (10) days after receipt of notice, to commence action and continue in good faith and with due diligence, to undertake and complete any required maintenance or refurbishing, we may (in addition to our rights under Section 15 below) enter the Business premises or access the Equipment Package and correct the deficiencies on your behalf, and at your expense.

B. Business Alterations. You cannot alter the premises or appearance of the Business or the items comprising the Equipment Package, or make any unapproved replacements of or alterations to the fixtures, equipment, furniture or signs of the Business without our prior written approval. We may, in our discretion and at your sole expense, correct any alterations to the Business or Equipment Package that we have not previously approved.

C. Restriction on Use of Premises. You agree that you will not, without our prior written approval, offer from the Business any services or products we have not then authorized for use or sale for stayfull® businesses, nor will the Business or the items in the Equipment Package be used for any purpose other than the operation of a stayfull® business in compliance with this Agreement.

D. Your Hiring and Training of Employees. You will hire all employees of the Business, and be exclusively responsible for the terms of their employment, scheduling, benefits, disciplining, compensation, and all other personnel decisions. You will implement a training program for Business employees in compliance with our requirements. You will maintain at all times a staff of trained employees sufficient to operate the Business in compliance with our standards. You must ensure that all Business employees comply with all licenses and certifications respecting the Business as we may require or as federal, state and/or local authorities may require. At all times, the Business must be under the direct, on-site supervision of the Operating Principal or a general manager. As described in Section 13(B), you are limited in your ability to hire our and other stayfull® franchisees' former employees.

E. Authorized Products, Supplies and Equipment. You agree to offer and sell from the Business all and only the Services and Products, including stayfull® gift cards, which we have approved as being suitable for sale and meeting the standards of quality and uniformity for the System. In addition, you

agree to use in the operation of the Business only such products, supplies and equipment which we have approved as being suitable for use and meeting the standards of quality and uniformity for the System and are purchased from suppliers we have approved (which may include us and/or our affiliates). We periodically may modify the lists of approved products, supplies, equipment, brands and suppliers. If you propose to offer for sale or use in operating the Business any products, supplies or equipment which we have not approved, you must first notify us in writing and provide sufficient information, specifications and samples concerning the brand and/or supplier to permit us to determine whether the brand complies with our specifications and standards and/or the supplier meets our approved supplier criteria. We will notify you within sixty (60) days whether the proposed brand and/or supplier is approved. We may develop procedures for the submission of a request for approved brands or suppliers and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be signed by the approved supplier). We reserve the right to charge each proposed supplier or you for our costs incurred to review a proposed brand or supplier. We may impose limits on the number of suppliers and/or brands for any products, supplies or equipment sold or used in the Business or otherwise related to the Franchise, and we may require that you use only one supplier for any products, supplies or equipment. You agree that certain products, materials, and other items and supplies may only be available from one source, and we or our affiliates may be that source. **WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, RESPECTING PRODUCTS, EQUIPMENT (INCLUDING ANY REQUIRED POINT-OF-SALE SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER ITEMS THAT ARE MANUFACTURED OR DISTRIBUTED BY THIRD PARTIES AND THAT WE APPROVE FOR USE IN THE SYSTEM.**

F. Safety Standards. You must comply with all applicable governmental safety standards in operating and maintaining your Business. You also must comply with any higher standards that we prescribe.

G. Business Operation. We will approve the days and hours of operation for the Business and you may not modify those hours of operation without our prior written consent.

H. Standards of Service. You must at all times give prompt, courteous and efficient service to your customers. You must, in all dealings with your customers and suppliers and the public, adhere to the highest standards of honesty, integrity and fair dealing.

I. Specifications, Standards and Procedures. You acknowledge that each and every detail of the appearance and operation of the Business is important to us and other stayfull® businesses. You agree to maintain the highest standards of quality and service in the Business and agree to comply with all mandatory specifications, standards and operating procedures (whether contained in the Operations Manual or any other written or oral communication to you) relating to the appearance or operation of a stayfull® business, including:

1. type and quality of Services and Products and Product procurement;
2. methods and procedures relating to marketing and customer service;
3. the safety, maintenance, cleanliness, function and appearance of the Business premises, and its fixtures, equipment, furniture, décor and signs;
4. qualifications, dress, general appearance and demeanor of Business employees. Each of your employees will wear only those uniforms which we have approved in writing;

5. the style, make and/or type of equipment (including computer equipment) used in operating the Business;
6. use and illumination of exterior and interior signs, posters, displays, standard formats and similar items; and
7. Business advertising and promotion.

J. Compliance with Laws and Good Business Practices. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Business, and must operate the Business in full compliance with all applicable laws, ordinances and regulations, including all labor and employment laws. You must notify us in writing within five (5) days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, injunction, or award of decree, by any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of you or the Business. You will not conduct any business or advertising practice which injures our business, the System or the goodwill associated with the Marks and other stayfull® businesses. Notwithstanding any rights or obligations set forth herein, no part of this Agreement shall be read to require you to engage in acts or practices that violate any law.

K. Management of the Business/Conflicting Interests. The Business must at all times be under the direct supervision of the Operating Principal or an approved general manager. The person who is responsible for the day-to-day supervision of the Business (i.e., the Operating Principal or the approved manager) must at all times faithfully, honestly and diligently perform his or her obligations and continuously use best efforts to promote and enhance the business of the Business. The person who is responsible for the day-to-day supervision of the Business must assume his or her responsibilities on a full-time basis and must not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments, or otherwise may conflict with your obligations.

If at any time the Operating Principal or an approved general manager is not managing the Business, we immediately may appoint a manager to maintain Business operations on your behalf. Our appointment of a manager of the Business does not relieve you of your obligations or constitute a waiver of our right to terminate the Franchise under Section 15 below. We are not liable for any debts, losses, costs or expenses you incur in operating the Business or to any of your creditors for any products, materials, supplies or services purchased by the Business while it is managed by our appointed manager. We may charge a reasonable fee for management services and cease to provide management services at any time.

L. Insurance. You agree to purchase and maintain in force, at your expense, insurance at a minimum in the types of coverage and amounts we specify in the Operations Manual or otherwise in writing. All insurance policies will: (1) be issued by an insurance carrier(s) acceptable to us and that have an A.M. Best rating of A or higher; (2) will name us and our affiliates, and their respective officers, directors and employees, as an additional insured; (3) contain a waiver of the insurance company's right of subrogation against us; (4) contain the above-mentioned insurance coverage for each stayfull® business that you operate; (5) as applicable, include primary and non-contributory endorsement or language in form and content as we periodically require; and (6) provide that we will receive thirty (30) days' prior written notice of a material change in or termination, expiration or cancellation of any policy (or such shorter period as the insurance carrier may require and approved by us). We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If at any time you fail to maintain in effect any insurance coverage we require, or to furnish satisfactory evidence thereof, we, at our option, may obtain insurance coverage for you. You agree to promptly sign any applications or other forms or instruments

required to obtain any insurance and pay to us, on demand, any costs and premiums we incur, together with an administrative fee equal to five percent (5%) of the insurance premium. You will provide us with copies of the certificate of insurance, insurance policy endorsements and other evidence of compliance with these requirements as we periodically require at least two (2) weeks before you take possession and commence development of the Business premises and at such other times as we may require. In addition, you will provide to us a copy of the evidence of the renewal or extension of each insurance policy in a form we require. Your obligation to obtain and maintain these insurance policies in the amounts specified will not be limited in any way by reason of any insurance that we may maintain, nor does your procurement of required insurance relieve you of liability under the indemnity obligations described in Section 18. Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations. We do not represent or warrant that any insurance that you are required to purchase will provide you with adequate coverage. The insurance requirements specified in this Agreement are for our protection. You should consult with your own insurance agents, attorneys and other insurance advisors to determine the level of insurance protection you need and desire, in addition to the coverage and limits we require.

M. Participation in Internet Website. You will participate in a stayfull® website listed on the Internet or other online communications and participate in any intranet system we control. We will, at our discretion, determine the content and use of a stayfull® website and intranet system and will establish rules under which you may or will participate. We will retain all rights relating to the stayfull® website and intranet system and may alter or terminate the website or intranet system upon thirty (30) days' notice to you. Your general conduct on the Internet and the stayfull® intranet system, and specifically your use of the Marks or any advertising on the Internet (including the domain name and any other Marks we may develop as a result of participation in the Internet), will be subject to the provisions of this Agreement. You acknowledge that certain information obtained through your online participation in the website or intranet system is considered Confidential Information, including access codes and identification codes. Your right to participate in the stayfull® website or intranet system or otherwise use the Marks or the System on the Internet will terminate when this Agreement expires or terminates.

N. National Accounts. We may establish a "National Accounts Program" that is designed to generate customer leads as a result of national marketing, strategic alliances and partnerships, or other lead generation efforts we or our affiliates conduct or that otherwise involves National Accounts. We may permit you to participate in the National Accounts Program and service National Accounts in your Protected Territory under the terms of the National Accounts Program as described in the Operations Manual or as we otherwise describe in writing. You understand that: (1) we will establish the rules under which you may participate, (2) we retain the absolute discretion in determining whether you may participate in the National Accounts Program; and (3) we may terminate, modify, or replace the National Accounts Program at any time. You acknowledge and agree that, in addition to the Royalty Fees described in Section 4(B) above, you must pay our then-current fees for participation in the National Accounts Program.

10. RECORDS AND REPORTS

A. Accounting and Records. During the term of this Agreement, you will, at your expense, establish and maintain at a business location within the Protected Territory and retain for a minimum of five (5) years from the date of their preparation, an accounting and record keeping system we designate that will generate complete and accurate books, records, and accounts relating to the Business (the "Records"). The accounting and record keeping system will include accounting and reporting software that we periodically direct. The Records must be prepared in the form and manner we direct in the Operations Manual or otherwise in writing, and must include the following: (1) daily cash reports; (2) cash receipts journal and general ledger; (3) cash disbursements journal and weekly payroll register; (4) chart of accounts; (5) monthly bank statements and daily deposit slips; (6) all tax returns relating to the Business and each of

its Principal Owners; (7) suppliers' invoices (paid and unpaid); (8) dated Management System reports (detailed and summary); (9) monthly balance sheets and profit and loss statements; (10) weekly inventories; and (11) such other records and information as we periodically may request. You must preserve the Records and submit reports electronically, consistent with our requirements. You will ensure that we have electronic access at all times to the Records and related reports. If at any time you fail to fully comply with your obligations under this Section 10, we may require that you engage, at your expense, a third party accounting firm or other service provider that we designate to satisfy the requirements of this Section 10.

B. Reports and Tax Returns. You will deliver or allow us access to the following: (1) daily statements relating to Gross Profit accompanying your payment of monthly Royalty Fees; (2) at our request, monthly income statements in a format we require; (3) at our request, profit and loss statements for the Business at such intervals as we periodically may require; (4) at our request, an annual profit and loss statement and source and use of funds statement for the Business for the year and a balance sheet for the Business as of the end of the year, reviewed by an independent certified public accountant; and (5) at our request, all tax returns relating to the Business and each of its Principal Owners. You also will provide to us copies of all Records and other information and supporting documents as we designate. All financial statements, reports and information must be on forms we approve and that you have signed and verified.

11. INSPECTION AND AUDITS

A. Our Right to Inspect the Business. To determine whether you are complying with this Agreement, we may, at any time during business hours and without prior notice to you, inspect the Business, observe the provision of the Services, and test, sample, inspect and evaluate your supplies, equipment and Products as well as the storage of those items. You will fully cooperate with our representatives making any inspection and will permit our representatives to take photographs or videotapes of the Business and to interview employees and customers of the Business. If we establish a mystery shopper or compliance assessment program, we may require you to pay for the reasonable expense of mystery shopper visits or the completion of any compliance assessments at your Business.

B. Our Right to Examine Books and Records. We may, at all reasonable times and without prior notice to you, examine, audit, or request copies of the Records, including the books, records and state and/or federal income tax records and returns of any Principal Owner. You must maintain all Records and supporting documents at all times at a business location within the Protected Territory and you must notify us of this address and any changes to this address. You will make financial and other information available at a location we reasonably request, and will allow us (and our agents) full and free access to any such information. You otherwise will fully cooperate with our representative and independent accountants hired to conduct any examination or audit.

C. Result of Audit; Unreported Gross Profit. If any examination or audit discloses an understatement of Gross Profit, you will pay to us, within fifteen (15) days after receipt of the examination or audit report, the Royalty Fees and any Marketing Fees due on the amount of the understatement, plus interest (at the rate provided in Section 4(F) above) from the date originally due until the date of payment. You must reimburse us for the cost of the audit or examination, including the charges of any independent accountants and the travel expenses, room and board and compensation of our employees, if: (1) an examination or audit is necessary because you failed to timely provide required information; or (2) any examination or audit results in a determination that Gross Profit for any month are understated by greater than two percent (2%). The foregoing remedies are in addition to all of our other remedies and rights under applicable law.

12. CONFIDENTIAL INFORMATION/IMPROVEMENTS

A. Confidential Information. You acknowledge and agree that you do not acquire any interest in the Confidential Information, other than the right to use it in developing and operating the Business pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary and is our trade secret and is disclosed to you solely on the condition that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (3) will not make unauthorized copies of any Confidential Information disclosed in written form; (4) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Business employees; and (5) will sign a Confidentiality Agreement and will require the Operating Principal and other managers, employees and agents with access to Confidential Information to sign such an agreement in a form we approve.

The restrictions on your disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent you are legally compelled to disclose this information, if you use your best efforts to maintain the confidential treatment of the Confidential Information, and provide us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us of confidential treatment for the information required to be so disclosed.

B. Trade Secrets. You understand and agree that you will come into possession of certain of our trade secrets concerning the manner in which we conduct business including, but not necessarily limited to: methods of doing business or business processes, strategic business plans, customer lists and information, marketing and promotional campaigns, software, and materials that we clearly mark or label as trade secrets. You agree that the foregoing information, which may or may not be considered "trade secrets" under prevailing judicial interpretations or statutes, is private, valuable, and constitutes trade secrets belonging to us. You agree that we derive independent economic value from the foregoing information not being generally known to, and not being readily ascertainable through proper means by, another person. You agree to take reasonable measures to keep such information secret. Upon termination of this Agreement, you will not use, sell, teach, train, or disseminate in any manner to any other person, firm, corporation or association any trade secret pertaining to our business and/or the manner in which our business is conducted.

C. Improvements. You must fully and promptly disclose to us all ideas, concepts, products, process methods, techniques, improvements, additions and Customer Data relating to the development and/or operation of a stayfull® business or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of the Business, or any advertising or promotion ideas related to the Business (collectively, the "Improvements") that you, the Principal Owners or your employees or agents conceive or develop during the term of this Agreement. You and your Principal Owners, agents and employees acknowledge and agree that: (1) all Customer Data is jointly owned during the term of this Agreement as further described in Section 6(C) above and becomes our property upon expiration or termination of this Agreement; and (2) any other Improvement immediately becomes our property. You and your Principal Owners, agents or employees must sign all documents necessary to evidence the assignment of each Improvement to us without any additional compensation. We may use the Improvement and disclose and/or license the Improvement for use by others. You must not introduce any Improvement or any additions or modifications of or to the System into the Business without our prior written consent.

D. Artificial Intelligence. You will not, without our prior written consent, utilize any generative artificial intelligence software, tools, or technologies, including, natural language processing,

deep learning algorithms, or machine learning models (“Generative AI”) directly or indirectly in the operation of the Business, including without limitation, in advertising, promotion, or marketing of the Business or the stayfull® business, communications with customers, business planning, analysis or optimization, or in any social media. You acknowledge and agree not to upload or share any Confidential Information (including any inputs of information containing trade secrets, sensitive confidential information or personal information) with any unapproved third-party platforms, including Generative AI, except as authorized in writing by us. In addition, you shall prohibit your employees from using any Confidential Information in Generative AI. In the event you utilize any Generative AI, with or without our prior approval, you shall comply with all laws applicable to such use, including without limitation, all trademark, copyright, and biometric laws, and shall not infringe upon the intellectual property of a third party, or use such intellectual property without appropriate authorization and attribution.

13. COVENANTS

A. Organization. You and each Principal Owner covenants that:

1. You are organized and validly exist under the laws of the state where you were formed and are qualified and authorized to do business in the jurisdiction where the Protected Territory and Business is located;

2. Your articles of incorporation, bylaws, operating agreement or other organizational documents (“Authorizing Documents”) at all times will provide that your business activities will be limited exclusively to the ownership and operation of the Business, unless you otherwise obtain our written consent;

3. You have the power under the Authorizing Documents to sign this Agreement and comply with the provisions of this Agreement;

4. You must provide us copies of all Authorizing Documents and any other documents, agreements or resolutions we request in writing;

5. The names of all Principal Owners are accurately stated on the Guaranty attached hereto as Exhibit D; and

6. You will maintain a current schedule of the Principal Owners and their ownership interests (including the Principal Owners’ names, address and telephone numbers) at all times and will immediately provide us with an updated ownership schedule if there is any change in ownership.

B. Non-Solicitation of Customers/Employees. You covenant that, during the term of this Agreement, and for a period of two (2) years thereafter, you will not, directly or indirectly: (1) divert or attempt to divert any business, account or customer of the Business or any other stayfull® businesses or the System to any “Competing Business” (as defined below); or (2) employ or seek to employ any person employed by us, or any other person who is at that time operating or employed by or at any other stayfull® business in a managerial or supervisory capacity, or otherwise directly or indirectly induce such persons to leave their employment.

C. Covenant Not to Compete During Term. You (and the Operating Principal and each other Principal Owner) will not, during the term of this Agreement, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or business: (i) divert or attempt to divert any business or customers of the Business to any Competing Business or perform any

act that would damage the goodwill associated with the Marks or the System; or (ii) own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or entity engaged in any Competing Business (including any e-commerce or Internet-based business), except: (1) with our prior written consent; (2) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities; or (3) under a separate agreement between you and us.

D. Post-Term Covenant Not to Compete. You (and the Operating Principal and each other Principal Owner) will not, for a period of two (2) years after this Agreement expires or is terminated or the date on which you cease to operate the Business, whichever is later, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation: (1) divert or attempt to divert any business or customers of the Business to any Competing Business or perform any act that would damage the goodwill associated with the Marks or the System; (2) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any Competing Business which is located in the former territory of the Business; or (3) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any Competing Business that is located within a 50-mile radius of any part of the former territory of the Business or any other then-existing stayfull® business territory; provided, however, that this Section 13(D) will not apply to: (i) other stayfull® businesses that you operate under separate stayfull® franchise agreements; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities

E. Competing Business. “Competing Business” means any business that offers or sells any engine fluid delivery or storage products and accessories, or any other offerings or items similar to the Services and Products, including any other business that may be confusingly similar to a stayfull® business.

F. Injunctive Relief. You agree that damages alone cannot adequately compensate us if there is a violation of any covenant in this Section in that injunctive relief is essential for our protection. You therefore agree that we may seek injunctive relief without posting any bond or security, in addition to the remedies that may be available to us at equity or law, if you or anyone acting on your behalf violates any covenant in this Section. The covenants stated in this Section will survive the termination or expiration of this Agreement.

14. ASSIGNMENT

A. By Us. This Agreement is fully assignable by us and benefits our successors and assigns. Any such assignment will require the assignee to fulfill our obligations under this Agreement. You acknowledge and agree that, following the effective date of any such assignment, you will look solely to the transferee or assignee, and not to us, for the performance of all obligations under this Agreement. Separately, we may assign or delegate to an affiliate or other third party certain of our obligations under this Agreement without assigning our interest in this Agreement. In such instance, we will remain the party ultimately responsible for the performance of such obligation(s).

B. Your Assignment or Sale of Substantially all of Your Assets. You understand that we have granted the Franchise under this Agreement in reliance upon the individual or collective character, aptitude, attitude, business ability and financial capacity of your Principal Owners. You (and your Principal Owners) will not transfer (whether voluntary or involuntary), assign or otherwise dispose of, in one or more transactions, your business, the Business, substantially all or all of the assets of the Business, this Agreement or any controlling interest in you (“controlling interest” to include a proposed transfer of fifty percent (50%) or more of the common (voting) stock in a corporation or of the ownership interest in a limited liability company or partnership) unless you obtain our prior written consent. We will not

unreasonably withhold our consent to an assignment of this Agreement, provided you comply with any or all of the following conditions which we may, in our discretion, deem necessary:

1. All of your accrued monetary obligations to us and our affiliates have been satisfied, and you otherwise are in good standing under this Agreement and any other agreement between you and us;

2. The transferee (or the Operating Principal, if applicable) is approved by us and demonstrates to our satisfaction that he/she meets our managerial, financial and business standards for new stayfull® businesses, possesses a good business reputation and credit rating, and has the aptitude and ability to operate the Business. You understand that we may communicate directly with the transferee during the transfer process to respond to inquiries, as well as to ensure that the transferee meets our qualifications;

3. The transferee enters into a written agreement, in form satisfactory to us, assuming and agreeing to discharge all of your obligations and covenants under this Agreement for the remainder of your term or, at our option, signs our then-current standard form of franchise agreement (which may contain materially different terms and conditions than this Agreement);

4. The transferee, the new Operating Principal and the new general manager (if applicable) successfully complete the initial training program required of new stayfull® businesses;

5. If required, the lessor of the Business premises consents to your assignment or sublease of the premises to the transferee;

6. You pay us a transfer fee equal to: twenty-five percent (25%) of our then-current standard initial franchise fee applicable to new stayfull® businesses;

7. You (and each Principal Owner, if applicable) sign a general release, in a form and substance satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law;

8. We approve the material provisions of the assignment or sale of assets which assignment or sale cannot permit you to retain a security interest in this Agreement or any other intangible asset; and

9. You (and each Principal Owners, if applicable) sign an agreement, in form satisfactory to us, in which you and each Principal Owner covenant to observe the post-termination covenant not to compete and all other applicable post-termination obligations.

If a proposed transfer would result in a change of control of you, the Franchise, or any of your assets, including any stayfull® businesses owned, operated, or controlled by you, and such change in control would result in the transferee-franchisee and its affiliates collectively, either directly or indirectly, owning more than three stayfull® businesses, including the stayfull® business being transferred, then we may, in our sole discretion, withhold our written consent to the transfer and such withholding will not be considered unreasonable.

If the transfer involves less than a “controlling interest” in you (taking into account any prior changes of ownership or transfers), you are not required to obtain our prior written consent, provided you comply with any or all of the following conditions which we may deem necessary:

1. You provide us with thirty (30) days advance written notice of the transfer;
2. Any new Principal Owner signs a personal guaranty in the form we designate;
3. You pay us an assignment fee equal to Five Thousand Dollars (\$5,000); and
4. You provide us with such other information relating to the transfer as we request.

We may expand upon, and provide more details related to, the conditions for transfer and our consent as described in this Section 14(B), and may do so in the Operations Manual or otherwise in writing.

C. Death or Disability. If the Operating Principal dies or is permanently disabled, the remaining Principal Owners must appoint (if necessary) a competent Operating Principal acceptable to us within a reasonable time, not to exceed thirty (30) days, from the date of death or permanent disability. The appointed Operating Principal must satisfactorily complete our designated training program. If an approved Operating Principal is not appointed within thirty (30) days after the Operating Principal’s death or permanent disability, we may, but are not required to, immediately appoint an Operating Principal to maintain Business operations on your behalf until an approved assignee can assume the management and operation of the Business. Our appointment of an Operating Principal does not relieve you of your obligations, and we will not be liable for any debts, losses, costs or expenses you incur in operating the Business or to any creditor of yours for any products, materials, supplies or services purchased by the Business while it is managed by our appointed manager. We may charge a reasonable fee for management services and may cease to provide management services at any time.

If the Operating Principal dies or is permanently disabled, his/her executor, administrator, or other personal representative must transfer his/her interest within a reasonable time, not to exceed twelve (12) months from the date of death or permanent disability, to a person we approve. Such transfers, including transfers by devise or inheritance, will be subject to conditions contained in Section 14(B) above.

D. Public or Private Offerings. Subject to Section 14(B) above, if you (or any of your Principal Owners) desire to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in you or any affiliate of you, you agree to submit any written information to us before your inclusion of that information in any registration statement, prospectus or similar offering circular or memorandum and must obtain our written consent to the method of financing before any offering or sale of securities. Our written consent will not imply or represent our approval respecting the method of financing, the offering literature submitted to us or any other aspect of the offering. No information respecting us or any of our affiliates will be included in any securities disclosure document, unless we furnish the information in writing in response to your written request, which request will state the specific purpose for which the information is to be used. Should we, in our discretion, object to any reference to us or any of our affiliates in the offering literature or prospectus, the literature or prospectus will not be used unless and until our objections are withdrawn. We assume no responsibility for the offering.

The prospectus or other literature used in any offering must contain the following language in boldface type on the first textual page:

“NEITHER STAYFULL SERVICES, LLC NOR ANY OF ITS AFFILIATES: (A) IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED, (B) ASSUMES ANY RESPONSIBILITY RESPECTING THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED HEREIN, OR (C) ENDORSES OR MAKES ANY RECOMMENDATION RESPECTING THE INVESTMENT CONTEMPLATED BY THIS OFFERING.”

E. Our Right of First Refusal. If you or your Principal Owners at any time desire to sell or assign for consideration the Franchise, the Business, an ownership interest representing (in the aggregate) fifty percent (50%) or more of the ownership in you or all or substantially all of your assets, you or your Principal Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must deliver a copy of the offer to us. We have the right, exercisable by written notice delivered to you or your Principal Owners within thirty (30) days following receipt of the proposed offer, to purchase the interest in the Business or ownership interest in you for the price and on terms contained in the offer. We may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of sixty (60) days to prepare for closing. If we do not exercise our right of first refusal, you or your Principal Owners may complete the sale to the proposed purchaser under the terms of the offer, provided you and the Principal Owners otherwise comply with this Section 14. If the sale to the proposed purchaser is not completed within one hundred twenty (120) days after delivery of the offer to us, or if there is a material change in the terms of the sale, we again will have the right of first refusal.

F. Guaranty. All of your Principal Owners will sign the Guaranty and Assumption Agreement in the form attached to this Agreement as Exhibit D (the “Guaranty Agreement”). We may also require the spouse of any Principal Owner to sign the Guaranty Agreement. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of yours under the provisions of this Section 14 or otherwise will, as a condition of becoming a Principal Owner, sign the Guaranty Agreement.

15. OUR TERMINATION RIGHTS

A. Termination of Franchise Agreement - Grounds. You will be in default, and we may, at our option, terminate this Agreement, as provided herein, if: (1) the Operating Principal (or any general manager) fails to satisfactorily complete the initial training program or you fail to open and commence full operations of the Business at such time as provided in this Agreement; (2) you violate any material provision or obligation of this Agreement; (3) you or any of your managers, directors, officers or any Principal Owner makes a material misrepresentation or omission in the application for the Franchise; (4) any of your managers (including the Operating Principal), directors, officers or any Principal Owner is convicted of, or pleads guilty to or no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe will injure the System, the Marks or the goodwill associated therewith, or if we have proof that such person has committed such a felony, crime or offense; (5) you fail to conform to the material requirements of the System or the material standards of uniformity and quality for the Services and Products as described in the Operations Manual or as we have established under the System; (6) you fail to timely pay Royalty Fees or Marketing Fees or any other obligations or liabilities due and owing to us or our affiliates, other stayfull® businesses or suppliers we approve as a source for required items, or fail to timely pay any advertising cooperative obligations; (7) you are insolvent within the meaning of any applicable state or federal law; (8) you make an assignment for the benefit of creditors or enter into any similar arrangement for the disposition of your assets for the benefit of creditors; (9) you voluntarily or otherwise “abandon” (as defined below) the Business; (10) you are involved in any act or conduct which materially impairs or otherwise is prejudicial to the goodwill associated with the name “StayFull” or any of the Marks or the System; (11) you or a Principal Owner makes an unauthorized assignment or transfer of this Agreement, the Business or an ownership interest in you; (12) the operation, maintenance or construction of the Business results in a threat or danger to the public health or safety; (13) you violate any federal, state or local government health or

safety code in connection with the operation of the Business; (14) your lease for the Business premises expires or is terminated for any reason; (15) the result of an audit discloses an understatement of Gross Profit of two percent (2%) or more; (16) you willfully and materially falsify any report, statement, or other written data furnished to us either during the franchise application process or after you are awarded a franchise; or (17) the Equipment Lease Agreement is cancelled. Any report submitted under Section 10(A) will be conclusively deemed to be materially false if it understates Gross Profit by more than five percent (5%). The term "abandon" means your failure to operate the Business during regular business hours for a period of three (3) consecutive days or ten (10) or more days in a twelve-month period without our prior written consent unless such failure is due to an event of "*force majeure*" as further described in Section 20(K) below.

B. Procedure. Except as described below, you will have thirty (30) days, or such longer period as applicable law may require, after your receipt from us of a written Notice of Termination within which to remedy any default hereunder, and to provide evidence thereof to us. If you fail to correct the alleged default within that time, this Agreement will terminate without further notice to you effective immediately when the thirty (30) day period, or such longer period as applicable law may require, expires. You will have ten (10) days after your receipt from us of a written Notice of Termination, or such longer period as applicable law may require, to remedy any default under item (6) in Section 15(A) above and to provide evidence thereof to us. If you fail to correct the alleged default within that time, this Agreement will terminate without further notice to you, effective immediately when the ten (10) day period expires, or such longer period as applicable law may require. You will have seventy-two (72) hours, or such longer period as applicable law may require, after you receive from us a written Notice of Termination to remedy any default under item (13) in Section 15(A) above and to provide evidence thereof to us. If you fail to correct the alleged default within that time, this Agreement will terminate without further notice to you, effective immediately when the seventy-two (72) hour period expires, or such longer period as applicable law may require. We may terminate this Agreement immediately upon delivery of written notice to you, with no opportunity to cure, if the termination results from any of the following: (1) you fail to comply with one or more material requirements of this Agreement on three (3) separate occasions within any twelve (12) month period; (2) the nature of your breach makes it not curable; (3) you willfully and repeatedly deceive customers relative to the source, nature or quality of goods or services sold; or (4) any default under items (3), (4), (7), (8), (9), (10), (11), (12), (14), (16) or (17) in Section 15(A) above.

C. Management of Business While You are in Default. In addition to our termination rights described in Sections 15(A) and 15(B) above, while you are in default of this Agreement, we may, but are not required to, manage, or designate a third party to manage, the Business on your behalf. Our, or our designee's, management of the Business does not relieve you of your obligations and neither we nor our designee will be liable for any debts, losses, costs or expenses incurred in operating the Business or to any of your creditors for any materials supplies or services purchased by the Business while we, or our designee, manage it. We, or our designee, may charge you a fee for management services and may cease providing management services at any time.

D. Non-Compliance Fee. In addition to, and notwithstanding the attorneys' fees and costs provision in Section 19(D) of this Agreement, in the event of your default under Section 15, or in the event of any instance of your non-compliance with this Agreement, the Operations Manual, or other policies and System standards, for which we notify you of such default or non-compliance, we may require you to pay an administrative fee to Franchisor in the amount of \$1,000 per occurrence, and \$100 for each week such default or non-compliance remains uncured (collectively the "Non-Compliance Fee"). Such Non-Compliance Fee is intended to reimburse us for our damages and other losses incurred, as well as the time, expense, and other expenditure of resources incurred due to your default or non-compliance. The additional weekly charge is our best estimate of the ongoing costs to monitor your actions until the default or non-compliance is rectified and cured. The Non-Compliance Fee applies to each notice of non-compliance that we provide you, for each separate event, action, or inaction of default or non-compliance. Our decision to

require you to pay such Non-Compliance Fee shall be without prejudice to our right to terminate this Agreement and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

E. Applicable Law. If the provisions of this Section 15 are inconsistent with applicable law, the applicable law will apply.

16. YOUR TERMINATION RIGHTS

You may terminate this Agreement if we violate any material obligation of us to you and fail to cure such violation within sixty (60) days after our receipt of written notice from you; provided, however, that you are in substantial compliance with the Agreement at the time of giving such notice of termination. Your written notice will identify the violation and demand that it be cured.

17. YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

A. Post-Term Duties. If this Agreement expires or is terminated for any reason, you will:

1. immediately cease operation of the Business and the Equipment Package and using the Marks as well as any confusingly similar trademarks or service marks;

2. within ten (10) days after termination, pay all amounts due and owing to us or our affiliates, including all Royalty Fees, Marketing Fees and accrued interest due under this Agreement;

3. discontinue using, and return to us by priority United States mail with a tracking number, any hard copies of, the Operations Manuals and any other manuals, advertising materials, and all other printed materials relating to the operation of the Franchise;

4. assign to us or, at our discretion, disconnect the telephone number for the Business. You acknowledge that we have the sole right to and interest in all telephone numbers and directory listings associated with the Marks, and you authorize us, and appoint us as your attorney-in-fact, to direct the telephone company and all listing agencies to transfer such numbers and listings to us;

5. remove from the Business premises and any items of the Equipment Package owned by you all signs, posters, fixtures, decals, and other materials that are distinctive of a stayfull® business or bear the name “StayFull” or other Marks;

6. return all equipment leased from us or our affiliate in accordance with the terms of the Equipment Lease Agreement;

7. comply with all post-termination obligations under any software license agreement, including the return of all materials relating to any Designated Software;

8. take all necessary action to cancel all fictitious or assumed name or equivalent registrations relating to your use of any of the Marks;

9. immediately cease using Confidential Information (including all Customer Data) and return to us all documents in your possession that contain Confidential Information;

10. comply with all other applicable provisions of this Agreement, including the non-compete provisions.

Upon termination or expiration of this Franchise Agreement for any reason, your right to use the name "StayFull" and the other Marks and the System will immediately terminate and you (and the Principal Owners) will not in any way associate yourself/themselves as being associated with us. If you fail to immediately remove all signs and other materials bearing the Marks, we may do so at your expense.

B. Redecoration. If this Agreement expires or is terminated for any reason, and you either remain in possession of the premises of the former Business to operate a separate business not in violation of Section 13 above or enter into an agreement with a third party to allow such third party to directly operate a business at the premises of the former Business, you will, at your expense, modify both the exterior and interior appearance of the business premises so that they will be easily distinguished from the standard appearance of stayfull® businesses. At a minimum, such changes and modifications to the premises will include: (1) repainting the premises with totally different colors; (2) removing all signs and other materials bearing the name "StayFull" and other Marks; (3) removing from the premises all fixtures which are indicative of stayfull® businesses; (4) discontinuing use of the approved employee uniforms and refraining from using any uniforms which are confusingly similar; (5) discontinuing use of all packaging and Confidential Information regarding the operation of the Business; and (6) taking such other action, at your expense, as we may reasonably require. If you fail to immediately initiate modifications to the premises of the former Business or complete such modifications with any period of time we deem appropriate, you agree that we or our designated agents may enter the premises of the former Business to make such modifications, at your risk and expense, without responsibility for any actual or consequential damages to your property or others, and without liability for trespass or other tort or criminal act.

C. Our Option to Purchase Business. If this Agreement expires or is terminated for any reason (other than our fault), we have the option, upon thirty (30) days' written notice from the date of expiration or termination, to purchase from you all the tangible and intangible assets relating to the Business, including the Business premises if you own the Business premises (excluding any unsalable inventory, cash, short-term investments and accounts receivable) (collectively, the "Purchased Assets") and to an assignment of your lease for (1) the Business premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (2) any other tangible leased assets used in operating the Business. If the landlord respecting the lease for the Business premises is an affiliate of you (controlling, controlled by or under common control with you) we will have the right to assume the lease on terms generally consistent with then-current market rates for space in the immediate area surrounding the Business location. We may assign to a third party this option to purchase and assignment of leases separate and apart from the remainder of this Agreement.

The purchase price for the Business will be the fair market value of the Purchased Assets; provided that: (1) we may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (2) we may exclude from fair market value any provision for goodwill or similar value attributable to intangible property (such as the Marks, any Designated Software and Confidential Information). If the parties cannot agree on fair market value within a reasonable time, we will designate an independent appraiser to determine the fair market value of the Purchased Assets. The determination of such appraiser will be binding on the parties hereto, and the costs of such appraisal will be divided equally between you and us. The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur within a reasonable time, not to exceed sixty (60) days, after the fair market value is determined. At the closing, you will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to us or our designee and such other documents we may reasonably request to permit us to operate the Business without interruption. We may set off against and reduce the purchase price by all amounts you owe to us or any of our affiliates. If we exercise our option to purchase the Business, we may, pending the closing, appoint a manager to maintain Business operations.

If we assume the lease for the Business under this Section, you will pay, remove or satisfy any liens or other encumbrances on your leasehold interest and will pay in full all amounts due the lessor under the lease existing at or prior to assumption. We are not liable for any obligation you incur before the date we assume the lease.

D. Continuing Obligations. All obligations of us and you which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect following its expiration or termination and until they are satisfied or expire.

18. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A. Relationship of the Parties. We and you are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venture or employee of the other. Neither party will independently obligate the other to any third parties or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. You must conspicuously identify yourself at the premises of the Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Business under a franchise agreement from us, and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as we require.

B. Your Indemnification Obligations. You agree to indemnify and hold us and our subsidiaries, affiliates, stockholders, members, directors, officers, employees and agents harmless against, and to reimburse us or them for, any loss, liability or damages arising out of or relating to your ownership or operation of the Business, and all reasonable costs of defending any claim brought against us or any of them or any action in which us or any of them is named as a party (including reasonable attorneys' fees) unless the loss, liability, damage or cost is solely due to our breach of this Agreement, gross negligence or willful misconduct. You must pay all losses, liability or damages we incur pursuant to your obligations of indemnity under this Section 18(B) regardless of any settlement, actions or defense we undertake or the subsequent success or failure of any settlement, actions or defense. Further, you agree to give us immediate notice of any such action, proceeding, demand or investigation brought against you or the Business. We may, at our option, designate counsel, at your expense, to defend or settle such action, proceeding, demand or investigation brought against you or the Business. This obligation does not diminish your indemnification obligations under this Section 18(B).

C. Our Indemnification Obligations. We agree to indemnify and hold you and your officers, directors and agents harmless against, and to reimburse you and them for, any loss, liability or damage solely arising from or relating to our breach of this Agreement, gross negligence or willful misconduct, and all reasonable costs of defending any claim brought against you or them or any action in which you or they are named as a party (including reasonable attorneys' fees).

D. Survival. The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement.

19. DISPUTE RESOLUTION

A. Mediation. Except as otherwise stated in this Section 19(A), the parties agree to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of disputes between you and us, agreed upon by the parties. If the parties do not agree upon a mediator or mediation

services organization within fifteen (15) days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association pursuant to its rules governing mediation, in the county where our headquarters is located. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within sixty (60) days after conferring with the mediator, either party may submit such claim, controversy or dispute to the appropriate court as described in Section 19(B) below. We may bring an action under the applicable provisions of this Section 19 without first submitting the action to mediation under this Section 19(A): (1) for injunctive relief, (2) involving the possession or disposition of, or other relief relating to, real property; or (3) for monies you owe us.

B. Arbitration. Except to the extent we elect to enforce the provisions of this Agreement by injunction as provided in Section 19(C) below, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud in the arbitrability of any matter) that have not been settled by or are not otherwise subject to mediation as described in Section 19(A) above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in the county where our headquarters is located. Any arbitration proceeding may not be consolidated with any other arbitration proceeding, and you agree not to seek joinder of any claims with those with any other party. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. The proceedings will be conducted under the Commercial Arbitration Rules of the American Arbitration Association, or the rules of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Federal Arbitration Act. The decision of the arbitrator(s) will be final and binding on all parties; provided, however, the arbitrator(s) may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance we establish. Any arbitration proceeding will be limited to controversies between you and us, and will not be expanded to include any other stayfull® franchisee or include any class action claims. This Section 19 will survive termination or nonrenewal of this Agreement under any circumstances. Judgment upon the award of arbitrator(s) may be entered in any court having jurisdiction thereof. During any arbitration proceeding, we and you will fully perform our respective obligations under this Agreement. The parties agree that all arbitration proceedings, including any arbitration award or ruling, will be confidential in nature, except as otherwise required by law or court order or as necessary to confirm, vacate or enforce the award and for disclosure in confidence to the parties' respective attorneys and tax advisors.

C. Injunctive Relief. Notwithstanding Sections 19(A) and (B) above, you recognize that a single franchisee's failure to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all other stayfull® businesses. Therefore, if you breach or threaten to breach any of the terms of this Agreement, we will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the arbitrators.

D. Attorneys' Fees. The nonprevailing party will pay all costs, expenses, and interest including reasonable attorneys' fees, the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

20. ENFORCEMENT

A. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or non-renewal of this Agreement than is required, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us are invalid or unenforceable, the prior notice and/or other action required by law or rule will be substituted for the comparable provisions.

B. Waiver of Obligations. Our waiver of any breach by you, or our delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights respecting that or any other breach.

C. Rights of Parties Are Cumulative. The rights of us and you are cumulative and no exercise or enforcement by either party of any right or remedy precludes the exercise or enforcement by such party of any other right or remedy to which such party is entitled by law or equity to enforce.

D. Venue. Subject to the provisions of Sections 19(A) and 19(B) above, any cause of action, claim, suit or demand allegedly arising from or related to this Agreement or the relationship of the parties must be brought exclusively in any state or federal court of competent jurisdiction in the county where our headquarters is located. We also have the right to file any such suit against you in the federal or state court where the Business is located. Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action, and you and your Principal Owners waive any and all rights to proceed on a consolidated, common, or class basis. Each of us and you irrevocably consents to the jurisdiction of such courts and waive all rights to challenge personal jurisdiction and venue.

E. Governing Law. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act, this Agreement will be governed by and construed under the laws of the state in which the Business is located, without regard to any conflict of laws principles of such state. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through any state franchise or business opportunity laws, other than those of the state in which the Business is located.

F. Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both you and us. Except as provided above, this Agreement is not intended, and will not be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

G. References. If you consist of two or more individuals, such individuals will be jointly and severally liable, and references to you in this Agreement will include all such individuals.

H. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

1. Our Rights. Whenever this Agreement provides that we have or reserve (retain) a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

2. **Our Reasonable Business Judgment.** Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise “reasonable business judgment” in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of “reasonable business judgment,” even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of ours. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither you nor any third party (including a trier of fact) will substitute their judgment for our reasonable business judgment.

I. **WAIVER OF PUNITIVE DAMAGES. YOU AND WE AND OUR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR A CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN US, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY US.**

J. **WAIVER OF JURY TRIAL. YOU AND WE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.**

K. **Force Majeure.** If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party, such failure will not be deemed a breach of this Agreement, provided such party uses reasonable best efforts to perform such obligations as soon as possible under the circumstances. Such causes include strikes, wars, riots, civil commotion, and acts of government, except as may be specifically provided for elsewhere in this Agreement.

L. **Notice of Potential Profit.** We advise you that we and/or our affiliates periodically may make available to you goods, products and/or services for use in the Business on the sale of which we and/or our affiliates may make a profit. We further advise you that we and our affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to you or in consideration for services provided or rights license to such persons. You agree that we and our affiliates will be entitled to such profits and consideration.

M. **Limitation of Actions.** Subject to any applicable statute of limitations, you and we agree that neither party will have the right to bring any claim or action against the other party unless the action or claim is commenced within one (1) year after the offended party has knowledge of the facts giving rise to the action or claim.

N. **Entire Agreement.** The “Introduction” section, the exhibit(s) to this Agreement, and that certain Disclosure Acknowledgment Agreement signed contemporaneously by you are a part of this Agreement, which represents the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in the Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

21. NOTICES

All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be delivered by hand, sent by a recognized overnight delivery service or by registered U.S. Mail, or by other means which provides the sender with evidence of delivery, or of rejected delivery, and addressed to the party to be notified at the address stated herein or at such other address as may have been designated in writing to the other party. Any notice by a means which provides the sender with evidence of delivery, or rejected delivery, will be deemed to have been given at the date and time of receipt or rejected delivery.

22. ACKNOWLEDGEMENTS

A. Success of Franchised Business. The success of the business venture you intend to undertake under this Agreement is speculative and depends, to a large extent, upon your (or the Principal Owner's) ability as an independent businessman, and your active participation in the daily affairs of the Business as well as other factors. We do not make any representation or warranty, express or implied, as to the potential success of the business venture.

B. Independent Investigation. You acknowledge that you have entered into this Agreement after making an independent investigation of our operations and not upon any representation as to gross revenues, volume, potential earnings or profits which you might be expected to realize, nor has anyone made any other representation, which is not expressly stated herein, to induce you to accept this Franchise and sign this Agreement.

C. Receipt of Documents. Except for filling in the blank provisions and changes made as a result of negotiations that you initiated, you acknowledge that you received a copy of the complete Franchise Agreement, and exhibits attached hereto, at least seven (7) calendar days before the date on which this Agreement was executed. You further acknowledge that you received the disclosure document required by the trade regulation rule of the Federal Trade Commission entitled "Franchise Disclosure Document" at least fourteen (14) calendar days prior to the date on which this Agreement was executed. You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with any attorney or other professional advisor. You further represent that you understand the provisions of this Agreement and agree to be bound.

D. Other Franchises. You acknowledge that other stayfull® businesses have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement.

The parties have signed this Agreement on the date stated in the first paragraph.

WE:

STAYFULL SERVICES, LLC

By _____
Its _____

YOU:

Name of corporation or limited liability company _____

By _____
Its _____

EXHIBIT A
TO FRANCHISE AGREEMENT

AND PROTECTED TERRITORY

This Exhibit is attached to and is an integral part of the stayfull® Franchise Agreement dated _____, 20____ (the “Franchise Agreement”), between us and you.

1. **Business Location.** We and you agree that the Business will be operated solely within the following Protected Territory: _____

2. **Business Opening.** You agree to complete the development and open the Business for business within _____ months after the date first stated above.

3. **Defined Terms.** All capitalized terms contained in this Exhibit not defined herein will have the same meaning as provided in the Franchise Agreement.

WE:

STAYFULL SERVICES, LLC

By _____
Its _____

YOU:

Name of corporation or limited liability company

By _____
Its _____

EXHIBIT B
TO FRANCHISE AGREEMENT

BUSINESS LOCATION GENERAL AREA

This Exhibit is attached to and is an integral part of the stayfull® Franchise Agreement dated _____, 20____ (the “Franchise Agreement”), between us and you.

1. Area for Business Location. Within ninety (90) days after the date of the Franchise Agreement, you will select and obtain our consent to a territory with the provisions of this Exhibit within the following described geographical area (the “Area”): _____

2. Consent to Location and Business Opening. To obtain our consent to the proposed territory, you must deliver to us a complete territory report (containing information we require) for the territory from which you propose to establish and operate the Business and which you reasonably believe will satisfy the standardized criteria we have established. The proposed territory is subject to our prior written consent, which will not be unreasonably withheld. In evaluating the proposed territory, we will consider matters we deem material, including demographic characteristics of the proposed territory, predominant character of the neighborhood, the proximity to other businesses, including other stayfull® businesses, and other commercial characteristics. Within thirty (30) days following our receipt of the complete territory report and other materials we request, we will consent to or reject (in writing) the territory you propose for the Business.

YOU ACKNOWLEDGE AND AGREE THAT OUR CONSENT TO A PROPOSED TERRITORY DOES NOT REPRESENT A WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESSED OR IMPLIED, AS TO THE SUITABILITY OF THE PROPOSED TERRITORY FOR A STAYFULL® BUSINESS.

You agree to complete the development and open the Business for business by _____.

3. Termination of Franchise Agreement. We have the right to terminate the Franchise Agreement, effective upon delivery of notice of termination to you, if you fail to obtain our consent to a proposed territory for the Business within ninety (90) days after the date of the Franchise Agreement.

4. Defined Terms. All capitalized terms contained in this Exhibit and not defined in this Exhibit will have the same meaning as provided in the Franchise Agreement.

WE:

STAYFULL SERVICES, LLC

By _____
Its _____

YOU:

Name of corporation or limited liability company _____

By _____
Its _____

EXHIBIT C
TO FRANCHISE AGREEMENT
BUSINESS LEASE ADDENDUM

LEASE ADDENDUM

This Lease Addendum is entered into as of the date of the Lease Agreement by and between _____ (“Landlord”) and _____ (“Tenant”).

Landlord and Tenant are parties to that certain Lease of even date (the “Lease”) covering the premises located at _____ (the “Leased Premises”), which Tenant will use to operate a stayfull® business under a Franchise Agreement (the “Franchise Agreement”) between Tenant and STAYFULL SERVICES, LLC (“Franchisor”). Landlord and Tenant desire to amend the Lease to protect the various interests of Franchisor.

In consideration of the foregoing and the promises contained in the Lease, the parties agree as follows:

1. Permitted Use. Landlord and Tenant agree that so long as the Franchise Agreement remains in effect, Tenant may use the Leased Premises only for a stayfull® business.

2. Notice of Default. Landlord will provide Franchisor, by certified US mail or a recognized overnight delivery service at the address provided in Section 8 below, a minimum thirty (30) day notice of any default under the Lease before Landlord initiates any action to terminate the Lease or exercise any remedy for such default.

3. Cure. Either Tenant or Franchisor may cure defaults under the Lease and Landlord will accept performance of obligations due under the Lease, as specified in the Lease, by either Franchisor or Tenant. Franchisor will not, however, be under any obligation to cure any default and nothing herein will require Franchisor at any time to comply with or take any action under the provisions of the Lease.

4. Rights of Franchisor After Cure. If Franchisor commences cure of any default under the Lease within the thirty (30) day notice period described in Section 2 above, and if Franchisor thereafter diligently completes cure, Franchisor may, but will not be obligated to, give notice to Landlord and become Tenant under the Lease, in which event Landlord will not be entitled to terminate the Lease.

5. Assignment and Renewal. Landlord consents to an assignment or transfer of Tenant’s rights under the Lease to Franchisor at any time during the term of the Lease; provided that such assignment or transfer is subject to Franchisor’s written agreement to accept such assignment or transfer. Landlord will give Franchisor notice of expiration of the term of the Lease at least three (3) months in advance thereof and grant Franchisor the right, but not the obligation, to exercise any then-existing renewal rights under the Lease.

6. Right of Entry and Subordination. Landlord will give Franchisor access to the Leased Premises at reasonable times on not less than twenty-four (24) hours’ notice (or such shorter notice as may be reasonable when circumstances dictate) either to inspect the Leased Premises for compliance with Franchisor’s requirements, to remove from the Leased Premises any items bearing Franchisor’s marks or logos or to take other action permissible under the Agreements between Tenant and Franchisor. Landlord specifically subordinates any lien it may have in such items to Franchisor’s rights as licensor of the marks or logos displayed on items.

7. **Vacating Premises.** Upon vacating the Leased Premises, or termination of the Franchise Agreement or Lease (whichever occurs first), Tenant must remove all signs and materials bearing any of Franchisor's marks or logos.

8. **Notices.** Any notices to Franchisor hereunder will be sent to:

STAYFULL SERVICES, LLC
7325 JANES AVENUE
WOODRIDGE, IL 60517

9. **Benefit.** Landlord and Tenant acknowledge that they enter into this Agreement for the express benefit of Franchisor and that Franchisor is an intended beneficiary hereof.

10. **Supremacy.** This Addendum shall control and supersede any inconsistent provision of the Lease.

The parties have signed this Agreement the day and year first above written.

LANDLORD:

By: _____

Title: _____

TENANT:

By: _____

Title: _____

EXHIBIT D
TO FRANCHISE AGREEMENT
GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of the execution of that certain Franchise Agreement of even date (the "Agreement") by Stayfull Services, LLC ("we" or "us"), each of the undersigned (a "Guarantor") personally and unconditionally guarantees to us, and our successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement that _____ ("you") will timely pay and perform each and every undertaking, agreement and covenant stated in the Agreement; and agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives: (1) acceptance and notice of acceptance by us of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any party respecting the indebtedness; (4) any right he may have to require that an action be brought against you or any other person as a condition of liability.

Each Guarantor consents and agrees that:

(1) Guarantor's liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, you and the other Guarantors of you;

(2) Guarantor will make any payment or perform any obligation required under the Franchise Agreement upon demand if you fail to do so;

(3) Guarantor's liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of you or any assignee or successor;

(4) Guarantor's liability will not be diminished, relieved or otherwise affected by any extension of time or credit which we may grant to you, including the acceptance of any partial payment or performance, or the compromise or release of any claims;

(5) We may proceed against Guarantor and you jointly and severally, or we may, at our option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against you or any other Guarantor; and

(6) Guarantor will pay all reasonable attorneys' fees and all costs and other expenses we incur in enforcing this Guaranty against Guarantor or any negotiations relative to the obligations hereby guaranteed.

The provisions of Sections 19 and 20 of the Agreement will apply as to any interpretation or enforcement of this Guaranty, and the provisions of Section 21 of the Agreement will apply to any notice to either party, except that notice to Guarantors will be provided at the following alternative address (if applicable): _____. If no address is provided, any notice to Guarantors will be sent to the address designated in Section 21 of the Agreement.

Each of the undersigned has signed this Guaranty as of the same day and year as the Agreement was executed.

GUARANTOR(S)

PERCENTAGE OWNERSHIP IN YOU

EXHIBIT E
TO FRANCHISE AGREEMENT
EQUIPMENT LEASE AGREEMENT

STAYFULL®
EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE AGREEMENT (this “Lease”), is made and entered into as of _____, 20____ (the “Effective Date”) by and between:

Franchisor: Stayfull Services, LLC (“Franchisor”); and

Franchisee: _____, a(n) _____ (“Franchisee”).

RECITALS

WHEREAS, Franchisee has entered into a Franchise Agreement with Franchisor, dated _____, 20____ (the “Franchise Agreement”), granting Franchisee the right to own and operate a franchised stayfull® business (the “Business”) pursuant to the terms of the Franchise Agreement; and

WHEREAS, Franchisor is the owner of the equipment listed on Exhibit A attached hereto (the “Leased Equipment”); and

WHEREAS, Franchisee wishes to lease the Leased Equipment from Franchisor for use in its Business, upon the terms and conditions contained in this Lease, and Franchisor is interested in leasing the Leased Equipment to Franchisee upon the same terms and conditions;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Franchisor and Franchisee hereby agree as follows:

SECTION 1
AGREEMENT TO LEASE

Franchisor hereby leases to Franchisee and Franchisee hereby hires and takes from Franchisor, subject to the terms, conditions and provisions of this Lease, the Leased Equipment. As used herein, the term “Leased Equipment” shall include all items referenced on Certificates of Acceptance regardless of whether such Certificates are delivered on the Effective Date or thereafter, and all replacement parts, additions, repairs, accessions and accessories of or to any item of Leased Equipment, whether now or in the future.

ARTICLE 2
TERM OF LEASE

The term of this Lease shall commence on the Effective Date and shall continue until the termination or expiration of the Franchise Agreement, subject to earlier termination as provided herein (the “Term”).

ARTICLE 3
PAYMENT OF RENT; SHIPPING COSTS

The rent (“Rent”) payable with respect to the Leased Equipment shall be an amount equal to _____ Dollars (\$_____) per month. Franchisee shall pay the Rent to Franchisor beginning on the Effective Date of this Lease and on the same day of each month thereafter for the remainder of the Term. Rent shall be paid to Franchisor via electronic transfer of funds. Franchisee must sign electronic transfer of funds authorizations and other documents as Franchisor periodically designates to authorize Franchisee’s bank to transfer Rent amounts due, either electronically

or through some other method of payment Franchisor designates, directly to Franchisor's account. Franchisee's obligation to pay the Rent to Franchisor is absolute and unconditional under all circumstances, notwithstanding: (i) any setoff, abatement, reduction, counterclaim, recoupment, defense or other right which Franchisee may have against Franchisor, its assignees, or any other person or Entity for any reason whatsoever, including, without limitation, any breach by Franchisor of this Lease; (ii) any defect in title, condition, operation, merchantability, fitness for use, or any damage to or destruction of any Leased Equipment; (iii) any interruption or cessation of use or possession of any Leased Equipment for any reason whatsoever; (iv) any insolvency, bankruptcy, reorganization or similar proceedings instituted by or against Franchisee; or (v) any other circumstances happening, or event whatsoever, whether or not unforeseen or similar to any of the foregoing. If Franchisee fails to timely remit any Rent, then the amount of the past due payment will bear simple interest at the lesser of the maximum legal rate allowable by applicable law or 18% simple interest per annum. Franchisee shall pay Franchisor an Administrative Fee of Two Hundred Fifty Dollars (\$250) for each delinquent payment within five days after the delinquent payment was due. Franchisee will, immediately upon receipt of an invoice from Franchisor, reimburse Franchisor for any and all costs incurred by Franchisor in the collection of any past due payments, including attorneys' fees and costs. Franchisee shall pay all shipping costs required to ship the Leased Equipment to Franchisee.

ARTICLE 4 **POSSESSION, USE, MAINTENANCE & CHANGES IN LOCATION OF EQUIPMENT**

So long as a Lease Default has not occurred, Franchisee shall be entitled to the possession and use of all Leased Equipment in accordance with the terms of this Lease. Franchisee shall keep and maintain all Leased Equipment in good operating condition, repair and appearance, and protect the same from deterioration, other than normal wear and tear, and shall use each such item in the regular course of the operation of its Business in accordance with the terms of the Franchise Agreement, within its normal capacity, without abuse, and in a manner contemplated by Franchisor. Franchisee shall at all times and, at its sole cost and expense, make all necessary repairs, alterations and replacements to all Leased Equipment, any and all of which shall immediately become the property of Franchisor and subject to this Lease. Franchisor may require Franchisee to replace one or more of the items of Leased Equipment, at Franchisee's cost and expense, if such Leased Equipment does not meet the then-current standards as required under the Franchise Agreement. Franchisee shall comply with manufacturer instructions relating to the use of each of the items of Leased Equipment. Without limiting the generality of the foregoing, each of the items of Leased Equipment shall be used at all times in the conduct of lawful business of Franchisee and in compliance with the Franchise Agreement and any applicable laws and governmental regulations. Franchisee shall not, without Franchisor's prior written consent, part with possession or control of the Leased Equipment or attempt or purport to sell, pledge, mortgage or otherwise encumber any of the Leased Equipment or otherwise dispose of or encumber any interest under this Lease. Franchisor shall have the right, but not the obligation, from time to time during reasonable business hours to enter upon Franchisee's premises or elsewhere for the purpose of confirming the existence, condition and proper maintenance of the Leased Equipment.

ARTICLE 5 **FRANCHISOR'S TITLE, IDENTIFICATION & RIGHT OF INSPECTION OF EQUIPMENT**

During the Term of this Lease, title to each of the items of Leased Equipment is and shall remain in Franchisor or its assignees, and Franchisor and its assignees shall have the right to display notice of its ownership by affixing to each of the items of Leased Equipment an identifying plate, stencil or other indicia of ownership. Franchisee shall not directly or indirectly create, incur or suffer a mortgage, claim, lien, charge, encumbrance or the legal process of a creditor of Franchisee of any kind upon or against this Lease or any of the Leased Equipment. Franchisee shall at all times protect and defend, at its own cost and expense, the title of Franchisor from and against such mortgages, claims, liens, charges, encumbrances and

legal processes of creditors of Franchisee and shall keep each of the items of Leased Equipment free and clear from all such claims, liens and legal processes. If any such lien or encumbrance is incurred, Franchisee shall immediately notify Franchisor and shall take all actions required by Franchisor to remove the same, provided that Franchisee may contest any lien or encumbrance if (i) Franchisee acts in good faith, (ii) Franchisee undertakes such contest and continues the same in good faith, and (iii) Franchisee deposits with Franchisor such reasonable security as Franchisor may require to protect Franchisor against the enforcement of the lien being contested and loss of the Leased Equipment affected. Each Leased Equipment shall be and remain personal property.

ARTICLE 6 **RETURN OF EQUIPMENT**

Upon the termination of this Lease, Franchisee shall return the Leased Equipment to Franchisor in good condition, reasonable wear and tear excepted.

ARTICLE 7 **TAXES, EXPENSES, FEES & CHARGES**

Franchisee agrees that, during the Term with respect to the Leased Equipment, in addition to Rent and other charges which may accrue hereunder, it will promptly pay all taxes, assessments and other governmental charges of any kind or nature levied or assessed (i) upon the interest of Franchisee in the Leased Equipment or upon the use or operation thereof or on Franchisee's earnings arising therefrom, and (ii) against Franchisor on account of its acquisition or ownership of the Leased Equipment or any part thereof, or the use or operation thereof or the leasing hereof to Franchisee, or the Rent herein provided for, or the earnings arising therefrom, exclusive, however, of any taxes based on the net income of Franchisor. Franchisor and Franchisor's assignees assume no liability and make no representation as to the treatment by Franchisee of this Lease, the Leased Equipment, or the rental payments for financial statement or tax purposes. Franchisee is advised to consult with its attorney and/or accountant with respect to such matters.

ARTICLE 8 **RISK OF LOSS; DAMAGE TO EQUIPMENT**

8.1 Risk of Loss.

As between Franchisor and Franchisee, Franchisee shall bear the risk of all loss or damage to any of the Leased Equipment or caused by any of the Leased Equipment during the period from the time the same is shipped by Franchisor or the vendor thereof until the Leased Equipment is returned to and accepted by Franchisor. Franchisor shall not be obligated to undertake by litigation or otherwise the collection of any claim against any person for loss or damage to the Leased Equipment.

8.2 Destruction; Unit Replacement.

If any of the Leased Equipment is lost, stolen, destroyed, seized by governmental action or, in Franchisee's opinion or Franchisor's opinion, damaged ("Event of Loss"), this Lease shall remain in full force and effect without abatement of Rent, and Franchisee shall promptly replace such Leased Equipment at its sole cost and expense with a replacement equipment identical to Leased Equipment. Title to such replacement equipment immediately shall vest and remain in Franchisor, and such replacement equipment shall be deemed to be Leased Equipment under this Lease. Upon such vesting of title and provided Franchisee is not in default under this Lease, Franchisor shall cause to be paid to Franchisee any insurance proceeds actually received by Franchisor for the replacement of Leased Equipment. Franchisee shall promptly notify Franchisor of any Event of Loss and shall provide Franchisor with and shall enter into, execute and deliver such documentation as Franchisor shall request with respect to the replacement of any such Leased Equipment.

ARTICLE 9 **INSURANCE**

Franchisee shall maintain at all times on the Leased Equipment insurance in the forms and in the amounts specified in the Franchise Agreement.

ARTICLE 10 **DISCLAIMER OF WARRANTIES**

FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, AS TO ANY MATTER INVOLVING OR RELATING TO ANY OF THE LEASED EQUIPMENT WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF ANY OF THE LEASED EQUIPMENT, ITS MERCHANTABILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, INFRINGEMENT AGAINST USE OR THAT USE INFRINGES UPON THE RIGHTS OF A THIRD PARTY, NOR ANY WARRANTY THAT THE LEASED EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, REGULATION OR CONTRACT SPECIFICATIONS OF FRANCHISEE, IT BEING AGREED THAT THE EQUIPMENT IS LEASED BY FRANCHISEE "AS IS." FRANCHISOR EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES WITH RESPECT TO THE LEASED EQUIPMENT WHETHER EXPRESSED OR IMPLIED. FRANCHISEE AGREES THAT NO EMPLOYEE OR AGENT OF FRANCHISOR IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OF THIS LEASE OR MAKE ANY REPRESENTATION OR WARRANTY REGARDING THE LEASED EQUIPMENT, AND THAT NO SUCH REPRESENTATION OR WARRANTY HAS BEEN MADE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, FRANCHISEE AGREES THAT FRANCHISOR SHALL NOT BE LIABLE (AND WILL NOT ASSERT ANY CLAIM AGAINST FRANCHISOR) FOR ANY DEFECTS, EITHER LATENT OR PATENT, IN ANY OF THE LEASED EQUIPMENT, OR FOR ANY DIRECT OR CONSEQUENTIAL DAMAGES IN CONNECTION THEREWITH OR ARISING THEREFROM, WHETHER INJURY TO PERSON OR PROPERTY, OR FOR ANY LOSS OF USE THEREFOR OR FOR ANY INTERRUPTION IN FRANCHISEE'S BUSINESS OCCASIONED BY FRANCHISEE'S INABILITY TO USE ANY OF THE LEASED EQUIPMENT FOR ANY REASON WHATSOEVER. AS TO EACH ITEM OF LEASED EQUIPMENT, FRANCHISEE WARRANTS THAT UPON EXECUTION OF THE CERTIFICATE OF ACCEPTANCE SUCH LEASED EQUIPMENT HAS BEEN TESTED TO FRANCHISEE'S SATISFACTION AND IS IN GOOD ORDER AND WORKING CONDITION.

ARTICLE 11 **FRANCHISEE'S REPRESENTATION AND WARRANTIES REGARDING TRANSACTION**

Franchisee represents and warrants to Franchisor that: (i) the making of this Lease is duly authorized on the part of Franchisee, constitutes a valid and binding obligation of Franchisee, enforceable against Franchisee in accordance with its terms; (ii) the making of this Lease and the due performance by Franchisee, including the commitment and payment of the Rent, shall not result in any breach of, or constitute a default under, or violation of, Franchisee's Articles or Certificate of Incorporation, By-laws, or any agreement to which Franchisee is a party or by which Franchisee or its property is bound; and (iii) no approval or consent is required from any person, entity or governmental authority with respect to the entering into, or performance of this Lease, by Franchisee.

ARTICLE 12 **INDEMNIFICATION**

Franchisee agrees that Franchisor shall not be liable for, and Franchisee shall indemnify, defend and save harmless Franchisor (and its affiliates and assigns) from and against any and all liability, loss, diminution, damage, expense, causes of action, suits, claims or judgments arising from or caused directly or indirectly by: (i) Franchisee's failure to perform any term, condition or provision of this Lease; (ii) injury to person (including death) or damage to property resulting from or based upon actual or alleged use, operation, delivery or transportation of any or all of the Leased Equipment (including patent and latent defects whether or not discoverable); and/or (iii) inadequacy of the Leased Equipment, or any part thereof, for any purpose or any deficiency or defect therein (whether patent or latent defects and whether or not discoverable), or use or maintenance thereof, or any repairs, servicing or adjustments thereto or any delay in providing or failing to provide any thereof, or any interruption or loss of service or use thereof, or any loss of business from any of the foregoing. Franchisee shall, at its sole cost and expense, defend any and all suits which may be brought against Franchisor, either alone or in conjunction with others upon any such liability or claim(s) and shall satisfy, pay and discharge any and all judgments and fines or penalties that may be recovered against Franchisor in any such action or actions, provided, however, that Franchisor shall give Franchisee written notice of any such claim or demand. Franchisee and Franchisor agree to cooperate with each other, to the extent that there are no conflicts of interests, in the settlement or defense of any actions or claims relating thereto. Franchisee agrees that its obligations under this Section shall survive the expiration or cancellation of this Lease and the termination of Franchisee's right to possess the Leased Equipment or otherwise.

ARTICLE 13 **RELATIONSHIP OF PARTIES; FURTHER ASSURANCES**

13.1 Relationship.

Franchisor and Franchisee agree that this Lease is and is intended to be construed as a lease, and Franchisee acknowledges that it has no right, title or interest in the Leased Equipment, except as set forth hereunder. Neither Franchisee, nor any of Franchisee's agents or employees, shall ever be deemed to be the agents of Franchisor or any assignee of Franchisor, and Franchisor shall not be responsible for the acts or omissions of Franchisee, its agents or employees. To the extent that any court of competent jurisdiction or governing law should at any time determine that this Lease constitutes a security arrangement as opposed to a true lease, the parties then agree that this Lease shall constitute a security agreement within the meaning of the Uniform Commercial Code and that Franchisor shall be considered a secured party under the provisions thereof and shall be entitled to all the rights and remedies of a secured party thereunder, and Franchisee, as debtor, grants to Franchisor, as secured party, a security interest in the Leased Equipment; provided, however, nothing herein shall be construed nor shall the inclusion of this paragraph be interpreted as derogating from the stated intent and contractual understanding of the parties that this is a true lease. Wherever necessary or convenient to afford Franchisor the full benefits of a secured party under the Uniform Commercial Code, this Lease shall be construed as such and for purposes of the Uniform Commercial Code Franchisor shall be considered to be a "secured party" and Franchisee a "debtor." For any filing purposes this Lease concerns equipment which are not fixtures. The address of the "debtor" shall be the address of Franchisee as set forth in this Lease and the address of the "secured party" shall be the address of Franchisor as set forth in this Lease.

13.2 Further Assurances.

Franchisee shall execute and deliver to Franchisor, promptly and at Franchisee's expense, such other documents and assurances, and take such further action as Franchisor may request, in order to effectively carry out the intent and purposes of this Lease and to establish and protect the rights, interests and remedies of Franchisor hereunder. This shall include, without limitation, providing Uniform Commercial Code financing statements. All documentation shall be in a form acceptable to Franchisor and its assignees. Franchisee shall pay all costs associated with such financing statements upon relocation or reconfiguration of

the Leased Equipment. Franchisee agrees that Franchisor is authorized to file financing statements or amendments thereto without the signature of Franchisee with respect to any or all of the Leased Equipment and, if a signature is required by law, then Franchisee appoints Franchisor as Franchisee's attorney-in-fact and agent to execute any such financing statements. Franchisee agrees to pay any and all filing fees, stamp taxes, registration fees, recordation fees or similar charges in connection with such filings. The powers granted by Franchisee to Franchisor and its assigns in this Section shall be deemed powers coupled with an interest and the same are irrevocable.

ARTICLE 14 **DEFAULT BY FRANCHISEE; REMEDIES**

14.1 Default.

Franchisee shall be in default of this Lease upon the occurrence of any one of the following events (each a "Lease Default"):

- (a) Franchisee fails to pay Rent or any other sum due under this Lease when due or payable;
- (b) Franchisee fails to observe or perform any of the other terms or conditions of this Lease;
- (c) Franchisee fails to make any other payment of any kind owing to Franchisor or an affiliate of Franchisor under this Lease, the Franchise Agreement, or any other agreement or arrangement between Franchisee and Franchisor or an affiliate of Franchisor, or any other event of default occurs under any such agreement or arrangement;
- (d) Any Leased Equipment is sold, leased or otherwise disposed of by Franchisee, or any Leased Equipment is attached, levied upon, encumbered, pledged, or otherwise seized under any judicial process and such proceedings are not dismissed, vacated or fully stayed within 30 days; or
- (e) If the interest of Franchisee in this Lease or any of the Leased Equipment shall be assigned by Franchisee to any party, or sold under execution or under any other legal provision, or by operation of law devolve upon or pass to any person or persons other than Franchisee.

14.2 Remedies of Franchisor.

Upon the occurrence of a Lease Default, Franchisor shall have all the rights and remedies provided by applicable law and by this Lease, and Franchisor may, at its option, in addition to any other remedies which may be available to it (including those of a secured party under the Uniform Commercial Code), and without liability, or further notice, demand, legal process or hearing, which are hereby expressly waived by Franchisee:

- (a) Declare all sums due and to become due hereunder immediately due and payable, provided that Franchisee shall not be obligated to make a payment of interest which is prohibited by law;
- (b) Proceed by court action or other proceedings either at law or equity to enforce performance by Franchisee of any and all terms, conditions and provisions of this Lease and to recover damages for the breach thereof;
- (c) Demand that Franchisee deliver each and every item of Leased Equipment to Franchisor or its designee at Franchisee's expense and at such place as Franchisor shall designate with such delivery in compliance with the terms, conditions and provisions of this Lease;
- (d) Cancel the Lease; and/or

(e) Enter into any premises of or under the control of Franchisee or any agent of Franchisee where any Leased Equipment may be or by Franchisor is believed to be, and repossess all or any item thereof, disconnecting and separating all thereof from any other property and using all force necessary or permitted by applicable law to do so, Franchisee hereby waiving all further rights to possession of the Leased Equipment and all claims from injuries suffered through or loss caused by such repossession; but such repossession shall be without prejudice as to Franchisor to prove or claim as and for damages for the breach of this Lease by Franchisee such amounts afforded by statutory or common law applicable to leases notwithstanding the construction or characterization of this Lease.

No remedy of Franchisor hereunder shall be exclusive of any remedy herein or provided by law, but each shall be cumulative and in addition to every other remedy. Without limiting the generality of the foregoing, it is also the intent of the parties that Franchisor may choose statutory and/or common law remedies afforded to lessors of personal property or that of secured creditors under the Uniform Commercial Code, notwithstanding the ultimate construction or characterization of this Lease. Franchisee shall pay all of Franchisor's reasonable attorneys' fees, costs and disbursements which may be incurred in connection with a Lease Default and ultimate pursuit by Franchisor of its rights and remedies under this Lease.

ARTICLE 15 **MISCELLANEOUS**

15.1 Notices.

All notices to Franchisor will be in writing and will be made by personal service upon an officer of Franchisor or sent by prepaid certified mail addressed to STAYFULL SERVICES, LLC ATTN: PRESIDENT, 7325 JANES AVENUE WOODRIDGE, IL 605170000, or such other address as Franchisor may designate in writing, with a copy to Gray Plant Mooty, Attn: Ryan R. Palmer, 500 IDS Center, 80 South 8th Street, Minneapolis, Minnesota 55402. All notices to Franchisee will be made by personal service upon Franchisee (or, if applicable, upon an officer of Franchisee) or sent by prepaid certified mail addressed to Franchisee at the following address: _____, or such other address as Franchisee may later designate in writing. For the purposes of this Lease, personal service will include service by a recognized overnight delivery service (such as Federal Express, Airborne Express or UPS) which requires a written receipt of delivery from the addressee.

15.2 Entire Agreement.

FRANCHISEE REPRESENTS THAT IT HAS READ, RECEIVED, RETAINED A COPY OF AND UNDERSTANDS THIS LEASE, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS. FRANCHISOR AND FRANCHISEE AGREE THAT THIS LEASE, THE FRANCHISE AGREEMENT AND THE PERSONAL GUARANTY ATTACHED TO THE FRANCHISE AGREEMENT SHALL CONSTITUTE THE ENTIRE AGREEMENT AND SUPERSEDE ALL PROPOSALS, ORAL OR WRITTEN, ALL PRIOR NEGOTIATIONS AND ALL OTHER COMMUNICATIONS BETWEEN FRANCHISOR AND FRANCHISEE WITH RESPECT TO THE LEASED EQUIPMENT. This Lease will not supersede any written agreements or contracts that are signed concurrently with this Lease. In addition, any other leases between the parties will remain in full force and effect in accordance with the terms and conditions thereof, and will not be superseded by this Lease. Notwithstanding the foregoing, any representations contained in the Franchise Disclosure Document provided to Franchisee by Franchisor relating to this Lease will be enforceable.

15.3 Third Party Beneficiaries.

No term, condition or provision of this Lease or any Lease Schedule is intended, nor shall it be deemed or construed, to benefit any person or entity which is not a party to this Lease, other than permitted assigns of the parties hereto.

15.4 Lease Irrevocable.

This Lease is irrevocable for the full Term hereof and the Rent shall not abate by reason of termination of Franchisee's right of possession of the Leased Equipment and/or the taking of possession of the Leased Equipment by Franchisor or for any other reason.

15.5 Waiver.

No delay or omission in the exercise of any right or remedy herein provided or otherwise available to Franchisor, or prior course of conduct, shall impair or diminish Franchisor's rights to exercise the same or any other right of Franchisor; nor shall any obligation of Franchisee hereunder be deemed waived. The acceptance of Rent by Franchisor after it is due shall not be deemed to be a waiver of any breach by Franchisee of its obligations under this Lease.

15.6 Modification.

Franchisor and Franchisee agree that any modifications or amendment to this Lease shall be in writing and shall be signed by both parties or the permitted assignee, if any.

15.7 Successors.

This Lease and each Lease Schedule shall inure to the benefit of and be binding upon Franchisor and Franchisee and their respective successors in interest and permitted assigns.

15.8 Assignment.

Franchisee shall not assign this Lease or assign its rights in or sublet the Leased Equipment, or any interest therein without Franchisor's or its assignee's prior written consent and only on such terms as are acceptable to Franchisor or its assignee in their sole and absolute discretion. No permitted sublease or assignment by Franchisee of any of its rights under this Lease or in the Leased Equipment shall in any way discharge or diminish any of Franchisee's obligations to Franchisor or its assignee under this Lease. No assignment fee to Franchisor shall be due upon Franchisee's assignment of this Lease with Franchisor's prior written consent. Franchisor may assign and/or encumber its rights, and delegate its duties (if any), in, to and under this Lease, the Leased Equipment, and any other document or instrument in connection herewith, without the consent of Franchisee, upon written notice to Franchisee. Upon such an assignment or encumbrance (or subsequent assignment or encumbrance by Franchisor's assignee which also does not require Franchisee's consent), Franchisee shall promptly pay all Rent to such an assignee, and continue to perform each and every obligation of Franchisee required to be performed hereunder, and such an assignee shall be deemed to be "Franchisor" hereunder.

15.9 Titles; Captions.

Section titles and captions are not intended to have legal effect or limit or otherwise affect the interpretation of this Lease.

15.10 Severability.

If any provisions of this Lease shall be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions thereof shall not be affected or impaired in any way, and the parties agree to negotiate in good faith for an acceptable substitute to such an invalid or unenforceable provision.

15.11 Ambiguous Provisions.

The parties hereto agree that if any term, condition or provision of this Lease or any Lease Schedule is construed or deemed to be ambiguous that such ambiguity is not to be construed against the party who drafted this Lease.

15.12 Governing Law; Venue.

This Lease is entered into under and shall be construed in accordance with, and governed by the governing law of the Franchise Agreement. Each of the parties agrees that the venue for any dispute arising out of or relating to this Lease shall be as specified in the Franchise Agreement, and each party hereby consents to such jurisdiction. Notwithstanding anything to the contrary herein, Franchisor expressly reserves all rights to seek injunctive relief as set forth in the Franchise Agreement.

15.13 Counterparts.

This Lease may be executed in counterparts, each of which shall constitute but one and the same instrument.

15.14 Definitions.

Capitalized terms used but not defined herein shall be ascribed the definitions given to them in the Franchise Agreement.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed as of the Effective Date.

FRANCHISOR:

STAYFULL SERVICES, LLC

By _____
Its _____

FRANCHISEE:

Name of corporation or limited liability company

By _____
Its _____

**Exhibit A to
EQUIPMENT LEASE AGREEMENT**

LEASED EQUIPMENT

1 Transfer Sled (serial no. _____)

1 Trailer (serial no. _____)

CERTIFICATE OF ACCEPTANCE

TO: STAYFULL SERVICES, LLC ("Franchisor")

FROM: _____, a(n) _____
(“Franchisee”)

RE: Equipment Lease Agreement dated _____, 20_____ (the “Lease”)

Capitalized terms used in this Certificate shall have the meaning ascribed to them under the Lease.

Acceptance of Equipment

Franchisee hereby certifies that all of the Leased Equipment listed in Exhibit A to the Lease has been delivered to and inspected by Franchisee, and found to be in good order and working condition and accepted for all purposes of the Lease, as the Leased Equipment under the Lease, all on the date on which this Certificate of Acceptance has been signed by Franchisee (the “Acceptance Date”).

Franchisee hereby represents and warrants to Franchisor that on the Acceptance Date set forth below (a) no Lease Default by Franchisee under the Lease or event which, with the giving of notice or lapse of time or both, would become such Lease Default by Franchisee, has occurred and is continuing, and (b) Franchisor has fully performed all covenants and conditions to be performed by it under the Lease, if any.

If applicable, Franchisee approves payment to the supplier or suppliers of the Leased Equipment by Franchisor.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, FRANCHISEE ACKNOWLEDGES THAT THE LEASED EQUIPMENT IS OF THE DESIGN, CAPACITY AND MANUFACTURE SPECIFIED FOR AND BY FRANCHISEE AND THAT FRANCHISEE IS SATISFIED THAT THE SAME IS SUITABLE FOR FRANCHISEE'S PURPOSES. THIS CERTIFICATE OF ACCEPTANCE IS MADE AND GIVEN TO FRANCHISOR IN ACCORDANCE WITH AND SUBJECT TO THE TERMS, CONDITIONS AND PROVISIONS OF THE LEASE, INCLUDING, WITHOUT LIMITATION, THE DISCLAIMER OF REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE LEASED EQUIPMENT BY FRANCHISOR, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, WHICH IS MORE FULLY SET FORTH IN THE LEASE.

IN WITNESS WHEREOF, Franchisee has caused this Certificate of Acceptance to be duly executed on this _____ day of _____, 20_____.

FRANCHISEE: _____

By _____

Its _____

EXHIBIT C

LIST OF STATE ADMINISTRATORS; AGENTS FOR SERVICE OF PROCESS

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62701
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT D
STATE ADDENDA

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

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.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

STAYFULL SERVICES, LLC

By: _____
Its: _____
Date: _____

FRANCHISEE:

By: _____
Its: _____
Date: _____

EXHIBIT E
GENERAL RELEASE FORM

FORM RELEASE OF CLAIMS

**THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL
BE USED WITH OR INCORPORATED INTO A SEPARATE AGREEMENT.
THIS FORM IS SUBJECT TO CHANGE OVER TIME.**

For and in consideration of the Agreements and covenants described below, Stayfull Services, LLC ("we" or "us"), _____ ("you") and _____ ("Guarantors") enter into this Release of Claims ("Agreement").

RECITALS

A. We and you entered into a stayfull® Franchise Agreement dated _____, 20_____ (the "Franchise Agreement").

B. [NOTE: Describe the circumstances relating to the release.]

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]
- 2-3. [NOTE: Detail other terms and conditions of the release.]
4. **Release of Claims.**

A. Definitions.

1. **Franchisor Parties:** We and each of our subsidiaries, corporate parents and affiliates, and their respective officers, directors, owners, stockholders, members, employees, insurers, attorneys, agents, successors, predecessors, assigns, heirs and personal representatives.

2. **Franchisee Parties:** You and each of the Guarantors and all persons or entities acting on their behalf or claiming under them including each of their respective past and present corporate parents, subsidiaries, affiliates, owners, heirs, executors, administrators, managers, directors, officers, employees, trustees, agents, partners, business entities, attorneys, insurers, successors and assigns.

B. The Franchisee Parties irrevocably and unconditionally waive, release and forever discharge, and covenant not to sue, the Franchisor Parties of and from any and all claims, suits, debts, liabilities, causes of action, demands, contracts, promises, obligations, losses, rights, controversies, damages, costs, expenses (including actual attorneys' fees and costs incurred), actions and causes of action of every nature, whether known or unknown, direct or indirect, vested or contingent, at law or in equity, whether arising by statute, common law, or otherwise, including claims for negligence (collectively, "Claims"), that they may now have, or at any time heretofore had, or hereafter may have, against each or any of the Franchisor Parties arising out of or relating to any conduct, transaction, occurrence, act or omission at any time before the [Effective Date] relating to the Franchise Agreement(s), the development or operation of the Business(s), the franchise relationship between the parties, the offer or sale of any franchise, or any agreement between any of the Franchisee Parties and any of the Franchisor Parties.

C. The Franchisee Parties specifically and expressly acknowledge and agree that the consideration accepted under this Agreement is accepted in full satisfaction of any and all injuries and/or damages that have previously arisen and which may hereafter arise respecting any of the claims being released.

D. The Franchisee Parties acknowledge that they have had a reasonable opportunity to consult with an attorney prior to signing this release and they have executed this release voluntarily. Also, the Franchisee Parties represent that they have not assigned or transferred to anyone any claims released by them under Section 4(B) above.

5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of _____ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

YOU:

BY: _____

ITS: _____

DATE: _____

WE:

STAYFULL SERVICES, LLC

BY: _____

ITS: _____

DATE: _____

PERSONAL GUARANTORS:

EXHIBIT F

LIST OF FRANCHISEES
as of December 31, 2024

Name	Address	City	State	Zip Code	Phone Number
John Gates	900 Ogden Ave., #280	Downers Grove	IL	60515	331-452-5026

EXHIBIT G

DISCLOSURE ACKNOWLEDGMENT AGREEMENT

**DISCLOSURE
ACKNOWLEDGMENT AGREEMENT**

Applicant _____
(If corporation) State of Incorporation _____
Address of Applicant _____
Location (Territory) Applied For _____

1. I have received all appropriate disclosure documents for the State(s) of _____ at least fourteen (14) calendar days, exclusive of the day I received them and the day I signed them, before signing the Franchise Agreement and/or payment of any monies.
2. I have signed and returned to Stayfull Services, LLC (you or your) the acknowledgment of receipt for each disclosure document given me.
3. I have had an opportunity to read the Franchise Agreement thoroughly and understand all of your covenants and obligations and my obligations as a franchisee of the stayfull® system. I understand that the Franchise Agreement contains all obligations of the parties and that you do not grant to me under either agreement any right of first refusal.
4. I understand that this franchised business, as in all business ventures, involves risk and, despite assistance and support programs, the success of my business will depend largely upon me and my ability.
5. Except for fill in the blank provisions or for negotiated changes that I initiated, I received a copy of the revised Franchise Agreement or related agreement at least seven (7) calendar days before the date on which the Franchise Agreement or related agreement was signed.
6. I understand that you have established a marketing fund (the System Marketing Fund) which is not directed towards any specific franchise territory but is intended to benefit the entire stayfull® system nationwide. I further understand that amounts from the Marketing Fund (if established) will be used to offset any in-house expenses you incur in providing marketing services, production art and other activities.
7. I have had no promises, guarantees or assurances made to me and no information provided to me relative to earnings, revenues, profits, expenses or projected revenues for this franchise, except as disclosed in the disclosure document. If I believe that I have received any such promises, guarantees, assurances or information, I agree to describe it below (otherwise write "None").

8. I understand that this franchise business may be impacted by other risks, including those outside your or our control such as economic, political or social disruption, including COVID-19. In addition, I understand that the COVID-19 outbreak and any preventative or protective actions that federal, state, and local governments may take in response to this pandemic may result in a period of business disruption, reduced customer demand, and reduced operations for stayfull®® businesses. The extent to which the coronavirus impacts the stayfull® system will depend on future developments which are highly uncertain and which we cannot predict.

Applicants' Acknowledgment:

Name: _____
Date: _____

Name: _____
Date: _____

EXHIBIT H
OPERATIONS MANUAL TABLE OF CONTENTS

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Total Pages: 174

EXHIBIT I
STATE EFFECTIVE DATES & RECEIPT PAGES

State Effective Dates

The following states have franchise laws that require that the Franchise 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Illinois	Pending
Indiana	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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 Stayfull Services, LLC offers you a franchise, Stayfull Services, LLC must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Stayfull Services, LLC or its affiliate in connection with the proposed franchise sale.

If Stayfull Services, 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 those state administrators listed on Exhibit C.

Issuance Date: April 30, 2025

The franchisor is Stayfull Services, LLC, located at 7325 Janes Avenue, Woodridge, IL 60517. Its telephone number is 630-417-5408.

Stayfull Services, LLC's franchise sellers involved in offering and selling the franchise is Thomas McGovern, or is listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement: _____.

Stayfull Services, LLC authorizes the respective state agencies identified on Exhibit C to receive service of process for Stayfull Services, LLC in the particular state.

I have received a disclosure document with an issuance date of April 30, 2025, that included the following Exhibits:

A. Financial Statements	E. General Release Form
B. Franchise Agreement (and Exhibits)	F. List of Franchisees
C. List of State Administrators, Agents for Service of Process	G. Disclosure Acknowledgment Agreement
D. State Addenda	H. Operations Manual Table of Contents
	I. State Effective Dates & Receipt Pages

Date: _____

(Do not leave blank)

(Print Name of Prospective Franchisee (For Entity))

By: _____

Its: _____

Signature _____

(Print Name of Prospective Franchisee (For Individuals))

Signature _____

Copy for Franchisee

RECEIPT

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 Stayfull Services, LLC offers you a franchise, Stayfull Services, LLC must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Stayfull Services, LLC or its affiliate in connection with the proposed franchise sale.

If Stayfull Services, 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 those state administrators listed on Exhibit C.

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D. State Addenda	H. Operations Manual Table of Contents
	I. State Effective Dates & Receipt Pages

Date: _____
(Do not leave blank)

(Print Name of Prospective Franchisee (For Entity))

By: _____
Its: _____

Signature _____

(Print Name of Prospective Franchisee (For Individuals))

Signature _____

Please sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or send to Thomas McGovern at tom@stayfull.com.

Copy for Stayfull Services, LLC