



## FRANCHISE DISCLOSURE DOCUMENT

Chem-Dry, Inc.  
f/k/a Harris Research, Inc.  
a Utah Corporation  
3310 West End Avenue, Suite 620  
Nashville, TN 37203  
(800) 841-6583  
[www.chemdry.com](http://www.chemdry.com)

The franchise offered is for the operation of a Chem-Dry business which provides carpet cleaning, upholstery cleaning, spot removal, protective services and other authorized services to residential and commercial customers.

The total investment necessary to begin operation of a Chem-Dry franchised business is \$67,600 to \$207,295. This includes \$57,500 to \$77,345 that must be paid to the franchisor or its affiliate(s).

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~~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 your sales representative at 3310 West End Avenue, Suite 620, Nashville, TN 37203.

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](http://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 of this Franchise Disclosure Document:- March 28, 2025, as amended June 30, 2025,  
as amended ~~September 30~~October 21, 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:

QUESTIONS,	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits E and F.
How much will I need to invest?	Item 5 and 6 list fees you will be paying to the franchise 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 G 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 Chem-Dry business in my area?	Item 12 and the “territory” provision 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 Chem-Dry franchisee?	Item 20 or Exhibits E and F list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need to Know About Franchising Generally

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

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

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

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

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

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

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

### Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments to 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 risks(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 Tennessee. 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 Tennessee than in your own state.

~~1.~~ \_\_\_\_\_

**2. Mandatory Minimum Payments.** You must make minimum, advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

\_\_\_\_\_

~~2.~~ \_\_\_\_\_

**3. Inventory Control.** You must make inventory and supply purchases of at least \$3338.50, even if you do not need that much. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.

**3.4. Turnover Rate.** During the last 3 years a high percentage of franchised outlets (more than 33%) were terminated, not renewed, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

- i. The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - ii. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - iii. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - iv. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise disclosure are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan  
Office of the Attorney General  
Consumer Protection Division  
Franchise Section  
525 W. Ottawa Street  
Lansing, MI 48913  
517-373-7117

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## ITEM 1

### THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor is Chem-Dry, Inc., formerly known as Harris Research, Inc., which will be referred to as “CDI”, “we” or “us” in this disclosure document. We will refer to the person who buys the franchise as “you” throughout the disclosure document.

CDI is a Utah corporation incorporated in March 1994 with its principal business address at 3310 West End Avenue, Suite 620, Nashville, TN 37203. Our previous principal business address was 124 12th Ave. South, Suite 300, Nashville, TN 37203. We have an additional location at 1530 North 1000 West, Logan, UT 84321, which was CDI’s principal address from 1993 to May 2012. CDI was originally incorporated in California in November 1977. CDI’s agent for service of process is disclosed in Exhibit A.

On July 10, 2019, BELFOR (USA) Group, Inc., a Colorado corporation incorporated on June 9, 1995 (“BELFOR”), acquired control of CDI’s parent, BFG Holdco, Inc., formerly known as HRI Holding, Inc., a Delaware corporation incorporated on August 10, 2011 (“BFG Holdco”) from Baird Capital Partners (“BCP”), and BFG Holdco became a wholly owned subsidiary of BELFOR. BELFOR is a wholly owned subsidiary of BELFOR Holdings, Inc. (“BHI”), a Delaware corporation incorporated on May 24, 2006. BELFOR and BHI are located at 185 Oakland Ave, Suite 150, Birmingham, MI 48009. BELFOR offers property and electronic restoration, machinery refurbishment, data and document restoration, mold remediation, emergency and rapid disaster response. As of December 31, 2024, BELFOR owns and operates 154 company owned locations in the United States and Canada.

In February 2023, CDI changed its name from Harris Research, Inc. to Chem-Dry, Inc. and BFG Holdco changed its name from HRI Holdings, Inc. to BFG Holdco, Inc. BHI is wholly owned by ASP BF Intermediate Sub, LLC, a Delaware limited liability company formed on December 21, 2018. Its principal business address is 299 Park Avenue, 34th Floor, New York NY 10171. ASP BF Intermediate Sub, LLC purchased BHI on April 4, 2019.

CDI began offering Chem-Dry Franchises in 1994 after its predecessors started offering Chem-Dry Franchises in September 1978. CDI does business under the names “Chem-Dry” and “Chem-Dry, Inc.” From May 2003 through December 2012, CDI offered N-Hance® wood cleaning, coating, protection and other wood care and renewal product and services franchises in the United States and in Canada until August 2017. In a reorganization effective on December 31, 2012, CDI contributed the assets and liabilities (including the then effective franchise agreements) associated with the N-Hance franchise program in the United States to NHance, Inc., a Delaware corporation incorporated on December 19, 2012 (“NHI”), and then distributed all of the ownership interests in NHI to HRI Holdco, LLC, which was owned by BCP. As a result of that reorganization, CDI became NHI’s affiliate. On December 31, 2019, NHI became a wholly owned subsidiary of BFG Holdco.— CDI and its affiliate Devere International, Inc. continue to offer master franchises for N-Hance businesses in other countries and currently have master franchises in Canada. —Aside from N-Hance franchises, neither CDI nor any predecessor or parent has offered franchises in any other line of business.

CDI affiliated companies currently offering franchises or services to franchisees include:

<b>Company</b>	<b>State/Type of Entity</b>	<b>Date of Formation</b>	<b>Principal Address</b>	<b>Number of Outlets</b>	<b>Industry</b>
NHance, Inc. (“NHI”)	Delaware corporation	Dec. 19, 2012	3310 West End Avenue, Suite 620 Nashville, TN 37203 <sup>1</sup>	255	Wood cleaning, coating, protection and other wood care and renewal products and services for wood flooring, cabinetry, trim and other wood furnishings
Devere International, Inc. (“DII”)	California corporation	Sept. 1987	3310 West End Avenue, Suite 620, Nashville, TN 37203 <sup>1</sup>	17	Offers Chem-Dry and N-Hance master franchises outside of the United States and Canada

BELFOR or BFG owns the companies that offer franchises listed in the chart below. The franchising companies have offered franchises since their year of formation, only offer franchises in the Franchise Offering column in the chart, and have never offered franchises in any other line of business. All of the BFG companies in the chart below have the following principal business address: 731 Fairfield Court, Ann Arbor, MI 48108, except the Canadian companies have the following principal business address: 3300 Bridgeway Street, Vancouver, British Columbia V5K 1H9.

Winmar, a subsidiary of BELFOR, has a principal business address of 175 Stonach Crescent, London, ON N5V 3G5.

The Canadian companies, including Winmar, offer franchises for sale in Canada.

<b>Company</b>	<b>State/Type of Entity</b>	<b>Date of Formation</b>	<b>Number of Outlets</b>	<b>Franchise Offering</b>
<b>BFG</b>				
HOODZ International, LLC (“HOODZ”)	Delaware limited liability company	Oct. 3, 2008	130	Performing commercial kitchen exhaust system cleaning, inspection, maintenance and restoration services.
DUCTZ International, LLC (“DUCTZ”)	Michigan limited liability	Mar. 30, 2004	62	HVAC system restoration, coil cleaning and dryer vent services

<sup>1</sup> Previously located at 124 12<sup>th</sup> Ave. South, Suite 300, Nashville, TN 37203.

Company	State/Type of Entity	Date of Formation	Number of Outlets	Franchise Offering
	company			
1 800 WATER DAMAGE International, LLC (“1 800 WD”)	Delaware limited liability company	Apr. 16, 2015	175	Water damage restoration services, carpet cleaning services, mold remediation, odor removal, fire and smoke and related cleaning services.
PACKOUTZ International, LLC (“BLUE KANGAROO PACKOUTZ”)	Delaware limited liability company	August 29, 2019	130	Contents restoration, packing, cleaning, and permanent climate-controlled storage.
PLUMBERZ International, LLC (“Z PLUMBERZ”)	Delaware limited liability company	Mar. 25, 2019	31	Plumbing, sewer, and drain service to residential, commercial, and industrial buildings.
Patch Boys International, LLC (“THE PATCH BOYS”)	Delaware limited liability company	May 6, 2020	284	Performing light restoration and reconstruction services in residential homes and commercial businesses.
Redbox+ International, LLC (“Redbox+”)	Michigan LLC	May 28, 2021	253	Roll-off container/portable toilet combination using our patented technology
HOODZ Canada, Inc.	Federal company (Canada)	Oct. 4, 2011	1	Performing commercial kitchen exhaust system cleaning, inspection, maintenance and restoration services.
1-800 BOARDUP International, LLC*	Delaware LLC	July 8, 2022	53 LSPs, 51 company owned	Emergency structural stabilization services
Cool Binz International, LLC (“COOL BINZ”)	Michigan LLC	September 29, 2022	0	Temperature-controlled portable storage solutions
Safer Home Services International, LLC (“CLEAR PEST PROSS”)	Michigan LLC	September 29, 2022	0	Residential and commercial pest control
DUCTZ Canada, Inc.(operates as “DUCTBUSTERS”)	Federal company (Canada)	Jan. 12, 2018	2	HVAC system restoration, coil cleaning and dryer vent services
Patch Boys Canada, Inc.	Federal company (Canada)	Jan. 12, 2018	0	Performing light restoration and reconstruction services in residential homes and commercial businesses.
JunkCo+ International, LLC	Delaware LLC	January 25, 2024	0	Junk hauling and demolition services

Company	State/Type of Entity	Date of Formation	Number of Outlets	Franchise Offering
Winmar (Canada) International Ltd. (“Winmar”)	Federal company (Canada)	Dec. 7, 2018	91	Restoration services for residential and commercial properties across Canada that specialize in water damage, fire and smoke restoration services, mold inspection and removal as well as damage restoration and recovery.

\*1-800 BOARDUP International, LLC is a “fractional franchise” as it is defined in 16 CFR §436,2(d)(2007). In some states, 1-800 BOARDUP, International, LLC is not considered a franchise.

Our parent, BFG, also owns the following companies that do not currently have or offer franchises, but reserve the right to do so in the future, and may offer products or services to franchisees :

Company	State/Type of Entity	Date of Formation	Principal Address	Number of Outlets	Industry
DUCTZ North America, LLC (“DZNA”)	Delaware LLC	July 24, 2007	731 Fairfield Court, Ann Arbor, MI 48108	5 (company-owned DUCTZ Businesses)	HVAC system restoration, coil cleaning and dryer vent services s.
HOODZ North America, LLC (“HZNA”)	Delaware LLC	Nov. 12, 2009	731 Fairfield Court, Ann Arbor, MI 48108	6 (company-owned HOODZ Businesses)	Commercial exhaust hood system and oven cleaning, inspection, maintenance and restoration services.
PACKOUTZ North America, LLC (“BLUE KANGAROO PACKOUTZ NA”)	Michigan LLC	March 25, 2019	731 Fairfield Court, Ann Arbor, MI 48108	1	Contents restoration, packing, cleaning, and permanent climate-controlled storage.
PLUMBERZ North America, LLC (“Z PLUMBERZ NA”)	Michigan LLC	March 25, 2019	731 Fairfield Court, Ann Arbor, MI 48108	6	Plumbing, sewer, and drain service to residential, commercial, and industrial buildings.
Cool Binz North America, LLC (“COOL BINZ NA”)	Michigan LLC	September 29, 2022	731 Fairfield Court, Ann Arbor, MI 48108	3	Temperature-controlled portable storage solutions
Safer Home Services North America, LLC (“SHSNA”)	Michigan LLC	September 29, 2022	731 Fairfield Court, Ann Arbor, MI 48108	8	Residential and commercial pest control

Company	State/Type of Entity	Date of Formation	Principal Address	Number of Outlets	Industry
JunkCo North America, LLC	Michigan LLC	December 5, 2023	731 Fairfield Court, Ann Arbor, MI 48108	1	Junk removal and demolition services.
Hidrent, LLC (offering services as “Helpful Heroes”)	Delaware	Jan 22, 2024	731 Fairfield Court, Ann Arbor, MI 48108	1	A pioneering technology platform that connects off-duty fire fighters with residential or commercial customers in need of safe, trustworthy, and reliable handyman-type services.
BHI Distribution, LLC (“BHI”)	Delaware LLC	Feb. 19, 2008	731 Fairfield Court, Ann Arbor, MI 48108	1	Procurement and distribution of vehicles, equipment and supplies for BELFOR USA and its affiliates and subsidiaries.
DRIPLOC, LLC	Delaware LLC	May 12, 2010	731 Fairfield Court, Ann Arbor, MI 48108	1	Grease containment, may provide equipment and related services to franchisees.

**Our Franchise.** CDI has designed and developed a method for establishing, operating and performing carpet and upholstery/drapery cleaning, including area rug cleaning, spot removal, protectant services, wood floor cleaning, and tile and stone care services to residential and commercial customers, using CDI’s Chem-Dry specifications, standards, operating procedures, supplies and specialized equipment, all of which may be improved, further developed, or otherwise modified (the “Chem-Dry Business” or “Business”). CDI developed and manufactures the cleaning solutions sold to and used by Chem-Dry Businesses.

To become a franchisee of a Chem-Dry Business, you must enter into the Franchise Agreement (the “Franchise Agreement”) and issue the Business Note (the “Business Note”) attached as Exhibit B and Exhibit C. If a franchisee is an entity, all owners with more than a 5% ownership interest must sign the Guaranty and Assumption of Obligation attached to the Franchise Agreement and co-sign the Business Note. Under the Franchise Agreement, you must offer and perform carpet and area rug cleaning, upholstery cleaning, spot removal and protecting services, including removing red stains, treating pet urine odor on carpets and imparting stain resistance to carpet fibers that we mandate (the “Required Services”). You also may offer and perform additional services (“Additional Services”) that we first approve for as long as you meet the requirements for continuing to offer the Additional Services. We refer to the Required Services and the Additional Services as the “Approved Services.” We may require that you first successfully complete additional training and/or purchase of additional equipment and cleaning solutions. The current list of Additional Services includes leather and vinyl cleaning, carpet

repair, carpet spot dyeing, vinyl composite tile cleaning services, wood floor and luxury vinyl plank cleaning services. We reserve the right to change the lists of Required Services and Additional Services at any time in our discretion. Your Franchise Agreement identifies a non-exclusive “Franchised Area” that we assign in which you must deliver the Approved Services. The population of a Franchised Area determines the number of Chem-Dry Businesses that the Franchised Area can sustain according to the formula of one Chem-Dry franchise per 60,000 residents. Multiple Chem-Dry Businesses may serve the same Franchised Area.

**Competition.** The general market for the services provided through Chem-Dry Businesses is developed. Customers are mostly residential although many, but not all, franchisees service commercial accounts. The seasonality of sales varies geographically and by climate. The competition is other carpet cleaning and similar businesses, some of which are part of national chains or are franchised, and others are local businesses which may concentrate on carpet cleaning or offer carpet cleaning as part of overall cleaning services. Most of the competition uses steam cleaning and other forms of cleaning, which are different from CDI’s patented carbonating cleaning system.

**Regulations.** You must comply with federal, state, and local health and environmental laws concerning the proper handling and disposal of cleaning products used in, and wastewater generated by, the Chem-Dry Business and to offer the Required Services and, if applicable, any of the Approved Services. You should investigate the application of these laws further and make inquiries about other laws that may be applicable to your Chem-Dry Business.

## ITEM 2 BUSINESS EXPERIENCE

President: Edward Quinlan

Mr. Quinlan became President of Chem-Dry, in Logan, Utah, in October 2019. Previously, he served as Senior Vice President of Operations of Chem-Dry since July 1, 2018 and was Director of Marketing in Logan, Utah from July 2006 until July, 2018.

Vice President of Franchise Operations: Christopher Seman

Mr. Seman became Vice President of Franchise Operations for CDI, in Ann Arbor, MI, in June 2025. Prior to his role with CDI, he was President and Chief Development Officer of Strategic Franchising in Blue Ash, Ohio from January 2012 until December 2024.

Director of Operations: Kati Buckland

~~Ms. Buckland became our Director of Operations in Ann Arbor, MI on October 14, 2024. She joined Chem-Dry on August 15 2022 as Director of New Franchise Owner Success and was located in our Logan, UT office. Prior to that Ms. Buckland was a Chem Dry franchisee located in Albuquerque, NM from Sept 2000 through August 2022.~~

Director: Sheldon Yellen

Mr. Yellen has been Chief Executive Officer of HOODZ International, LLC, BELFOR Franchise Group, LLC and HOODZ North America, LLC, located in Ann Arbor, MI from October 2008 to the present. Mr. Yellen also has served as Chief Executive Officer for DUCTZ

International LLC and DUCTZ North America, LLC, located in Ann Arbor, MI from July 2007 to the present. Mr. Yellen also serves as Chief Executive Officer of 1 800 WATER DAMAGE International, LLC and 1 800 WATER DAMAGE North America, LLC, located in Ann Arbor, MI, from April 2015 to the present. Mr. Yellen has served as Chief Executive Officer for BELFOR USA Group, Inc., located in Birmingham, MI, from April 2004 to the present. Mr. Yellen also has served as Director and CEO of BELFOR Holdings, Inc., in Birmingham, MI, since its inception in September 2006 to the present. Mr. Yellen also serves as Director of BFG

Holdco, located in Nashville, TN from July 2019 to the present. Mr. Yellen became a Director of BFG Holdco on July 10, 2019. Mr. Yellen has served as Chief Executive Officer for DUCTZ, BFG, and DZNA, located in Ann Arbor, MI, since July 2007. Mr. Yellen has served as Chief Executive Officer of HOODZ and HZNA, located in Ann Arbor, MI, since September 2008. Mr. Yellen has served as Chief Executive Officer of 1-800 WD and WDNA, located in Ann Arbor, MI, since October 2015. Mr. Yellen has served as Chief Executive Officer of BELFOR located in Birmingham, MI since April 2004. Mr. Yellen has served as Director and CEO of BELFOR Holdings, in Birmingham, MI, since its inception in September 2006, and as Director of BFG Holdco, located in Nashville, TN since July 2019 to present.

#### President BELFOR Franchise Group, LLC: Rusty Amarante

Mr. Amarante currently serves as President of BELFOR Franchise Group, LLC, located in Ann Arbor, MI and has done so since March 2012. He also served as President to our affiliate, Redbox+ International, LLC in Ann Arbor, MI, from September 2022 to January 2024. Mr. Amarante has served as Director of Operations for BELFOR USA Group, Inc., in Birmingham, MI, since November 1999. Mr. Amarante also serves as Executive Chairman of BFG Holdco, located in Nashville, TN from July 2019 to present.

#### Chief Financial Officer of BELFOR Franchise Group, LLC: David Robertson

Mr. Robertson became Chief Financial Officer for BELFOR Franchise Group LLC, in Ann Arbor, MI, in October 2023. Prior to joining us, he was President of Lake's Lawn & Landscape, in Waterford, MI, from April 2023 through October 2023. From April 2018 through April 2022, Mr. Robertson was Senior Vice President and CFO of Altarum Institute in Ann Arbor, MI.

#### Senior Vice President of Franchise Sales and Development: Doug Smith

Mr. Smith has been the Senior Vice President of Franchise Sales and Development for all brands owned by BELFOR Franchise Group, LLC since September 2019. Mr. Smith joined the management team at CDI in August 2015 as Senior Vice President of Franchise Sales and

Development. Mr. Smith joined CDI in August 2015 as Senior Vice President of Franchise Sales and Development in Nashville, TN. He has served in the same capacity for our affiliate BFG and BFG Holdco, located in Ann Arbor, MI, since September 2019.

#### Senior Vice President of Marketing: Abigail Baker

Ms. Baker became the Sr. Vice President of Marketing in May 2023 after serving as Vice President of Marketing for NHI and CDI in Nashville, TN beginning February 2021. Prior to that, she was the Director of Marketing for NHI and CDI from July 2016 to February 2021 in Nashville, TN.

#### Senior Vice President of Legal and Franchise Administration: Melanie Parker

Ms. Parker became Senior Vice President of Legal and Franchise Administration for CDI, in Nashville, TN, in June 2019. Previously, she served as Vice President of Legal and Franchise Administration of CDI and NHI from October 2015 to June 2019. She has served in the same capacity for BFG and BFG Holdco, located in Ann Arbor, MI, since September 2019.

Chief Financial Officer: Janette Sims

Ms. Sims became Chief Financial Officer for CDI, and NHI, in Nashville, TN, in November 2020. Previously she was Controller of CDI and NHI from August 2014 until November 2020.

### ITEM 3 LITIGATION

#### Pending Actions:

Carpet Restorations, LLC v. Chem-Dry, Inc. f/k/a Harris Research, Inc., AAA No. 01-25-0003-6438 (Filed July 31, 2025). A franchisee filed a demand for arbitration alleging breach of contract, breach of the implied covenant of good faith and fair dealing, bad faith, violation of the Tennessee Consumer Protection Act (TCPA), and fraud and/or negligent misrepresentation for Chem-Dry's decision to discontinue its "Green Certification" program. The franchisee seeks monetary damages of at least \$500,000, as well as attorneys' fees and costs. The matter is in its initial stages, and the parties have not yet engaged in discovery.

#### **Prior Actions:**

Chem-Dry, Inc., v. SSCD, Inc., Walter Shipman, and Betsy Shipman, Case No. 1:25-cv-01401 (US Dis. Ct., Filed Feb. 10, 2025). This matter was filed by CDI against former franchisees for breach of their post-termination covenants against competition, breach of contract, violation of trade dress, unjust enrichment, and other related claims. The parties reached a settlement whereby the defendants are enjoined from operating a competitive business, using or disclosing CDI's confidential information, and using CDI's trade dress.

Hospitality Future Labs, LLC and Adam Schroder v. Harris Research, Inc., et al., No.: 22-0000081 (Haw. Cir. Ct., Filed March 24, 2022). This matter was filed in the Circuit Court of Hawai'i, Second Circuit by a former Chem-Dry franchisee against HRI and several individual defendants alleging breach of contract, breach of fiduciary duties, tortious interference, defamation, conversion, statutory violations, and infliction of emotional distress. There was a parallel arbitration proceeding as *HRI v. Hospitality Future Labs, LLC and Adam Schroder*, AAA No. 01-21-0004-1006, before the American Arbitration Association. The parties settled the matter on May 5, 2023, and HRI paid to Hospitality Future Labs, LLC and Adam Schroder a settlement sum of \$225,000.

Other than these actions, no litigation is required to be disclosed in this Item.

### ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

### ITEM 5 INITIAL FEES

You must pay CDI an initial fee specified in the Charts below, which will vary depending upon how many Chem-Dry franchises that you already own and the type of franchise that you purchase. Chart A states the initial fee associated with acquiring your first franchise. Chart B states the initial fee for acquiring an additional franchise if you are already a Chem-Dry franchisee.

**Initial Franchise Acquisition**

If you are purchasing your first Chem-Dry franchise, the initial fee (the “Initial Fee”) comprises an Initial Licensee Fee, an Initial Package which includes an Equipment Package and a Product, Marketing and Operations Package having these components:

**Chart A - Initial Franchise Acquisition**

INITIAL LICENSE FEE <sup>1</sup>	PLUS	INITIAL PACKAGE <sup>2</sup>	TOTAL INITIAL FEE
\$23,500	+	Executive Portable Package Equipment Package plus Product, Marketing and Operations Package Price of \$34,000 - \$37,000	\$57,500

<sup>1</sup>If you pay the Initial License Fee when you sign your Franchise Agreement or within 6 months after you sign your Franchise Agreement and the Business Note, we will discount the Initial License Fee by \$2,350.

<sup>2</sup>Initial Package pricing does not include state or local taxes, which may increase the amount you must spend.

You may add the following equipment for providing Additional Services to any of the Initial Packages:

ADD ON EQUIPMENT OPTIONS	PRICE <sup>1</sup>
Tile and Stone Service Package for Portable Equipment	\$7,000 - \$7,700
Wood Floor Scrubber	\$3,900.00 - \$4,300

<sup>1</sup>Equipment pricing does not include state or local taxes, which may increase the amount you must spend. We may require that you complete additional training successfully before we ship you this optional equipment or we authorize you to commence offering Additional Services to be performed using any of this add-on equipment.

The Initial Fees listed above are non-refundable. You must execute the Equipment Agreement in Exhibit B to the Franchise Agreement to purchase the equipment for your chosen option(s).

**Additional Franchise Acquisition**

Chart B is for the acquisition of additional Chem-Dry Businesses by an existing Chem-Dry franchisee. These options are available to franchisees that are in compliance with their franchise agreements and current franchise entry standards, and to new franchisees purchasing a franchise in addition to their initial Chem-Dry franchise acquisition.

## **Chart B - Additional Franchise Acquisition**

<b>FRANCHISE TYPE</b>	<b>INITIAL LICENSE FEE<sup>1</sup></b>
Expansion Franchise – an “Expansion Franchise” does not include any part of an Initial Package.	\$18,000
Small Market Franchise – a “Small Market Franchise” is generally defined as an area with a population of fewer than 120,000 and no current Chem-Dry presence. This franchise offering does not include any part of an Initial Package.	\$6,000

<sup>1</sup> If you pay the Initial License Fee when you sign your Franchise Agreement or within 6 months after you sign your Franchise Agreement and the Business Note, we will discount the Initial License Fee by 10%, or \$1,800 for a net Initial License Fee of \$16,200 for an Expansion Franchise, or \$600 for a net Initial License Fee of \$5,400 for a Small Market Franchise.

The Initial Fees listed above are non-refundable. Prior to an Additional Franchise Acquisition, CDI reserves the right to require that you demonstrate to our satisfaction that you are developing your current Franchised Area(s) to the full market potential, have sufficient equipment and crew to manage additional franchises, and that you are in good standing with CDI. “Good standing” means you are not in default under all franchise agreements with CDI and its affiliates, and no events or conditions have occurred that would give CDI or an affiliate the right to terminate a franchise agreement. If we decide that you meet these requirements, we will consider whether to approve the additional franchise acquisition. You will be required to execute a release as a condition to purchasing the additional franchise (See Exhibit F of the Franchise Agreement).

### **Related Franchisee Acquisition**

If you are currently a franchisee in good standing with one of our franchising affiliates (a “Related Franchisee”), you may qualify to for a 25% discount off of your discount of Initial License Fee. The Initial License Fee for the Related Franchisee is due when you sign the Franchise Agreement and is non-refundable. No other discounts will apply to a Related Franchisee purchase of an initial franchise, an additional franchise or a small market franchise.

### **Down Payment and Other Payments**

The Initial License Fee is due at the time you sign the Franchise Agreement and is non-refundable. If we determine that you are creditworthy, we may offer to finance up to fifty percent (50%) of the Initial License Fee through a Business Note that you issue and sign on the form we provide when you sign the Franchise Agreement. If we approve you for financing, CDI will finance the remainder of the Initial License Fee through the Business Note over 36 months until the remaining balance is paid in full. All Business Note payments are due on or before the tenth day of each month and are non-refundable. Payments are non-refundable and generally begin the fourth month following completion of New Buyer Training, or, if you are an existing Franchisee buying an additional franchise, the fourth month following the signing of the Franchise Agreement. The Business Note bears simple interest at a rate of

9%. If you do not complete Initial and New Buyer Training by the deadline in your Franchise Agreement, your Business Note will be accelerated and due and payable in full. (See Item 10)

CDI does not offer direct financing on an Initial Package except as indicated in Item 10. CDI requires an automatic debit program for the payment of all fees, note and loan payments. In the event you are acquiring multiple franchises at the same time as the purchase of your first franchise, CDI may, in its sole discretion, agree to stagger the payment start dates on the additional franchise purchases.

**Discounts**

From time to time, we may offer incentives of cash grants, equipment, product, or other items as an inducement to prospective franchisees when business circumstances warrant and in states where such incentives can be offered without restrictions. We reserve the right to change, condition, limit, withdraw or cancel any discount offer at any time. In addition, CDI may offer refurbished equipment or other items available for purchase as a part of your Initial Package. If you choose to purchase refurbished equipment (as opposed to new equipment) the price of your Initial Package would be reduced to reflect the price difference of used equipment options.

We are a member of the International Franchise Association (“IFA”) and participate in the IFA’s VetFran Program, which provides a twenty percent (20%) discount on the Initial License Fee for the first franchise acquisition for veterans and spouses of current active-duty personnel of the U.S. Armed Forces who meet the requirements of the VetFran Program. We also offer a ten percent (10%) discount on the Initial License Fee for the first franchise acquisition by First Responders which include sworn police officers, paid and volunteer firefighters, and paid and volunteer emergency medical technicians and paramedics

Initial fees paid may not be uniform. From time to time, we may vary, reduce, negotiate or make an exception to our standard initial fee structure and/or payment terms related to mergers, conversions or other transactions, as well as for our existing franchisees or franchisees of our Affiliates. For example, we may offer opportunities to purchase a franchise at a reduced initial fee to our affiliates’ qualified existing franchisees in good standing. We may discontinue, modify, withdraw or reinstate any such opportunities or variations to initial fees without notice to you at any time.

**ITEM 6  
OTHER FEES**

Name of Fee	Amount	Due Date	Remarks
Monthly Franchise Fee	The then-current fee, which is presently \$479.50. <sup>1</sup>	10th day of month	Generally, begins four months after you complete New Buyer Training, or if you are an existing Franchisee, the 4th month following the signing of the Franchise Agreement. If you are a transferring Franchisee, the month following the

Name of Fee	Amount	Due Date	Remarks
			signing of the Franchise Agreement. Subject to CPI increase each year on April 1 and not more than once per calendar year. This fee must be paid via electronic funds transfer.- The CPI increase for 2025 is 2.9%.
Yearly Minimum Purchase Amount	The then-current fee, which is presently \$3,338.50. <sup>1</sup>	Annually	You must purchase a minimum of \$3,339 (increased not more than once each calendar year to reflect increases in the CPI) of proprietary products from CDI each calendar year for each franchise you own. Subject to CPI increase each year on April 1 and not more than once per calendar year. This fee must be paid via electronic funds transfer.- The CPI increase for 2025 is 2.9%.
Customer Service Management Software (“CRM”) Fee <sup>2</sup>	Actual costs charged by third party vendor, plus up to fifteen percent (15%) of <del>the</del> <del>the</del> cost for administration, which is presently \$100 - \$450 per month, after a one-time data import fee of up to \$500. <sup>1</sup>	Due Monthly	You are required to use our web-based Customer Management System in the operation of the Business. The Data Import Fee is only required if you have an existing customer <del>data</del> <del>based</del> <del>database</del> to import.
Renewal Fee	Our then-current fee which is presently \$2,000.	Prior to expiration of the initial term.	Fee due at the end of the initial five-year term to acquire a successor franchise agreement. <u>This fee may increase up to ten percent (10%) each year of the term.</u>

Name of Fee	Amount	Due Date	Remarks
Initial Monthly Marketing Spend by You	\$1,000 per month for four months, then a minimum of \$2,000 per month, including \$1,000 per month for digital marketing for eight months. <sup>1</sup>	Expended Monthly, beginning the month after you complete New Buyer Training and continuing for 12 months.	You are required to spend minimum amounts on local marketing for your Chem-Dry Business. See Item 11.
Brand Marketing Fund (“BMF”) Contribution <sup>1</sup>	Our then-current fee which is presently \$160. <sup>1</sup>	Monthly	Your contributions to the BMF will be due on the 25 <sup>th</sup> of each month beginning the same month your first Monthly Franchise Fee payment is due. Subject to an increase once a year on 30 days’ written notice from CDI up to \$300 per month. See Item 11.
Out of Territory Approval Fee	\$25 per request.	When request is submitted to us	This fee may increase up to fifty percent (50%) each year of the term.
Transfer Fee	Then-current fee which is presently \$1,500 - \$3,000. <sup>1</sup>	At the beginning of the transfer process in which any ownership interest in your Chem-Dry Business is being transferred and prior to issuance of the Franchise Agreement.	-This fee may increase up to ten percent (10%) each year of the term. Payable when you propose to transfer your Chem-Dry Business or any portion of its assets to another person or entity with our approval.
Transfer Fee for prospect introduced to you by CDI or its affiliates or working with CDI in the past 18 months	Then-current fee which is presently 10% of the sales price, but no less than \$10,000. <sup>1</sup>	At the beginning of the transfer process and prior to issuance of the Franchise Agreement.	Payable if you propose to transfer the Franchise Business or its assets, with our prior approval, to a prospect introduced to you by CDI or who had been working with CDI in past 18

Name of Fee	Amount	Due Date	Remarks
			months to buy a Chem-Dry franchise.
Broker Fee – Resale or Other Transfer	If you authorize us to enlist a third-party broker to locate a transferee for your business, there will also be a broker fee, which is approximately \$30,000.	Due upon closing of the sale of the Business.	Payable only if the third-party broker located the transferee. Payable to and imposed and collected by us if a broker fee was paid by us to the third party.
Franchised Area Transfer Fee	Then-current fee which is presently \$2,000. <sup>1</sup>	When you request our approval of a Franchised Area transfer.	Due if you propose to relocate the Franchised Business to a different Franchised Area. Certain restrictions apply. <u>This fee may increase up to ten percent (10%) each year of the term.</u>
Business Phone Number Service	Then-current fee which is presently \$1 - \$50 per month per line depending on features. <sup>1</sup>	As incurred	Package includes various features to assist with marketing, tracking, metrics reporting, call recording, call forwarding, messaging and other various features. This fee may increase up to ten percent (10%) each year of the term.
Credit Card Processing Fee <sup>2</sup>	Will vary	As incurred	Payable on credit card transactions.
BFG National Accounts Program Handling & Processing Fee	Then-current fee which is presently 15% - 25% of invoice total. <sup>1</sup>	As incurred	CDI remits to you all of the payments received from completed national account transactions minus the handling & processing fee. This Fee varies based on agreed upon rates determined with each National Account.

Name of Fee	Amount	Due Date	Remarks
Web Domain Fee	Then--current fee which is presently \$125 or actual purchase price, depending on availability of domain requested, per domain for a five-year term. <sup>1</sup>	As incurred	To purchase the five-year rights to use one domain. This Fee for one domain is included in the Initial Package; however, you will be responsible for any fees associated with renewing the domain. This fee may increase up to ten percent (10%) each year of the term.
Training	Then--current fee which is presently \$175 - \$500. <sup>1</sup>	At registration to attend a training event or upon receipt of training material	Fees and costs associated with meeting annual training requirements, additional training, regional workshops, or special events. We may change these fees and costs during the term of the Franchise Agreement.- Does not include lodging, food or travel. This fee may increase up to ten percent (10%) each year of the term.
Initial Training Fee - for additional attendees and transferees	Then--current fee which is presently \$75 per day per attendee. <sup>1</sup>	Prior to attending Initial Training	The Initial Package includes the cost for two people to participate in this New Buyer Training.- Additional attendees and transferees purchasing existing franchises will pay this fee for Initial Training. Does not include lodging, food or travel. This fee may increase up to ten percent (10%) each year of the term.
Convention Fee	Then--current fee which is presently \$749 per person.	Prior to convention	Registration for up to two people to attend the first Chem-Dry convention immediately following completion of Initial and New Buyer Training is

Name of Fee	Amount	Due Date	Remarks
			included in the Initial Package for first-time buyers; you will be responsible for your travel and lodging expenses. For existing franchisees, the Convention Fee can vary depending on when you register. You will be responsible for all lodging, travel and other expenses. You will be required to attend at least two conventions during the term of the Franchise Agreement with the first attendance occurring during the first three years of the agreement term.- This fee may increase up to ten percent (10%) each year of the term.
Month-to-Month Post-Term Franchise Fee	-Two times the then-current monthly Franchise Fee <sup>1</sup>	10th day of month	Begins the 10 <sup>th</sup> of the month following the expiration of your Franchise Agreement and continues each month you continue to operate the Business until you sign a successor Franchise Agreement, or you cease operating the Business.- This fee must be paid via electronic funds transfer.
Administrative Fee	Then-current fee which is presently \$500 per transaction.	As incurred	Due when you request or when your actions require us to amend the Franchise Agreement or change the d/b/a name of your Chem-Dry franchise. This fee may increase up to ten percent (10%) each year of the term.
Fine for Improper Advertising	Then-current fee which is presently	As incurred	Payable if you use any promotional materials which do not comply with CDI's guidelines. This fee may

Name of Fee	Amount	Due Date	Remarks
	\$2,000, per violation. <sup>1</sup>		increase up to ten percent (10%) each year of the term.
Fine for use and/or possession of non-Chem-Dry Products	Then-current fee which is presently \$5,000, per violation. <sup>1</sup>	As incurred	Payable if you use or possess any non-Chem-Dry supplied or approved products in your Chem-Dry Business. This fee may increase up to ten percent (10%) each year of the term.
Fine for unapproved cleaning systems or equipment	Then-current fee which is presently \$5,000, per violation. <sup>1</sup>	As incurred	Payable if you use any cleaning process or equipment not approved by CDI; this includes improper mixing or application of approved cleaning solutions. This fee may increase up to ten percent (10%) each year of the term.
Fine for offering services that are not Approved Services	Then-current fee which is presently \$5,000, per violation. <sup>1</sup>	As incurred	Payable if you offer services in your Chem-Dry business that are not Approved Services.- This fee may increase up to ten percent (10%) each year of the term.
Fine for accepting or performing a job outside of your Franchised Area	Then-current fee which is presently \$5,000, per violation. <sup>1</sup>	As incurred	Payable if you accept or perform a job outside of your Franchised Area. This fee may increase up to ten percent (10%) each year of the term.

Name of Fee	Amount	Due Date	Remarks
Fine for failed Quality Control evaluation	Will vary according to size of job. <sup>1</sup>	As incurred	Payable if you fail a Quality Control evaluation of a job you perform for a customer. Fine amount is based on price or costs of cleaning service provided and evaluation fee (currently approximately \$550). We may vary the formula used to determine the amount of the Fine to reflect changes in the cost of Approved Services. This fee may increase up to ten percent (10%) each year of the term.
Fine for Failure to Comply with Annual Training Requirement	Then-current fee which is presently \$2,500 per year. <sup>1</sup>	As incurred	Payable if you fail to comply with the annual training requirements for your Business. This fee may increase up to ten percent (10%) each year of the term.
Fine for Failure to Comply with National Convention Attendance Requirement	Then-current fee which is presently \$2,500 per incident. <sup>1</sup>	As incurred	Payable if you fail to comply with your requirements to attend at least one convention every three years. This fee may increase up to ten percent (10%) each year of the term.
Customer Complaint Resolution	Actual costs. <sup>1</sup>	As incurred	Payable by you to resolve customer complaints concerning your job performance. If we resolve your customer issue, you must reimburse us for amounts we spend to investigate and resolve the complaint.
Audit	Then-current fee which is presently \$500. <sup>1</sup>	As incurred	Daily fee if you fail to provide required materials in required format when requested. This fee may

Name of Fee	Amount	Due Date	Remarks
			increase up to ten percent (10%) each year of the term.
Late Fee and Interest <sup>1</sup>	Then-current fee which is presently 1.5% per month, not to exceed the highest rate allowed by law. <sup>1</sup>	15 days after billing	Payable on all overdue amounts.
Non-Sufficient Funds (“NSF”) Fee	Then-current fee, which is presently \$50 per NSF.	Due by automatic debit the Friday after the NSF occurs	Due if and when we debit your account for monies owed and there are insufficient funds available. This fee may increase up to ten percent (10%) each year of the term.
Enforcement Costs and Attorneys' Fees	Actual costs	As incurred	Payable if we engage attorneys to enforce your Franchise Agreement.
Indemnification	Actual costs <sup>1</sup>	As incurred	You indemnify and hold us harmless against claims arising from your Chem-Dry Business operations, including costs of investigation, defense and resolution. Certain claims are covered by your insurance.
Liquidated Damages	Actual costs	As incurred	If your Franchise Agreement terminates before expiration, you will owe us the Monthly Franchise Fee, Minimum Purchase Amount, and the BMF Contribution then in effect multiplied by the number of months remaining in the term of your franchise, plus all other loans and

Name of Fee	Amount	Due Date	Remarks
			amounts accrued before termination.
Franchise Advanced Website	Then--current fee which is presently \$25 - \$100 monthly per site, depending on selected upgrades. <sup>1</sup>	10 <sup>th</sup> day of month	Development, hosting and maintenance fees for franchisee sites.- The first year is included in the Initial Package.- After the first year, month-to-month and paid via electronic funds transfer.

1 All fees are imposed by and payable to us or our designee and are non-refundable. The fees and costs are uniform as to all persons currently being offered a franchise. Franchisees who purchased franchises in the past may operate under different fee structures. Fees subject to adjustment for CPI increases refer to changes in the Consumer Price Index for All Urban Consumers, All Cities Average (1982-84=100), or another official index we deem appropriate.- CPI changes are implemented after notice to franchisees, usually once annually, and are in our discretion.- The increase in 2024 was 2.9%.

2 All Chem-Dry franchisees are required to use a web-based customer management system designed to help you manage service calls and appointments, maintain customer lists, and support your marketing efforts. You will be required to sign a Software License Agreement (see Exhibit C to the Franchise Agreement).

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT – INITIAL FRANCHISE**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to Be made
Initial License Fee <sup>(1)</sup>	\$23,500	Part Lump Sum, Remainder by Monthly Note Installments	When you sign the Franchise Agreement and the Business Note	CDI
Initial Package <sup>(1)</sup>	\$34,000 - \$37,000	Lump Sum	When you sign the Franchise Agreement and the Equipment Agreement	CDI

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to Be made
Optional Additional Equipment <sup>(1)</sup>	\$0 - \$16,845	Lump Sum	When you sign the Franchise Agreement and the Equipment Agreement	CDI
Vehicles <sup>(2)</sup>	\$0 - \$81,450	Usually, down payment plus monthly installments or lease payments	Prior to Opening	Third Parties
Installation Costs <sup>(2)</sup>	\$600 - \$6,000	Lump Sums	As Agreed	Third Parties
Three Month's Rent <sup>(3)</sup>	\$0 - \$5,000	Lump Sum	As Agreed	Third Parties
Technology System/Computer, Software, Telephone, Electronic Mail	\$800 - \$4,000	Lump Sum	Prior to Opening	Third Parties
Training and Convention Attendance Expenses <sup>(4)</sup>	\$1,250 --- \$3,000	Lump Sum	Prior to attendance	Third Parties
Insurance <sup>(5)</sup>	\$600 - \$7,000	Lump Sum	As Incurred	Third Parties
Security Deposits/Utility Deposits	\$0 - \$3,500	Lump Sum	As incurred	Third Parties
Miscellaneous Pre-Opening Expenses	\$550 - \$4,000	Lump Sum	As incurred	Third Parties
Additional Funds - 3 months <sup>(6)</sup>	\$2,500 - \$9,000	Lump Sum	As Incurred During First 3 Months	Third Parties
Computer System <sup>(7)</sup>	\$800 - \$2,000	Lump Sum or installments if financed	As Agreed	Third Parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to Be made
Advertising - 3 months <sup>(8)</sup>	\$3,000 - \$5,000, in addition to BMF contribution	Lump Sum	As Agreed	Third Parties
<b>TOTAL ESTIMATED INITIAL INVESTMENT <sup>(6)</sup></b>	\$67,600 - \$207,295			

The amounts listed in the tables that are payable to CDI are non-refundable. Whether amounts paid to third-parties are refundable depends on your agreement with them.

Explanatory Notes:

1. You must pay CDI the Initial Fee for franchise offer you select. The Initial Fee is non-refundable and can be paid in a single lump sum payment or you may be eligible for financing of up to fifty percent (50%) of the Initial License Fee portion of the Initial Fee. If you pay the Initial License Fee in full within six months of signing the Franchise Agreement and the Business Note, CDI will offer you a Cash Discount of 10% of the Initial License Fee amount. See Items 5 and 10. CDI does not offer financing on the Initial Package portion of the Initial Fee.

2. We require at least one white cargo van for the operation of each Chem-Dry Business to transport equipment and cleaning solutions to a job site. Prices for the van will vary with market conditions for new and used trucks. Some Approved Services may require you to utilize a second van, for the transportation of additional equipment and supplies. You may use a suitable, insurable van that you already own.— Any van must comply with System Standards for professional appearance, cleanliness and condition that a consumer would expect from a Chem-Dry Business. Each vehicle you use in the Business must meet the current Advertising Rules and Guidelines regarding the van graphics and markings, which you must purchase. A competent third-party vendor must install the van graphics and any truck mount equipment.

3. You may operate your Chem-Dry Business from your home (where zoning and other laws and regulations permit) as space requirements are minimal, provided your home is within your Franchised Area, so the purchase or lease of a separate business location is optional. If you have no or insufficient storage facilities, a unit the size of a single car garage that you own or rent in which a telephone can be installed, to which inventory and equipment can be delivered and stored, and which meets System Standards should be sufficient for your Business.

4. The Initial Package includes: (1) the registration fees for up to two attendees at the New Buyer Training and (2) the registration fee for up to two people to attend the first Chem-Dry convention immediately following your completion of Initial and New Buyer Training. Additional attendees at New Buyer Training and franchisees purchasing an existing Chem-Dry franchised business will pay

\$75 per person per day to attend New Buyer Training. You are responsible for the costs of attending the training and convention, the compensation, insurance and benefits of your attendees and for their travel expenses, accommodations and meals while attending training and the convention.

5. You must obtain and maintain business liability and vehicle liability insurance coverage to comply with the Franchise Agreement. You will pay this amount during the first three months of operation, and then pay and balance of the annual premium monthly or quarterly. See Item 8.

6. This estimates your startup expenses for the first three (3) months of operation if you are developing one Franchised Area. You will need more funds if you are developing more than one Franchised Area. These estimates include payroll costs for employees but do not include compensation for the Business owners. We relied on our over 45 years of experience in the carpet and upholstery/drapery cleaning, spot removal and protectant services business to compile this estimate of additional funds. These figures are estimates, and we cannot guaranty that you will not have additional expenses starting the business.- Your costs will depend on factors such as: how well you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market and competition for your services; and the sales level reached during the startup period.

7. A computer system suitable to maintain and service your business is required. See Item 11. If you already own a suitable computer system, there may be no need to purchase an additional one. You must obtain, install and use the applications software designated by CDI. You must also maintain an Internet connection and an e-mail account and must check your e-mail account at least daily. A high-speed internet connection is strongly recommended.

8. This estimates direct mail, internet marketing, telephone directories, and other advertising for your Chem-Dry Business and are in addition to the marketing resources provided in the Initial Package. The cost of additional advertising for your Franchised Area may vary materially.

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### **Required purchases**

You must own, purchase or lease one or more white cargo van(s) suitable for the purpose of transporting various equipment, supplies and materials needed to operate a Chem-Dry Business. The van must comply with standards of appearance, maintenance and repair a consumer would expect from a professionally operated service business and meet all of the current Advertising Rules and Guidelines in the Manual regarding type, graphics and markings.- The van must be a clean, well-maintained (operating properly, free from visible dents, scratches and damage), with the proper graphics package.

CDI has negotiated with an insurance broker to provide insurance coverage to you according to our specifications at a discounted rate. You are not required to use this insurance broker; however, you must obtain and maintain the following minimum business liability coverage as well as vehicle liability coverage as a condition for receiving or maintaining a franchise:

- The minimum amount of business (general) liability coverage required is \$1,000,000 per occurrence.
- The minimum amount of \$100,000/\$300,000/\$75,000 (or \$300,000 Combined Single Limit) is required for the vehicle liability coverage.- All non-owned or hired vehicles must be insured with the same limits.

- CDI, its parents, and BFG National Accounts (and their officers, directors, employees, agents and affiliates and subsidiaries) must be named as additional insureds on both the General Liability and Vehicle Liability insurance policies.
- The business liability insurance policy must state that the work product is covered at a minimum of \$50,000 per occurrence, or that there is no “workmanship” or “care, custody, and control” exclusion.
- You must also have Workers Compensation insurance based on statutory requirements.

You must submit to us an acceptable Certificate of Insurance for the Business, any vehicles used in the business and the workers compensation coverage required in your state within 30 days after you and we sign the Franchise Agreement and then annually prior to the expiration of your insurance coverage showing renewal or replacement with coverage conforming to our insurance requirements and the proper additional insureds.

You may obtain additional insurance coverages and higher limits for your Chem-Dry Business in your discretion. You may be required to obtain additional coverage before you can offer some of the Additional Services.

You must use only equipment, cleaning solutions, supplies, business forms, promotional materials and business services which have either been obtained from or approved by CDI in your Chem-Dry Business. You must purchase the Initial Package from CDI, the price of which is included in the Initial Fee. To protect the integrity of the Chem-Dry name and assure high quality cleaning results, you must purchase all cleaning solutions from CDI at the then-current list price, plus applicable taxes. If you possess or use non-Chem-Dry cleaning solutions in your Chem-Dry Business, CDI will have the right to impose on you a fine of \$5,000 per violation or terminate the Franchise Agreement. You are required to purchase a minimum of \$3,338.50 (increased once each calendar year to reflect increases in the Consumer Price Index as published by the U.S. Department of Labor or in a successor index we select) of cleaning solution per franchise from CDI each calendar year (“Minimum Purchase Amount”). If you choose to offer certain Additional Services, you may be required to purchase additional amounts of product (including a designated mix of products). You may purchase other equipment, products or supply items from CDI at the then-current list price, plus applicable taxes.

### **Required and approved suppliers**

We may approve only a limited number of sources or a single source (which may include us or our affiliates) for certain equipment, supply items, promotional materials and business services (such as credit card processing). Some approved suppliers provide us with rebates and other payments based on sales made to franchisees, but we use these payments to offset the costs of our franchisee convention and to support our supplier marketing program directed to franchisees. This amount is .26% of the supplier’s gross sales to our franchisees.

No officer of CDI or its affiliates owns an interest in any approved supplier, however some of the BELFOR officers have an ownership interest in our affiliates BHI Distribution and Colman Wolf, which may, in the future, supply products and services to your Chem-Dry Business.

### **Approval of other suppliers**

CDI may approve other suppliers of equipment, products, supply items or business services who meet CDI’s specifications. CDI issues and modifies standards and specifications to franchisees by including

them in the Manual (and revisions to the Manual) or otherwise in writing. If you propose to purchase or lease any equipment, product, supply item or business service from another supplier and/or utilize any equipment, product, supply item or business service from another supplier which is not then approved by CDI, you will first notify CDI and, upon request, furnish to CDI specifications, photographs, drawings and/or other information or items sufficient to afford CDI a reasonable opportunity to determine whether such equipment, product or supply item or supplier complies with our specifications and standards. We evaluate a supplier on the reliability of its product and service, product support, price and responsiveness. We do not charge you a fee to approve a product or a supplier and we typically will notify you of our approval or disapproval within 30 days. We do not issue our specifications or standards for evaluating and approving suppliers. You may only use equipment or product or supply items which have been approved by us in writing. If you use any cleaning process or equipment not approved by CDI (which includes improper mixing or application of authorized products), CDI will have the right to impose on you a fine of up to \$5,000 per violation or terminate the Franchise Agreement.

### **Revenue from Franchisee Purchases**

For the fiscal year ending December 31, 2024, we derived \$9,565,975 from the sale or lease of products or services to Chem-Dry franchisees, which represents 32.4% of our total 2024 revenue. We derived these figures from our internally prepared financial statements.

We estimate that the purchases and leases you must make from us, from designated or approved suppliers, or according to our standards and specifications represent approximately 80% of your total purchases and leases to establish, and approximately 15% to 30% of your total purchases and leases to operate, your Chem-Dry Business.

### **Cooperatives**

We do not have any purchasing or distribution cooperatives.

### **Negotiated prices**

CDI has also negotiated with companies involving uniforms, computers, computer software/applications, web hosting services, background checks, tradeshow displays, payroll services, van graphics, and credit card services. We may, in the future, negotiate other purchase arrangements with suppliers for your benefit.

### **Material benefits**

We do not provide any material benefits to you based on your use of designated or approved sources. There are no purchasing or distribution cooperatives. No officer of the franchisor owns an interest in any suppliers.

**ITEM 9**  
**FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in Agreement	Item in Disclosure Document
(a) Site selection and acquisition/lease	None	None
(b) Pre-opening purchases/leases	Section 2A, 2B, 2C, 2D, and the Summary Page of Franchise Agreement; Section 1 of Software License Agreement; Section 1 of Equipment Agreement; and the Business Note	Items 5, 7, 8, 10 and 11
(c) Site development and other pre-opening requirements	Sections 2A, 2B, 2C, and 2D of Franchise Agreement; Sections 1, 2, and 3 of Software License Agreement; and the Business Note	Items 5, 6, 7, 8, 10 and 11
(d) Initial and ongoing training	Sections 3A and 3B of Franchise Agreement and 6 of Software License Agreement	Items 6, 7 and 11
(e) Opening	Section 2D of Franchise Agreement; Section 1 of Software License Agreement	Item 11
(f) Fees	Sections 3, 8, 9, 10, 12, 13C (7), 13E (10), and the Summary Page of Franchise Agreement, Sections 12 and 13 of Software License Agreement and Schedule 1 of Equipment Agreement; and the Business Note	Items 5, 6, 7 and 11
(g) Compliance with standards and policies/Operations Manual	Sections 2D, 3C and 9C of Franchise Agreement; Sections 1, 2, and 5 of Software License Agreement; and the Business Note	Item 11

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Item in Disclosure Document</b>
(h) Trademarks and proprietary information	Section 4 of Franchise Agreement; Sections 2 and 15 of Software License Agreement	Items 13 and 14
(i) Restrictions on products/services offered	Section 9A and 9B of Franchise Agreement; Sections 4, 5, 16, and 18 of Software License Agreement	Items 8, 11, 12 and 16
(j) Warranty and customer service requirements	Section 9A-9C of the Franchise Agreement and Section 12	None
(k) Territorial development and sales quotas	Section 1C and 1D of Franchise Agreement	Item 12
(l) On-going product/service purchases	Sections 9A and 9B of Franchise Agreement and sections 7 and 11 of the Software License Agreement	Items 7, 8 and 11
(m) Maintenance, appearance and remodeling requirements	Section 14A of Franchise Agreement and Section 2 of the Software License Agreement	Items 8 and 11
(n) Insurance	Section 9E of Franchise Agreement	Items 7 and 8
(o) Advertising	Section 10 of Franchise Agreement	Items 5, 6, 7 and 11
(p) Indemnification	Section 7 of Franchise Agreement and Sections 7, 13 and 20 of the Software License Agreement	Item 6
(q) Owner's Participation/ Management/Staffing	Section 9D of Franchise Agreement	Items 11 and 15
(r) Records/reports	Section 11 of Franchise Agreement	Items 6 and 11
(s) Inspections/audits	Section 12 of Franchise Agreement	Items 6 and 11
(t) Transfer	Section 13 of Franchise Agreement, sections 18 and 19 of the Software License Agreement, and 5 of Equipment Agreement	Items 6, 16, and 17

Obligation	Section in Agreement	Item in Disclosure Document
(u) Successor	Section 14 of Franchise Agreement and Sections 18 and 19 of the Software License Agreement,	Items 6 and 17
(v) Post-termination obligations	Section 16 of Franchise Agreement, 5 of Equipment Agreement, and the Business Note	Item 17
(w) Non-competition covenants	Sections 6 and 16 of Franchise Agreement	Item 17
(x) Dispute resolution	Section 17E of Franchise Agreement and the Business Note	Item 17

## ITEM 10 FINANCING

CDI has no obligation to provide you with any financing for any portion of the Initial Fee. CDI may finance through the Business Note up to 50% of the Initial License Fee portion of the Initial Fee for franchisees with credit standing acceptable to CDI. We do not receive payment from any person or persons for the placement of financing with a third-party lender.

### Initial License Fee Financing

Our decision to offer financing of any portion of the Initial License Fee will be based, in part, on your creditworthiness, any collateral you offer to secure the financing and our then-current financing policies. As a condition to CDI's financing for a portion of your Initial License Fee, if offered, you must pay CDI a non-refundable Initial License Fee down payment, as stated in the chart below, when you sign the Franchise Agreement, and sign and deliver the Business Note. The balance will be paid to CDI in consecutive monthly payments until paid in full. We set the simple interest rate on the Business Note at 9% interest, depending on our underwriting standards.

### Initial License Fee Financing Terms

<b>Source of Financing</b>	Us
<b>Amount Financed</b>	Up to 50% of the Initial Franchise Fee
<b>Down Payment</b>	Minimum of 50% of the Initial Franchise Fee
<b>Term (number of years)</b>	Up to 36 months
<b>Rate of Interest plus Finance Charge</b>	9%

<b>Monthly Payment</b>	Varies depending on amount financed and term.
<b>Prepayment Penalty</b>	None
<b>Payment Start Date</b>	Principal payments start the fourth month after training, but no longer than eight months after signing the Franchise Agreement
<b>Security Required</b>	Personal Guaranty
<b>Guaranty</b>	Personal Guaranty
<b>Liability upon Default</b>	Termination or other loss of Franchise; you must also pay entire amount due and our attorneys' fees and court costs in collecting debt
<b>Loss of Legal Rights Upon Default</b>	You must waive presentation for payment, demand, notice of non-payment, protest, and all other demands and notices required by law (statutory or otherwise)

Notes:

1. The Initial Fee is non-refundable.
2. If you pay the Initial License Fee in full within six months of signing the Franchise Agreement and the Business Note, CDI will offer you a Cash Discount of 10% of the Initial License Fee. See Item 5 for the amount of the Cash Discount.
3. Typically, your first payment is due and interest begins to accrue the earlier of either the first day of the fourth month following completion of New Buyer Training or first day of the eighth month following the date of the Franchise Agreement and Business Note. If you are an existing franchisee purchasing an additional franchise, the payment and interest accrual begins with the fourth month following the effective date of the Franchise Agreement and the Business Note. CDI requires an automatic debit program for the payment of all fees and Business Note payments. These monthly payments will be automatically deducted from your bank account. Monthly payments not received by the due date are subject to interest charge in the amount of 1.5% per month, or the highest rate allowed by applicable law, whichever is less.

All Business Note payments are due on or before the tenth day of each month. The Business Note must be issued and signed by the franchisee and its owners, officers, shareholders, or members as personal guarantors, if an entity. There is no prepayment penalty. The Business Note includes a waiver of defenses (or similar provisions).

If you do not make Business Note payments when due, CDI may accelerate the Note and demand immediate payment of the full outstanding principal amount plus accrued interest. CDI may also terminate the Franchise Agreement under Section 15 of the Franchise Agreement. A charge of \$50.00 will be assessed for any installments returned unpaid. In the event of collection proceedings, CDI reserves the right to pursue costs associated with the collections, including court costs and attorney fees in accordance with the Business Note and Section 17 of the Franchise Agreement.

CDI has no past or present practice nor any present intent to sell, assign, or discount to a third party, in whole or in part, any note, contract or other instrument executed by you; however, we have the right to do so. If we effect such an assignment, you may be barred from asserting a defense against the assignee that you could assert against CDI.

If the Franchise Agreement is terminated, CDI has the right to declare all obligations owed under the Business Note immediately due and payable. You are also subject to any court costs and attorneys'

fees for the collection of such amounts if not paid promptly when due. (Please see the Business Note attached as Exhibit C.) If you finance the Initial Package with a third party, the financing may accelerate and the balance will be immediately payable if your franchise terminates.

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

Except as listed below, CDI need not provide you with any assistance:

### **Pre-Opening Assistance**

Before you open your Chem-Dry Business, CDI will:

- (1) Designate the Franchised Area within which you will operate the Business. We do not own any Chem-Dry business premises or lease them to franchisees. (Franchise Agreement - Section 1.D.).
- (2) Deliver the Initial Package to you which contains approved cleaning solutions, supplies and equipment for you to provide the required Business services, and vouchers for you to order printed materials. Except for these items, we do not provide products or services directly to franchisees, nor do we deliver or install any items. The Manual contains written specifications for some items and the names of approved suppliers for some items. (Franchise Agreement - Section 9.A.).
- (3) Provide you one electronic copy of the operating and other manuals (the "Manual") (Franchise Agreement Section 3.C.).
- (4) Provide initial training for you if you have not previously trained with us in Ann Arbor, MI or another location we may designate. We may provide initial training for your employees or others we designate (Franchise Agreement - Section 3.A. and 3.B.).

Other than those items listed above, CDI has no further obligation to assist you during the opening of the Chem-Dry Business by providing any equipment, signs, fixtures, opening inventory and supplies. Except as expressly stated in the Franchise Agreement, we have no obligation to provide assistance to you, including without limitation no obligations to assist you in conforming your Business location to local ordinances and codes, with constructing, remodeling or decorating the Business location, or with hiring or training employees, except for training noted above.

### **Site Selection**

You will operate your Chem-Dry Business from a location within your designated Franchised Area. We do not participate in the selection for your Business location and you are not required to obtain our approval for your business location, so long as the location is within your Franchised Area. We do not approve the site for your Business premises. (Franchise Agreement - Section 1.D.)

We estimate that there will be an interval of about 4-6 weeks between the signing of the Franchise Agreement and the opening of your Chem-Dry Business, however this time period could vary depending on when you complete your New Buyer Training, obtain your van, and secure a location for the business. You must commence operating your Chem-Dry Business in the Franchised Area within 90 days after the effective date of the Franchise Agreement.

### **Post-Opening Assistance**

During operation of your Chem-Dry Business, CDI will:

- (1) Advise you from time to time regarding operating issues concerning your Chem-Dry Business. In addition, we will provide guidance to you on standards, specifications and operating procedures and methods used by Chem-Dry Businesses. This guidance will, at CDI's discretion, be furnished in the Manual, bulletins, internet, newsletters or other written materials and/or during telephone consultations and/or consultations at such places as we designate and may be at your expense (Franchise Agreement - Section 3.C.).
- (2) Revise the Manual from time to time. The Manual contains mandatory and suggested specifications, standards, operating procedures and rules ("System Standards") (Franchise Agreement - Section 3.C.).
- (3) Hold additional training and conventions for all franchisees at the times and locations we designate and provide you with instruction on improvements and developments in administrative, bookkeeping, accounting, pricing, and operation issues, and invention control practices. (Franchise Agreement - Section 3.B.).
- (4) Inspect and observe the operations of your Chem-Dry Business from time to time to determine whether you are complying with the Franchise Agreement and all System Standards (Franchise Agreement - Section 12.).
- (5) Develop and provide updated or continuing training to you and, at your request, your employees; we will not advise you about or participate in hiring your employees (Franchise Agreement - Section 3.B. and 7).
- (6) Provide advertising materials for purchase. You are responsible for all advertising and promotion of your Chem-Dry Business. CDI is not required to conduct advertising for the franchise system and does not currently administer any advertising fund or any local or regional advertising cooperative in which you must or may participate although we reserve the right to establish a national advertising fund in the future. There is no advertising council composed of franchisees that advises us on advertising policies. (Franchise Agreement - Section 10.).
- (7) Properly fill, as market conditions allow, all orders for supplies, cleaning solutions and equipment provided you are current in your financial obligations to CDI (Franchise Agreement - Section 8.B.).
- (8) Be responsible for all billings to and collections from national accounts. CDI will remit to you all of the payments we receive from completed national accounts that you service minus a handling and processing fee ranging between 15% - 25% of the amount collected, depending on the terms of the national account, and any payments for state sales or other tax CDI may be required to pay. (See Item 6.)

Other than those items listed above, CDI has no further obligation to assist you during the operation of the Chem-Dry Business in developing products and services you will offer your customers, hiring and training employees, improving and developing the Chem-Dry Business, establishing prices, establishing and using administrative, bookkeeping, accounting and inventory control procedures, or resolving operating problems you encounter.

## Advertising and Promotions

All advertising, promotion and marketing must be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which CDI prescribes from time to time. You also must follow our standards and specifications regarding use of social media in any way that references the Marks, which includes the Chem-Dry trademark and other trade names, trademarks, trade dress, service marks and other commercial symbols, or involves the franchise. “Social media” includes personal blogs, common social networks like Facebook, Instagram, and Pinterest, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools. You must use only advertising, promotional and marketing materials that CDI has prepared or approved. CDI’s approval of your separate website is conditioned on CDI’s ownership of the URL for the separate website and your compliance with the Advertising Rules & Guidelines. If you use any advertising or promotional materials that are not in compliance with CDI’s guidelines, you will be subject to a fine of \$2,000 per violation or termination of the Franchise Agreement. (Franchise Agreement - Section 10)

The Initial Package includes marketing support for the Chem-Dry Business which typically begins the month you complete New Buyer Training and continues for the following four months. In addition to this marketing support, you are expected to spend \$1,000 per month on local advertising beginning the month after you complete New Buyer Training. After this period and continuing for the following eight months (the “Initial Marketing Period”), you are required to spend at least \$2,000 each month in local marketing of which \$1,000 should be dedicated to digital marketing. After the Initial Marketing Period, you are expected to spend at least 15% of your Gross Revenue with the vendor of your choosing to advertise and market the Chem-Dry Business in your Franchised Area. CDI reserves the right to audit your advertising and marketing spending. You must mail reminder postcards/mailings to your customer [data based database](#) at least four times per year. (Franchise Agreement – Section 9) You must participate in required promotional and national accounts programs unless we relieve you of this responsibility, in which case we or a third party may provide the necessary services.

## Brand Marketing Fund

The Franchise Agreement includes a required monthly contribution to the Brand Marketing Fund (“BMF”) of between \$160 and \$300 for each franchise (“BMF Contribution”). The current BMF Contribution amount is \$160 and can be increased with 30 days’ written notice from CDI once annually. All other franchisees and any company owned locations operated by CDI or an affiliate of CDI will contribute at the same rate to the BMF. Some franchisees with older forms of Franchise Agreement do not contribute to the BMF. In 2024, BMF Contributions were spent as follows: 5% on production, 89% on media placement, - 2% on public relations, 1% on administrative expenses, and 3% on other uses.

We may also deposit marketing, promotional and other payments we receive from suppliers into the BMF. CDI will design, direct and administer the BMF and will disburse the BMF to pay for marketing, advertising, promotional, public relations, and other similar activities intended to benefit the System and all franchised and any company-owned locations. Those activities may include (without limitation) (a) market research, (b) marketing technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, (e) advertising production, (f) advertising and public relations agency fees and expenses, (g) product consumer-related research, and (h) creative services. We also may use the BMF to pay or reimburse us for our administrative overhead expenses, including

salaries, incurred for activities supported by the BMF by both in-house marketing and third-party marketing. Any amounts in the Marketing Fund not spent at the end of each fiscal year will remain in the BMF, provided that amounts contributed to the BMF may be used to pay taxes associated with unspent amounts on deposit in the BMF. We may loan funds to the BMF for its authorized activity, with or without interest being charged, and cause repayment of the amounts from available funds. The BMF will not be used for the solicitation of new franchisees.

The Brand Marketing Fund Committee, an advisory board composed of six (6) franchisees and two members of the CDI corporate staff, advise CDI on the BMF. Franchisee members of the Brand Marketing Fund Committee are appointed by CDI and generally serve a one-year term with an option to extend up to four years. The BMF will not be separately audited. We have no obligation to expend BMF amounts for your benefit equivalent or proportionate to your BMF Contribution, and we do not warrant or guaranty that any franchisee will receive or derive any benefit from BMF activities. We will make unaudited financial statement of the BMF, final reports of studies and reports produced by the BMF available to you at no cost as Confidential Information. We will make materials produced by the BMF for franchisee use available to you. We may suspend, terminate or reinstate the BMF at any time. The BMF will not terminate, however, until we have spent all amounts in the BMF for the purposes set forth above. (Franchise Agreement Section 10.B.).

### **Computer Hardware and Software Systems**

You must obtain and maintain a computer system that includes a personal computer (desktop or laptop), standard operating system and business applications software (Microsoft Office, email, browser, power point, pdf reader, word processor, spreadsheet applications), printer and modem that connects to the Internet at your Business office. Neither CDI, its affiliates, nor any third party is obligated to provide ongoing maintenance, repairs, upgrades, or updates for the hardware or software systems. You are not obligated to upgrade the hardware however you may wish to do so to take full advantage of the speed and efficiency of the software systems. We anticipate the recommended hardware system, if purchased new, will cost between \$800 and \$2,000. The Customer Service Management software system (the "Software System") is a web-based software application management system designed to help you manage service calls and appointments, maintain customer lists, and support your marketing efforts. You will be required to sign a Software License Agreement (see Exhibit C of the Franchise Agreement) and to use the Software System in the management of the franchised business. The monthly cost of the Software System is currently \$100 - \$500. CDI requires an automatic debit program for the payment of these fees. These monthly payments will be automatically deducted from your bank account. Existing businesses will be required to pay a one-time initial set-up fee of \$500 to import their contact and customer information.

We will not have independent access to the information that will be generated or stored in the computer hardware system. We will have independent access to the information available about your Business in the Software System. We have the right to change this requirement at our discretion. We shall have the right to specify or require that you use certain brands, types, makes, and/or models of communications, computer systems, and hardware, including without limitation: (i) a computer system that complies with our standards and specifications to run the Software System and other applications; (ii) archival back-up systems; (iii) internet access mode and speed; and (iv) physical, electronic, and other security systems (collectively, the "Computer System"). Currently, your Computer System must include a DSL or cable modem high-speed Internet connection that meets the requirements for handling of our then-current Software System.

You agree, at your own expense, to keep your Computer System in good maintenance and repair and install such upgrades, additions, changes, modifications, substitutions, and/or replacements to your Computer System or Required Software as we direct from time to time in writing. You agree that your compliance with these requirements shall be at your sole cost and expense. We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts for the Computer System will be \$150 to \$500 per year.

You may not implement a website or URL for your Chem-Dry Business, either yourself or through a ~~third party~~[third-party](#) provider, without our prior written consent.

**National Accounts**

We may require that your Business participate in promotional and national accounts programs unless you request, and CDI agrees to relieve you of this responsibility. The leads produced by our National Account program may vary materially by Franchised Area. Requests to opt out of the program must be in writing and clearly state the reason you should be permitted to opt out of the program. Participation in National Accounts programs may require you to complete an approval process required by the national account entity. Further, a national account may elect not to do business with you or CDI could determine you may no longer service a national account. In any of these events, CDI or a third party may provide the necessary services. (Franchise Agreement – Section 10)

As indicated in Item 6, you are responsible for all customer complaints resulting from work you perform on National Accounts or otherwise in the operation of the Chem-Dry Business. If we are required to resolve any customer service issues for your Chem-Dry Business, you will be required to reimburse us for any expenses, including but not limited to any refunds or legal fees, we incur resolving your customer issue.

**New Buyer Training and Initial Training**

Within 90 days of signing your franchise agreement and before opening your Business, you must complete the New Buyer Training on the operation of a Chem-Dry Business, and you must train your employees. If this is your first Chem-Dry Business, you will be required to complete New Buyer Training to our satisfaction. New Buyer Training is held monthly at CDI in Ann Arbor, MI, or another location designated by CDI. The Initial Package includes the cost for you and one other person to attend the New Buyer Training. Additional attendees may attend this training program, which we call “Initial Training,” and you will be charged \$75 per day per person to attend Initial Training. You are responsible for all travel expenses and living expenses for yourself and your employees while attending this Training.

Initial Training will be led by the following instructors:

Instructor	Years in Industry	Years with Chem-Dry
Kati Buckland	24	22
Shawn Rodeback	47	47
Sterling Nesbit	10	10

If you are a transferee buying your first Chem-Dry Business, you must complete the New Buyer Training within 90 days of the execution of your franchise agreement. You are responsible for the cost of New Buyer Training and any Initial Training at a charge of \$75 per day per person. You are also

responsible for all trainee compensation, benefits, insurance, travel expenses and living expenses while attending New Buyer Training or Initial Training. If CDI determines, in its sole discretion, that any attendee fails to satisfactorily complete Initial Training or New Buyer Training, CDI shall have the right to require the attendee to attend the next training session at the franchisee's expense.

**NEW BUYER TRAINING/INITIAL TRAINING PROGRAM**

<b>NEW BUYER TRAINING/INITIAL TRAINING PROGRAM DAY OF TRAINING</b>	<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Day One - Virtual	CRM Training: Company Setup, Customer Profile Creation, Scheduling, Drip Campaign Setup, Appointment Scheduling, Invoice Processing, Report Overview	2 Hours	n/a	Franchisee's location
Day Two - Virtual	Local Marketing: Reviewing Local Competition, PR overview, Researching Local Print Media Options, Ordering Print Materials	2 Hours	n/a	Franchisee's location
Day One - In person	Staff Introductions, Job Overview from Phone Call to Appointment Completion, Introduction to Carbonation, Introduction to Equipment Setup, Hands on Equipment Setup, Hands on Carpet Cleaning	4 hours	4 hours	Ann Arbor, MI, or another location
Day Two - In person	Understanding the Gateway and its Resources, Product Line Education,	4 hours	4 hours	Ann Arbor, MI, or another location and On-Site

<b>NEW BUYER TRAINING/INITIAL TRAINING PROGRAM DAY OF TRAINING</b>	<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
	Specialty Spot Cleaning Product Review, Hands on Specialty Spot Cleaning			
Day Three - In person	Van Loading and Job Preparation Process, Hands-on In-Home Carpet Cleaning, Marketing Framework Introduction	4 hours	4 hours	Ann Arbor, MI or another location and On-Site
Day Four - In person	Understanding Marketing Chem-Dry, Equipment Maintenance, CRM Training Continued, Hands on Upholstery Cleaning	4 hours	4 hours	Ann Arbor, MI or another location and On-Site
Day Five - In person	Understanding Marketing Chem-Dry Continued, Business Management Overview, Financial Reports and Understanding the numbers, Commercial Accounts and Cleaning Methods, Area Rug Cleaning and Identification of Rug Types	7 hours	1 hours	Ann Arbor, MI or another location and On-Site

## Manual

The Table of Contents for the Manual is attached as Exhibit D to this disclosure document. The Manual contains approximately 315 pages of information related to the operation of the Chem-Dry Business.

## Ongoing Training

You are required to complete at least one in-person training course per calendar year and various online or other electronic training modules or seminars. We anticipate the training fees for these annual events will cost between \$175-\$500 depending on the training event you choose. The Successful completion of New Buyer Training will fulfill the training requirement for the calendar year in which your franchise is purchased.

We may charge reasonable registration or similar fees for these training events. -You are required to pay all travel and living expenses incurred in connection with any training. Failure to fulfill your annual training requirement will subject you to fine(s) of up to \$500 or termination of the Franchise Agreement. (See Section 3.B. of the Franchise Agreement).- You must attend at least two conventions during the term of this Agreement with at least one convention attendance during the first three years of your Franchise Agreement. We anticipate the convention will cost up to \$1,000 per person, depending on the event you choose.- You are required to pay all travel, lodging and living expenses incurred in connection with the convention.- Failure to fulfill your convention attendance requirement will subject you to a fine of up to \$2,500 or termination of the Franchise Agreement. (See Section 3.B. of the Franchise Agreement)

## ITEM 12 TERRITORY

You must operate your Chem-Dry Business within the non-exclusive Franchised Area that we assign and approve.— You will not receive an exclusive territory.- You may face competition from other franchisees, from outlets that we or an Affiliate own, or from other channels of distribution or competitive brands that we or an Affiliate control.

The number of franchises which can operate as Chem-Dry Businesses in a Franchised Area is determined by dividing the current population of the area by 60,000. The nearest whole number to the quotient (referred to as “Maximum Number”) is the number of franchises that CDI may grant in the area for operating and conducting a Chem-Dry business.- The sum of franchises granted in the Franchised Area cannot exceed the Maximum Number.- We, another franchisee or a third party designated by CDI may service national accounts in your Franchised Area if you elect not to service a national account or if a national account elects not to do business with you. The Franchised Area will be determined by CDI based on population, population density, geographical terrain and market potential. CDI reserves the right to refuse to sell all of the franchises available for an Assigned Area to single franchisee or an affiliated group. Typically, the minimum size of a Franchised Area is a geographic area having a population of at least 60,000 but in some rural, less-populated areas the Franchised Area might have a population as small as about 5,000.- Based on population changes, the Maximum Number may increase or decrease and may not remain constant; however, the Maximum Number only affects CDI’s ability to grant franchises and no franchise will be terminated solely as a result of a decrease in the Maximum Number.

You must operate and conduct your Business from a single location within the Franchised Area from which you may operate as many crews, teams, sales forces and vans as you desire. You may relocate

your business anywhere you choose within your Franchised Area if you provide us with at least 10 days' prior written notice. Your Business office must be able to receive and store shipments.

You have no options, rights of first refusal or similar rights to acquire additional franchises.- You may purchase additional franchises within the Franchised Area, although you are not granted a right of first refusal to do so. If you wish to purchase an additional franchise, you must be in compliance with your current Franchised Area, have achieved what we determine to be the full market potential of the current Franchised Area, and have sufficient vans, equipment and crew to perform the Approved Services you have undertaken within the Franchised Area. If you have purchased all of the franchises allocated to a given franchised area, the continuation of your Franchised Area is not dependent upon the achievement of a certain sales volume, market penetration or other contingency. However, if the area grows sufficiently in population to accommodate one or more additional franchises because the Maximum Number has increased, your sales volume and market penetration may be taken into consideration in deciding whether to permit you to purchase such additional franchise(s) and maintain the exclusivity of the Franchised Area.

You may not advertise, solicit, accept, or perform the Approved Services outside of the Franchised Area. If you accept or perform a job outside of your Franchised Area, CDI has the right to fine you \$5,000 per violation or terminate the Franchise Agreement. You may use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to solicit sales only in your Franchised Area, and you may not provide Approved Services to any customer located outside of your Franchised Area. You may not offer services other than Approved Services to any customer regardless of the customer's location. All marketing, including Internet marketing, must be in compliance with the Chem-Dry Advertising Rules & Guidelines or may be subject to a fine of \$2,000 per violation. We and our Affiliates may use other channels of distribution, such as the Internet, catalog sales, telemarketing, and other direct marketing, to solicit and make sales to customers in your Franchised Area using the Marks and other trademarks without compensating you.

As described in Item 1, BFG, BFG Holdco, and BELFOR branded outlets may offer goods and services similar to Chem-Dry goods and services. The outlets may be franchised, or company owned and operated. These outlets may solicit and accept orders within your Franchised Area. The support functions of these businesses may integrate with ours and use common facilities, technology or platforms to provide training, business information systems, supply chain and other support elements. There is no means or method of resolving conflicts between any competing franchises regarding territory, customers and franchisor support, as all of our affiliated systems operate independently of each other. There are no restrictions or restraints on competition or customer solicitation among the brand systems that may offer similar products and services.

Other than these businesses, neither CDI, nor any affiliate, has established or has any present intention to establish other franchises or company-owned outlets selling or leasing similar products or services under a different trade name or trademark. However, CDI retains all other rights with respect to Chem-Dry Businesses, the Marks, the sale of similar or dissimilar products and services, and reserves the following rights, which CDI may exercise without any compensation to you:

- (1) Subject to the foregoing limitations on the Maximum Number of franchises in the Franchised Area, to grant franchises for any area and on any terms CDI deems appropriate;
- (2) The right to develop, sell, manufacture or distribute, inside or outside the Franchise Area, whether in proximity to the Business or others, any type of product or service

identified by or associated or identified with the Marks in any channel of distribution, including but not limited to telemarketing, direct marketing, television, catalogues, electronic media (i.e. including the Internet), and/or through retail or similar establishments or outlets;

- (3) The right to develop, sell, manufacture or distribute, inside or outside the Franchised Area, any type of product or service identified by trademarks or service marks other than the Marks in any channel of distribution including but not limited to telemarketing, direct marketing, television, catalogues, electronic media (i.e. including the Internet), and/or through retail or similar establishments or outlets; and
- (4) The right to conduct promotional programs and/or national account programs involving, without limitation, the offer, sale and delivery of Approved Services or other services to customers inside or outside the Franchised Area.

### ITEM 13 TRADEMARKS

CDI grants to you the right to operate a franchise under the name Chem-Dry under the Franchise Agreement. You may also use the following trademarks, service marks or logos in the operation of your Chem-Dry Business. The name Chem-Dry® is the principal trademark federally registered with the U.S. Patent and Trademark Office on the Principal Register. The Franchisor has filed all required affidavits.

MARK	SERIAL/ REGISTRATION NUMBER	APPLICATION DATE/REGISTRATIO N DATE	REGISTER
Chem-Dry	1119887	June 12, 1979, renewed June 13, 2019	Principal
	<a href="#">2793715</a>	<a href="#">December 16, 2003</a> <a href="#">Renewed March 19, 2024</a>	<a href="#">Principal</a>
The Healthier, Deeper Carpet Cleaner	7202835	October 24, 2023	Principal
The Natural	1762324	October 7, 2023	Principal
P.U.R.T (stylized)	1815327	December 14, 2013	Principal

Additional Marks may be disclosed and authorized for your use in the Advertising Rules & Guidelines. You must follow CDI's rules when you use these Marks. You may not attempt to register any mark we use in the Chem-Dry business with any state or other government organization. You may not incorporate in your legal business name any Mark we developed for use in the Chem-Dry Business. You may not have displays, advertising, literature, business cards, signs or any other promotional or

identifying literature, or business name portraying any Mark we developed for use in the Chem-Dry Business alone, without an immediately adjacent identifier as to product, business name or service. You may not use the Marks in connection with the sale of any unauthorized products or services or in any manner not authorized in writing by CDI.

There are no currently effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the Marks. There are no agreements currently in effect which significantly limit CDI's right to use or license the use of the Marks in any manner material to the franchise. CDI does not actually know of either superior rights or infringing uses that could materially affect your use of the principal trademarks in any state.

CDI is not required to protect your right to use the Marks or to protect you against claims of infringement or unfair competition arising out of your use of the Marks. You must notify CDI immediately in writing of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and may not communicate with anyone other than CDI, CDI's attorneys and your attorneys in connection with any such infringement, challenge or claim. CDI will take such action as it, in its sole discretion, deems appropriate and will have the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising from such infringement, challenge or claim or otherwise relating to any Mark. You must sign any instruments and documents, provide such assistance and take any action that, in the opinion of CDI's attorneys, may be necessary or advisable to protect and maintain its interests in any litigation or any U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain CDI's interests in the Marks. CDI will reimburse you for your costs of taking any action CDI has asked you to take. However, CDI is not required to defend you against any claims of infringement or unfair competition arising out of your use of the Marks and is not required to indemnify you for any expenses or damage that you incur in any administrative or judicial proceeding involving any of the Marks. A finding of invalidity of any of the Marks will not affect your obligations to CDI.

If CDI in its sole discretion decides to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you must comply with CDI's directions within a reasonable period of time after receiving notice of the change. CDI will not be obligated to reimburse you for any loss of revenue or goodwill attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark. (See Franchise Agreement – Section 4).

#### **ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

CDI has registered the following patents with the U.S. Patent and Trademark Office:

<b>Registration Number</b>	<b>Patent</b>	<b>Date</b>	<b>Status</b>
9,259,671	Apparatus, System and Method for Defoaming A Waste Tank	February 16, 2016	Active
6,905,553	Device for Removing Residues from Surfaces and a Method for Accomplishing the same	June 14, 2005	Expired March 22, 2024

<b>Registration Number</b>	<b>Patent</b>	<b>Date</b>	<b>Status</b>
7,271,140	Composition for Removing Stains from Textiles	September 18, 2007	Active
7,503,940	Method and System for Spot-Dyeing Textiles	March 17, 2009	Expired February 13, 2024
7,404,224	Composition for Removing Stains from Textiles	July 29, 2008	Expired September 8, 2024
9,267,227	Odor Removal Treatment	February 23, 2016	Active
8,267,607	Surface Working Apparatus	September 18, 2002	Expired October 21, 2024
7,795,200	Textile Cleaning Composition and Method of Use	September 14, 2010	Active
10,465,149	Stain And Odor Treatment	November 5, 2019	Active
10,646,088	Truck Mounted Cleaning System	May 12, 2020	Active
10,888,209	Vacuum Pathway In a Rotary Head Cleaner	January 12, 2021	Active
11,118,145	Stain and Odor Treatment	September 14, 2021	Active
11,825,997	Vacuum Extraction Head with Adjustable Height Brush	November 28, 2023	Active
11,459,529	Cleaning Compositions Containing Gum And Methods of Use Therewith	October 4, 2022	Active

#### Patents Pending

<b>Application Number</b>	<b>Patent</b>	<b>Date Filed</b>
17/380,623	Cleaning Machine Extractor Head	July 20, 2021

Also, CDI has copyrights on advertising materials that are available to you at a nominal cost. CDI intends to renew such copyrights. CDI claims copyright protection for the Manual and related materials although these materials have not been registered with the United States Registrar of Copyrights. The Manual and related materials are considered proprietary and confidential and are considered CDI's property and may be used by you only as provided in the Franchise Agreement. You may not use CDI's confidential information in any unauthorized manner and must take reasonable steps to prevent its disclosure to others.

CDI does not warrant or guaranty that any patents or copyrights that it obtains or holds rights to and it licenses to you are valid or that you will have exclusive rights to operate under the claims of any such patent or copyright.

There currently are no effective material determinations of the U.S. Patent and Trademark Office, the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving any of the patents, patent application or copyrights listed above. There are no agreements currently in effect which will significantly limit the use of any of the patents, patent application or copyrights in any manner material to the franchise. CDI is not aware of any infringing uses which would materially affect your right to operate under any of the patents or copyrights in any state.

CDI is not required to protect your right to use the patents or copyrights or to protect you against claims of infringement or unfair competition arising out of your use of any of the patents or copyrights. You must notify CDI immediately in writing of any apparent infringement or challenge to your use of any of the patents or copyrights, or of any claim by any person of any rights in any of the patents or copyrights, and may not communicate with anyone other than CDI, CDI's-CDI's attorneys and your attorneys in connection with any such infringement, challenge or claim. CDI will take such action as it, in its sole discretion, deems appropriate and will have the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising from such infringement, challenge or claim or otherwise relating to any of the patents or copyrights. You must sign any instruments and documents, provide such assistance and take any action that, in the opinion of CDI's-CDI's attorneys, may be necessary or advisable to protect and maintain its interests in any litigation or U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain CDI's-CDI's interests in or any of the patents or copyrights.

If it becomes advisable at any time in CDI's-CDI's sole discretion for CDI and/or you to modify or discontinue the use of subject matter covered by any patent or copyright, you must comply with CDI's-CDI's directions within a reasonable period of time after receiving notice. However, CDI is not obligated to reimburse you for any expenses or loss of revenue or goodwill arising from any modification or discontinuation of the subject of any patent or copyright. (See Franchise Agreement – Section 4)

## **ITEM 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You are not obligated to participate personally in the direct operation of your Chem-Dry Business although CDI recommends that you do so. You are responsible for the successful operation of the Chem-Dry Business and are directly responsible to us under the Franchise Agreement whether or not you participate in day-to-day operations. If you choose to use an operator to run the business, the operator must be disclosed to us and is obligated to complete CDI's-CDI's Initial Training/New Buyer Training and other training program(s) successfully within 90 days of the start of their employment with your business. You remain obligated to complete New Buyer Training within 90 days after you sign the Franchise Agreement.

The operator is not required to have any ownership interest in the Chem-Dry Business. You must require the operator to sign an agreement in which the operator agrees not to divulge any trade secret or confidential or proprietary information, including the contents of the Manual, or to engage in or have any interest in any competitive business. You must pay for any additional training that CDI requires for an employee that CDI, in its sole discretion, deems unqualified because the employee cannot complete training successfully. You are not permitted to utilize independent contractors to provide

services to Business customers. In addition, you cannot subfranchise, sublicense or delegate your franchise rights.

If you are a corporation, limited liability company, partnership, or other entity, each of your owners, members, shareholders, partners, or officers must personally guaranty your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This “Guaranty and Assumption of Obligations” is Exhibit B of the Franchise Agreement.

**ITEM 16  
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

The reputation and goodwill of CDI is based upon and can be maintained and enhanced only by furnishing high quality carpet and upholstery/drapery cleaning, spot removal, applying anti-allergen and deodorizer, Luxury Vinyl Tile (LVT) and Luxury Vinyl Planks (LVP), protecting services, tile and stone care services and other related products and services. You must not, without the prior written approval of CDI, offer or sell any type of service or offer, sell or use any product that is not authorized by CDI for your use in the Chem-Dry Business. You must not resell any type of cleaning solutions without the express written approval of CDI. CDI has the right to change the types of authorized services and products, and there are no limits upon ~~CDI's~~ CDI's right to do so. You must not sell the customer list(s) or customer contracts, or otherwise use the customer list(s) for any purpose other than in connection with the operation of your Chem-Dry Business. The equipment used in Chem-Dry Businesses may not be used for any purpose other than the operation of your Chem-Dry Business in compliance with the Franchise Agreement. You must not sell or otherwise transfer any van without first removing all of the names and marks associated with the Chem-Dry Business from the van. You can only operate, solicit and advertise within your Franchised Area subject to certain types of commercial jobs. (See Items 8, 9 and 12).

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

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

**THE FRANCHISE RELATIONSHIP**

<u>Provision</u>	<u>Section in Franchise Agreement and other agreements</u>	<u>Summary</u>
a. Term of the franchise	Section 1C the Franchise Agreement, Section 9 of Equipment Agreement	The term is 5 years. CDI may offer a ten-year franchise agreement when business purposes warrant. Certain restrictions apply.
b. Renewal or extension of the term	Section 14	You may acquire a five-year successor term, if you meet certain qualifications.

<u>Provision</u>	<u>Section in Franchise Agreement and other agreements</u>	<u>Summary</u>
c. Requirements for you to renew or extend	Section 14	You give us notice of your intent to acquire a renewal franchise, <u>no earlier than 9 months and no later than 6 months before the expiration of your franchise agreement</u> ; you must be in good standing when you give us notice and when the initial term expires; we may require that you refurbish your equipment and vans, sign release and then—current form of franchise agreement (which may contain provisions that differ materially from any and all of those in the Franchise Agreement, including increased or additional fees and new product or service offerings), pay the successor fee, purchase all required new or replacement equipment (including the HCU equipment with all required attachments and the PowerHead equipment)
d. Termination by you	None	Franchisees may terminate under any grounds permitted by law.
e. Termination by us without cause	None	
f. Termination by us with cause	Section 15 of the Franchise Agreement, Section 9 of the Equipment Agreement, Section 13 of the Software License Agreement, and the Business Note	We can terminate only if you commit any one of several listed violations
g. “Cause” defined-defaults which can be cured	Section 15 and the Business Note	You have ten days to cure for non-payment and failure to provide required reports, 30 days for contract defaults or non-compliance with standards
h. “Cause” defined-defaults which cannot be cured	Section 15	Material misrepresentation or omission, failure to commence operations within 90 days of signing the Franchise Agreement, failure to satisfactorily complete training, abandonment, unauthorized transfer, conviction of or no contest plea to felony or other offense, engage in dishonest or unethical conduct which adversely affects the reputation of the Chem-Dry Business or the goodwill of the Marks, unauthorized use of a

<u>Provision</u>	<u>Section in Franchise Agreement and other agreements</u>	<u>Summary</u>
		Mark, unauthorized use of the Manual or confidential information, use of non Chem-Dry cleaning solutions two or more times, non-compliance with laws, repeated defaults, bankruptcy related events, termination of another franchise agreement
i. Your obligations on termination/nonrenewal	Section 16 of the Franchise Agreement, Section 9 of the Equipment Agreement and Section 13 of the Software License Agreement	Pay outstanding amounts, de-identification, and return of confidential information, telephone numbers, customer lists, proprietary equipment and operating manuals (see also “s.”)
j. Assignment of contract by us	Section 13A of the Franchise Agreement and the Business Note	No restriction on <del>CDI's</del> CDI's right to assign
k. “Transfer” by you – definition	Section 13B of the Franchise Agreement, Section 5 of the Equipment Agreement and Section 18 of the Software License Agreement	Includes transfer of equity, the Franchise Agreement or the Business assets
l. <del>CDI's</del> CDI's approval of transfer by you	Section 13B	We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for <del>CDI's</del> CDI's approval of transfer	Section 13C	Transferee qualifies, transferee assumes all obligations, all amounts due are paid in full, transferee has no interest in competitive business, transferee satisfactorily completes training, transferee signs then—current franchise agreement and related documents, transfer fee paid, release signed (if law allows), you subordinate amounts due to you, you correct any deficiencies and make any requested updates, you abide by covenant not to compete, transferee purchases all required equipment, and you de-identify
n. <del>CDI's</del> CDI's right of first refusal to acquire your business	Section 13F	CDI can match any offer within 30 days of notice of the terms and conditions of the offer

<u>Provision</u>	<u>Section in Franchise Agreement and other agreements</u>	<u>Summary</u>
o. <a href="#">CDI's-CDI's</a> option to purchase your business	Section 13D	Upon notification of your death or permanent incapacity or within 6 months thereafter.
p. Your death or disability	Section 13D	We can buy your Chem-Dry Business, and if we do not, your franchise or entity equity must be assigned to approved person within 6 months.
q. Non-competition covenants during the term of the franchise	Section 6	No interest in or performing the Approved Services for, a competitive business (defined as any business which provides or sells, or grants franchises or licenses to others to provide or sell, carpet or upholstery/drapery cleaning services or products, tile/stone care or other hard floor surface cleaning services or products, spot removal, or protective services or products, or any related ancillary services or products).
r. Non-competition covenants after the franchise is terminated or expires	Section 16D	No competing business for 2 years within Franchised Area or 10 miles of Franchised Area. No franchising, licensing, manufacturing, or selling similar products, equipment, or services for 2 years within Franchised Area or any Chem-Dry Business franchised area.
s. Modification of the agreement	Sections 1F	No modifications generally but Manual and System Standards subject to change.
t. Integration/merger clause	Section 17N	Only terms of Franchise Agreement are binding (subject to state law) but this does not disclaim or waive reliance on any representations in this disclosure document. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 17E of the Franchise Agreement and the Business Note	Except for certain claims, all disputes must be arbitrated in Nashville, Tennessee (subject to state law). In reliance on the Federal Arbitration Act, CDI maintains its right to enforce the arbitration provision, including the Tennessee forum selection provision, in any dispute, notwithstanding any state law to the contrary.
v. Choice of forum	Section 17H	Litigation in Tennessee (subject to state law)

<u>Provision</u>	<u>Section in Franchise Agreement and other agreements</u>	<u>Summary</u>
w. Choice of law	Section 17G	Tennessee law applies (subject to state law); Monetary claims for liquidated amounts may be asserted in litigation instead of arbitration by either you or us. The defendant may initiate arbitration of any counterclaim or underlying dispute, in which case the litigation must be dismissed, and the arbitration will be the means of dispute resolution.

**ITEM 18  
PUBLIC FIGURES**

CDI does not use any public figure to promote ~~CDI's~~ CDI's franchise.

**ITEM 19  
FINANCIAL PERFORMANCE REPRESENTATIONS**

The ~~FTC's~~ 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.

To prepare the information in this Item 19, CDI requested that its franchisees provide CDI with certain information. While CDI has begun requiring the use of customer management software, many legacy franchisees have yet to implement the system. Thus, the information provided in this Item 19 is from 250 franchisees ("Responding Franchise Owners") that collectively operate 665 Chem-Dry Businesses ("Responding Franchises"), who provided their information, and have operated their businesses for at least one year on a full-time basis. Accordingly, we have excluded 243 franchisees that operate 434 Chem-Dry Businesses, as they have implemented our required customer management software, not provided their information to us, and/or have opted to operate their business on a part-time or semi-retired basis.

The Responding Franchise Owners offer the same products and services that CDI authorizes new Chem-Dry business franchises to sell. Responding Franchise Owners have been in business for an average of 20.9 years in their markets. The Responding Franchises operate in a mix of urban, suburban and rural areas, and they are disbursed geographically throughout the U.S.

Listed below are the Number of Owners, Number of Franchises, Average Franchises per Owner, Average Revenue per Owner, Average Revenue per Franchise, Median Revenue per Owner, Median

Revenue per Franchise, Average Revenue per Job, Median Revenue per Job, Owners Exceeding Average Revenue per Owner, and the Cost of Cleaning Solution as a percent of Revenue per Franchise as those terms are defined in the notes below, for the Responding Franchise Owners and Responding Franchises during the one year period from January 1, 2024 until December 31, 2024. The information is unaudited.

Group Ranked by Average Revenue	Number of Owners	Number of Franchises	Average Franchises/ Owner	Average Revenue/ Owner	Median Revenue/ Owner	Average Revenue/ Franchise	Median Revenue/ Franchise
Top 5%	13	78	6.0	\$1,230,414	\$990,599	\$205,069	\$241,397
Top 10%	25	145	5.8	\$1,009,379	\$855,947	\$174,031	\$179,251
1st Quartile	62	284	4.6	\$713,307	\$609,958	\$155,722	\$152,889
2nd Quartile	62	151	2.4	\$293,543	\$287,662	\$120,528	\$123,223
3rd Quartile	63	125	2.0	\$169,966	\$172,678	\$85,663	\$88,096
4th Quartile	63	105	1.7	\$105,471	\$108,077	\$63,283	\$65,670
Bottom 10%	25	39	1.6	\$85,924	\$83,668	\$55,079	\$76,947
Bottom 5%	13	21	1.6	\$80,001	\$80,565	\$49,524	\$76,947
Total	250	665	2.7	\$319,109	\$210,548	\$119,966	\$99,609

Group Ranked by Average Revenue	Number of Owners	Number of Franchises	Average Revenue/ Job	Median Revenue/ Job	Owners Exceeding Average Revenue Per Owner	Solutions as % of Revenue	Average Years Operating	Median Years in Business
Top 10%	25	145	\$494	\$438	24%	3.2%	25.0	22.9
1st Quartile	62	284	\$439	\$416	39%	3.8%	23.8	22.7
2nd Quartile	62	151	\$387	\$379	48%	5.4%	23.6	25.4
3rd Quartile	63	125	\$359	\$368	52%	5.1%	17.9	18.4
4th Quartile	63	105	\$352	\$337	54%	7.1%	18.6	17.9
Bottom 10%	25	39	\$316	\$332	40%	6.2%	16.5	16.7
Total	250	665	\$449	\$378	34%	4.6%	20.9	21.2

Notes:

1. A number of factors impact [the](#) franchise owner's revenue, such as the operational capability of the franchise owner, the price that the franchise owner decides to charge, the competition in the market, and the franchise owner's ability to sell ancillary products and higher-margin services. The price you charge and your ability to sell may differ from the Responding Franchise Owners.

2. The figures in these tables reflect the actual results obtained from the Customer Management Software of the Responding Franchise Owners. The figures have not been audited by CDI or independently verified. No certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form.

3. “Number of Owners”, reflects the number of individual franchise owners in each measured category out of the total 250 Responding Franchise Owners.

4. “Number of Franchises”, reflects the number of individual franchise businesses in each measured category out of the total 665 Responding Franchises. CDI considers each franchise agreement to be one “franchise” for purposes of counting the number of Responding Franchises.

5. “Average Revenue per Job”, reflects the average revenue per carpet cleaning job as reported by the Responding Franchise Owner.

6. “Median Revenue per Job” reflects the median revenue per carpet cleaning job as reported by the Responding Franchise Owner.

7. “Median Revenue per Owner” reflects the median of the total annual revenue that the Responding Franchise Owners reported.

8. “Average Revenue per Owner” reflects the average of the total annual revenue that the Responding Franchise Owners reported.

9. “Average Revenue per Franchise” reflects the total annual revenue that the Responding Franchise Owners reported divided by the total number of Responding Franchises.

10. “Median Revenue per Franchise” reflects the median of the total annual revenue that the Responding Franchise Owners reported.

11. “Solution as a Percent of Revenue” is the average cost of all cleaning solutions bought from CDI as a percent of reported revenue by the Responding Franchise Owners for each of their Responding Franchises. This is a variable cost. We have no information about the labor cost, supplies, automotive costs and other costs that vary with the number of jobs performed and the distance traveled by technicians performing the jobs.

12. “Average Years Operating” reflects the average length of time in years that the Responding Franchise Owners have been operating their Chem-Dry business.

13. “Median Years Operating” reflects the median length of time in years that the Responding Franchise Owners have been operating their Chem-Dry business.

14. “Owners Exceeding Average Revenue per Owner” reflects the percentage of owners in that group that are exceeding the Average Annual Revenue per owner of that same group.

15. The Responding Franchises have operated for long periods of time, some of them for longer than 18 years. These Responding Franchises report that they have developed a customer base over time that provides a recurring revenue stream. A new franchisee starting a new Chem-Dry business franchise would not start with that base of customers and should expect to realize lower revenues.

16. The Chem-Dry brand is well established in many of the markets in which the Responding Franchises operate, where advertising of the brand over the long term enhances brand awareness. If you operate your Chem-Dry business franchise in a market where the Chem-Dry brand is not yet well developed, your franchise may not benefit as much from an established trade identity in the market or from historic and current marketing activities that other Chem-Dry business franchise owners in the same market. Franchises in new markets for the Chem-Dry brand may produce lower revenue than revenue reported by Responding Franchise Owners in established markets.

17. Other than cost of cleaning solutions as a percent of revenue, this financial performance representation does not report other variable costs or fixed operating expenses, or other costs or expenses that must be deducted from the revenue figures to obtain net income or profit.

**Some franchised businesses have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.**

CDI will provide written substantiation for the data used to prepare this financial performance representation upon your reasonable request.

Other than the preceding financial performance representation, 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 its 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 Ed Quinlan, President at 3310 West End Ave., South Suite 620, Nashville, TN 37203, (800) 841-6583, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE 1**

**SYSTEMWIDE OUTLET SUMMARY FOR YEARS – 2022 – 2024**

	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2022	1692	1437	-255
	2023	1437	1284	-153
	2024	1284	1099	-185
<b>Company-Owned</b>	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
<b>Total Outlets</b>	2022	1692	1437	-255
	2023	1437	1284	-153
	2024	1284	1099	-185

**TABLE 2**

**TRANSFERS OF OUTLETS FROM FRANCHISEES  
TO NEW OWNERS (other than the Franchisor) FOR YEARS – 2022 – 2024**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>Arizona</b>	2022	0
	2023	4
	2024	0
<b>California</b>	2022	12

	2023	2
	2024	4
<b>Colorado</b>	2022	0
	2023	0
	2024	6
<b>Delaware</b>	2022	0
	2023	0
	2024	1
<b>Florida</b>	2022	5
	2023	0
	2024	2
<b>Georgia</b>	2022	0
	2023	3
	2024	0
<b>Hawaii</b>	2022	1
	2023	0
	2024	0
<b>Idaho</b>	2022	1
	2023	2
	2024	0
<b>Illinois</b>	2022	6
	2023	2
	2024	2
<b>Indiana</b>	2022	2
	2023	0
	2024	1
<b>Iowa</b>	2022	1
	2023	0
	2024	0
<b>Kansas</b>	2022	1
	2023	1
	2024	0
<b>Massachusetts</b>	2022	11
	2023	4
	2024	0
<b>Michigan</b>	2022	0
	2023	0
	2024	2
<b>Missouri</b>	2022	1
	2023	0
	2024	0
<b>Nebraska</b>	2022	0
	2023	0
	2024	1
<b>New Jersey</b>	2022	1

	2023	0
	2024	1
<b>New Mexico</b>	2022	0
	2023	5
	2024	0
<b>New York</b>	2022	1
	2023	0
	2024	0
<b>North Carolina</b>	2022	2
	2023	2
	2024	0
<b>North Dakota</b>	2022	1
	2023	0
	2024	0
<b>Pennsylvania</b>	2022	1
	2023	0
	2024	1
<b>Rhode Island</b>	2022	1
	2023	0
	2024	0
<b>South Carolina</b>	2022	1
	2023	0
	2024	1
<b>Tennessee</b>	2022	0
	2023	4
	2024	2
<b>Texas</b>	2022	3
	2023	0
	2024	3
<b>Virginia</b>	2022	1
	2023	5
	2024	0
<b>Wyoming</b>	2022	0
	2023	3
	2024	0
<b>Canada</b>	2022	0
	2023	1
	2024	0
<b>TOTALS</b>	2022	53
	2023	38
	2024	29

**TABLE 3**

**STATUS OF FRANCHISED OUTLETS FOR YEARS – 2022 – 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2022	31	0	4	0	0	0	27
	2023	27	1	4	1	0	0	23
	2024	23	0	0	0	0	0	23
Arizona	2022	40	1	7	1	0	1	32
	2023	32	0	3	2	0	0	27
	2024	27	0	0	2	0	0	25
Arkansas	2022	9	1	0	0	0	0	10
	2023	10	2	5	0	0	4	3
	2024	3	0	0	0	0	0	3
California	2022	256	13	5	13	0	27	224
	2023	224	5	16	15	0	0	198
	2024	198	0	18	6	0	0	174
Colorado	2022	45	1	2	2	0	0	40
	2023	40	0	2	2	0	0	36
	2024	36	0	3	3	0	0	30
Connecticut	2022	16	0	2	2	0	0	12
	2023	12	0	5	0	0	0	7
	2024	7	0	0	3	0	0	4
Delaware	2022	7	0	0	0	0	3	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
District of Columbia	2022	4	0	2	0	0	0	2
	2023	2	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Florida	2022	103	0	11	8	0	1	88
	2023	88	7	12	2	0	0	81
	2024	81	2	15	16	0	0	52
Georgia	2022	59	4	22	3	0	3	35
	2023	35	0	4	0	0	2	29
	2024	29	0	2	2	0	0	25
Hawaii	2022	4	0	1	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Idaho	2022	28	0	2	0	0	0	26
	2023	26	0	0	1	0	0	25

	2024	25	0	0	3	0	0	22
<b>Illinois</b>	2022	63	1	10	4	0	1	49
	2023	49	0	0	2	0	0	46
	2024	46	1	0	8	0	0	39
<b>Indiana</b>	2022	52	0	3	4	0	2	43
	2023	43	0	0	1	0	0	42
	2024	42	0	0	1	0	1	40
<b>Iowa</b>	2022	11	0	2	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	0	0	1	0	0	8
<b>Kansas</b>	2022	7	0	0	2	0	0	5
	2023	5	0	0	1	0	0	4
	2024	4	0	1	0	0	0	3
<b>Kentucky</b>	2022	11	3	1	0	0	0	13
	2023	13	0	4	0	0	0	9
	2024	9	0	1	1	0	0	7
<b>Louisiana</b>	2022	10	0	6	0	0	0	4
	2023	4	1	0	1	0	0	4
	2024	4	2	2	1	0	0	3
<b>Maine</b>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
<b>Maryland</b>	2022	47	5	15	2	0	1	34
	2023	34	0	1	4	0	0	29
	2024	29	0	5	4	0	0	20
<b>Massachusetts</b>	2022	28	0	1	0	0	0	27
	2023	27	0	0	0	0	0	27
	2024	27	2	11	1	0	0	17
<b>Michigan</b>	2022	35	2	3	3	0	0	31
	2023	31	0	0	0	0	0	31
	2024	31	1	5	4	0	0	23
<b>Minnesota</b>	2022	33	0	3	1	0	0	29
	2023	29	0	0	1	0	0	28
	2024	28	0	0	3	0	0	25
<b>Mississippi</b>	2022	7	0	0	0	0	0	7
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
<b>Missouri</b>	2022	25	0	0	0	0	0	25
	2023	25	2	0	0	0	1	26
	2024	26	0	3	1	0	1	21
<b>Montana</b>	2022	25	0	16	2	0	1	6
	2023	6	0	0	0	0	0	6
	2024	6	1	0	0	0	0	7
<b>Nebraska</b>	2022	13	0	1	1	0	0	11
	2023	11	0	1	0	0	0	10

	2024	10	0	0	1	0	0	9
<b>Nevada</b>	2022	12	0	3	1	0	0	8
	2023	8	0	1	3	0	0	4
	2024	4	1	0	0	0	0	5
<b>New Hampshire</b>	2022	4	0	2	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
<b>New Jersey</b>	2022	40	2	14	0	0	0	28
	2023	28	1	0	2	0	2	24
	2024	24	0	1	2	0	0	21
<b>New Mexico</b>	2022	12	0	2	1	0	0	9
	2023	9	0	1	0	0	0	8
	2024	8	0	1	0	0	0	7
<b>New York</b>	2022	49	2	5	2	0	0	44
	2023	44	0	1	2	0	0	41
	2024	41	2	7	2	0	0	34
<b>North Carolina</b>	2022	67	0	8	0	0	3	56
	2023	56	0	4	3	0	0	49
	2024	49	1	2	5	0	0	43
<b>North Dakota</b>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
<b>Ohio</b>	2022	39	1	5	2	0	3	30
	2023	30	0	7	1	0	0	22
	2024	22	0	1	1	0	0	20
<b>Oklahoma</b>	2022	15	2	0	0	0	0	17
	2023	17	0	0	0	0	0	17
	2024	17	0	1	1	0	0	15
<b>Oregon</b>	2022	40	0	6	1	0	1	33
	2023	33	0	0	1	0	0	32
	2024	32	0	0	3	0	0	29
<b>Pennsylvania</b>	2022	47	9	6	4	0	2	44
	2023	44	0	0	8	0	0	36
	2024	36	0	1	0	0	1	34
<b>Rhode Island</b>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
<b>South Carolina</b>	2022	38	0	0	4	0	0	34
	2023	34	0	5	0	0	0	29
	2024	29	2	3	2	0	0	26
<b>S. Dakota</b>	2022	3	2	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
<b>Tennessee</b>	2022	30	3	5	0	0	0	28
	2023	28	1	0	2	0	0	27

	2024	27	0	1	2	0	0	24
<b>Texas</b>	2022	126	3	14	2	0	7	106
	2023	106	2	12	5	0	0	91
	2024	91	0	6	3	0	0	82
<b>Utah</b>	2022	27	0	1	0	0	0	26
	2023	26	0	1	1	0	0	24
	2024	24	0	2	1	0	0	21
<b>Vermont</b>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
<b>Virginia</b>	2022	55	0	14	5	0	2	34
	2023	34	1	2	1	0	0	32
	2024	32	0	2	4	0	0	26
<b>Washington</b>	2022	68	0	4	6	0	1	56
	2023	56	0	2	5	0	0	49
	2024	49	0	0	5	0	1	43
<b>W. Virginia</b>	2022	5	0	2	1	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
<b>Wisconsin</b>	2022	32	1	3	3	0	2	25
	2023	25	0	1	0	0	0	24
	2024	24	0	3	1	0	1	19
<b>Wyoming</b>	2022	9	0	4	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
<b>Canada</b>	2022	60	2	11	2	0	0	49
	2023	49	2	4	3	0	0	44
	2024	44	0	1	1	0	0	42
<b>TOTALS</b>	<b>2022</b>	<b>1752</b>	<b>56</b>	<b>228</b>	<b>82</b>	<b>0</b>	<b>61</b>	<b>1437</b>
	<b>2023</b>	<b>1437</b>	<b>26</b>	<b>99</b>	<b>70</b>	<b>0</b>	<b>9</b>	<b>1284</b>
	<b>2024</b>	<b>1284</b>	<b>14</b>	<b>101</b>	<b>94</b>	<b>0</b>	<b>4</b>	<b>1099</b>

Notes on 2023 transactions affecting outlet counts:

1 license relocated from New York to Florida increasing Florida numbers and reducing New York numbers.

1 Maryland license relocated to Virginia increasing Virginia numbers and reducing Maryland numbers.

1 District of Columbia license relocated to Virginia and 1 District of Columbia license relocated to Maryland increasing Virginia and Maryland numbers and reducing District of Columbia numbers.

**TABLE 4****STATUS OF COMPANY-OWNED OUTLETS FOR YEARS – 2024 – 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

**TABLE 5****PROJECTED OPENINGS AS OF DECEMBER 31, 2024**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected Company-Owned Outlets In Next Fiscal Year
TOTALS	0	0	0

A list of the names of all franchisees and their telephone numbers and addresses as of December 31, 2024 is attached as Exhibit E. A list of the name and last known home address and telephone number of every franchisee who has had their franchise agreement terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement for the period ending December 31, 2024 or who has not communicated with us within 10 weeks of the date of issuance of this document, is attached as Exhibit F. Some franchisees listed in this Exhibit terminated, canceled, non-renewed or otherwise voluntarily cease to do business under more than one franchise agreement(s) during the period ending December 31, 2024. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with CDI. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the Chem-Dry franchise system. CDI has established a Voice of Chem-Dry (VOC) Advisory Board consisting of ten franchisee representatives. Generally, a new chairperson is elected each year in the Fall. The current chairperson of the VOC is Tina Borger and she can be reached c/o Chem-Dry, Inc., 3310 West End Avenue, Suite 620, Nashville, TN 37203, 800-841-6583 or by email [VOC@chemdry.com](mailto:VOC@chemdry.com).

## **ITEM 21 FINANCIAL STATEMENTS**

Attached to this Franchise Disclosure Document in Exhibit G are the fiscal year end consolidated, audited financial statements of BFG Holdco, Inc., our parent company, for the years 2022, 2023, and 2024, and its consolidated, unaudited financial statements for the period from January 1, 2025 to ~~September 30~~March 31, 2025. Our parent BFG Holdco, Inc. guarantees our performance to franchisees under the franchise agreements. A copy of the Guaranty of Performance is also included in Exhibit G. The fiscal year of BFG Holdco, Inc. ends December 31.

## **ITEM 22 CONTRACTS**

The Franchise Agreement is attached as Exhibit B to this disclosure document. The Equipment Agreement is attached as Exhibit B to the Franchise Agreement. The Software License Agreement is attached as Exhibit C to the Franchise Agreement. The Consolidated Office Agreement is attached as Exhibit D to the Franchise Agreement. State addenda (where applicable) are attached as Exhibit E to the Franchise Agreement. The Release Agreements are attached as Exhibit F to the Franchise Agreement. The Business Note is attached as Exhibit C to this disclosure document. Exhibit I is the disclosure questionnaire.

## **ITEM 23 RECEIPT**

The final pages of this Disclosure Document are detachable receipt pages acknowledging your receipt of the Disclosure Document. If these pages, or any other pages or exhibits are missing from your copy, please notify us immediately. You should sign both copies of the receipt. You should retain one signed copy for your records and return the other signed copy to: Renee Riege, Director of Legal Administration, at 3310 West End Avenue, Suite 620, Nashville, TN 37203.

**EXHIBIT A**

**AGENTS FOR SERVICE OF PROCESS**

<p><b>CALIFORNIA</b>                  Department of Financial Protection and Innovation                  320 West Fourth Street, Suite 750                  Los Angeles, California 90013-2344                  Agent: California Commissioner of Financial Protection and Innovation</p>	<p><b>MARYLAND</b>                  Office of the Attorney General Securities Division                  —                  200 St. Paul Place                  Baltimore, Maryland 21202-2020                  (410) 576-6360                  Agent: Maryland Securities Commissioner</p>
<p><b>HAWAII</b>                  Commissioner of Securities                  Department of Commerce and Consumer Affairs                  335 Merchant Street                  Honolulu, Hawaii 96813                  (808) 586-2744                  Agent: Commissioner of Securities of the Department of Commerce and Consumer Affairs</p>	<p><b>MICHIGAN</b>                  Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General                  525 W. Ottawa Street, 6<sup>th</sup> Floor                  Lansing, Michigan 48913                  (517) 373-7177                  Agent: Michigan Department of Commerce Corporations and Securities Bureau</p>
<p><b>ILLINOIS</b>                  Franchise Division Office of Attorney General                  500 South Second Street                  Springfield, Illinois 62706                  (217) 782-4465                  Agent: Illinois Attorney General</p>	<p><b>MINNESOTA</b>                  Minnesota Department of Commerce                  85 7<sup>th</sup> Place East, Suite 280                  St. Paul, Minnesota 55101-2198                  (651) 539-1600                  Agent: Minnesota Commissioner of Commerce</p>
<p><b>INDIANA</b>                  Franchise Section Indiana Securities Division                  —                  302 West Washington Street                  Room E-111                  Indianapolis, Indiana 46204                  (317) 232-6681                  Agent: Indiana Secretary of State Indiana Securities Division                  201 State House                  Indianapolis, IN 46204</p>	<p><b>NEBRASKA</b>                  Nebraska Department of Banking and Finance                  1200 N Street                  P.O. Box 95006                  Lincoln, Nebraska 68509-5006</p>

<p>NEW YORK  NYS Department of Law  Investor Protection Bureau  28 Liberty Street, 21<sup>st</sup> Floor  New York, NY 10005  (212) 416-8222 Phone  (212) 416-6042 Fax  Agent: Attention: New York Secretary of State/ New York Department of State  One Commerce Plaza,  99 Washington Avenue, <u>6<sup>th</sup></u> Floor  Albany, NY 12231-0001  (518) 473-2492</p>	<p>SOUTH DAKOTA  c/o Division of Insurance Securities Regulation  124 S. Euclid Avenue, Suite 104  Pierre, South Dakota 57501  (605) 773-3563  Agent: Director of South Dakota Division Securities</p>
<p>NORTH DAKOTA  North Dakota Securities Department  State Capitol  600 East Boulevard Avenue  Fifth Floor – Dept 414  Bismarck, North Dakota 58505-0510 (701) 328-4712  Agent: North Dakota Securities Commissioner</p>	<p>TEXAS  Secretary of State  P.O. Box 12887  Austin, Texas 78711</p>
<p>OREGON  Department of Insurance and Finance  Corporate Securities Section Labor and Industries  Salem Building  Oregon 97310  (503) 378-4387  Agent: Director of Oregon Department of Insurance and Finance</p>	<p>VIRGINIA  State Corporation Commission Division of Securities and Retail Franchising  1300 East Main Street, <u>9<sup>th</sup></u> Floor  Richmond, Virginia 23219  (804) 371-9051  Agent: Clerk of the State Corporation Commission  1300 E Main St., <u>4<sup>st</sup></u>, <u>1<sup>st</sup></u>-FL  Richmond, VA 23219  (804) 371-9733</p>

<p><b>RHODE ISLAND</b>  Division of Securities  John O. Pastore Complex - Bldg. 69-1  1511 Pontiac Avenue  Cranston, RI 02920  (401) 462-9500  Agent: Director of Rhode Island Department  of Business Regulation</p>	<p><b>WASHINGTON</b>  Director Department of Financial Institutions  Securities Division  P.O. Box 41200 Olympia, WA 98504-1200  —  (360) 902-8760  Agent: Securities Administrator, Director of  Department of Financial Institutions  150 Israel Road SW  Tumwater, Washington 98501</p>
<p><b>WISCONSIN</b>  Securities and Franchise Registration  Securities Division of the Wisconsin  Department of Financial Institutions  201 W. Washington Ave., 3<sup>rd</sup> Floor  Madison, Wisconsin 53703  (608) 266-8559  Agent: Wisconsin Commissioner of Securities</p>	<p><b>NORTH CAROLINA</b>  Department of the Secretary of State  PO Box 29622  Raleigh, NC 27626-0622</p>
<p><b>CONNECTICUT</b>  State of Connecticut  Department of Banking Securities &amp; Business  Investments Division  260 Constitution Plaza  Hartford, CT 06103-1800  (860) 240-8230  Agent: Banking Commissioner</p>	

**EXHIBIT B**  
**FRANCHISE AGREEMENT**



**CHEM-DRY®**  
**FRANCHISE AGREEMENT**  
**(the “Franchise Agreement”)**

**SUMMARY PAGES**

**FRANCHISE NUMBER:** \_\_\_\_\_

This Agreement shall be effective on the date it is last executed by an authorized representative of Franchisor (the “Execution Date”).

The following terms are used throughout this Agreement, its Exhibits and Addenda, and are defined as follows:

**Parties**

1. Chem-Dry, Inc., a Utah corporation, with its principal office at 3310 West End Avenue, Suite 620, Nashville, Tennessee 37203, (together with its successors and assigns, referred to in this Agreement as “CDI,” “we” or “us”).

2. \_\_\_\_\_, a resident of the State of \_\_\_\_\_, or

3. \_\_\_\_\_, a \_\_\_\_\_ with its principal office at \_\_\_\_\_

(referred to in this Agreement as “FRANCHISEE” or “You”).

4. The “Ownership Interest” referred to in Section 1.B. of this Agreement, if FRANCHISEE is at any time a corporation, limited liability company, or general or limited partnership (collectively, an “Entity”), FRANCHISEE represents that the information about the Entity in the Summary Pages is true and accurate:

The following is a list of all current owners, managers, and officers of FRANCHISEE (the “Owners”).

Type of Ownership Interest: \_\_\_\_\_

Franchise Number:

Name, Officers	Address	Telephone	Email	Percentage Ownership/ Shares/Units

5. The “Franchised Area” as referenced in Section 1.D. of the Franchise Agreement is as follows:

FRANCHISEE agrees to conduct the BUSINESS from a location within the Franchised Area.

6. The “Initial Fee” as referenced in Section 8.A. of this Agreement is \$\_\_\_\_\_ and consists of the “Initial License Fee” of \$\_\_\_\_\_ and the “Initial Package” price of \$\_\_\_\_\_ and includes:

\_\_\_\_\_ Executive Portable Package totaling \$\_\_\_\_\_

7. The “Down Payment” as referenced in Section 8.A. of this Agreement is \$\_\_\_\_\_ and is due at the time FRANCHISEE executes this Agreement. The Business Note principal amount is \$\_\_\_\_\_, calculated as the Initial License Fee less the Down Payment. The Business Note is payable over \_\_\_ months unless payable sooner in accordance with its terms.

8. The “Monthly Franchise Fee” as referenced in Section 8.B. of this Agreement, is \$479.50 as of the Effective Date.

9. The “BMF Contribution” as referenced in Section 10 of this Agreement is \$160.00 as of the Effective Date.

10. The “Renewal Fee” as referenced in Section 14 of this Agreement is \$2,000.

11. The “Transfer Fee” as referenced in Section 13 of this Agreement is:

(i) \$3,000, unless the transfer is a non-controlling interest conveyed to a spouse or adult offspring, in which case the Transfer Fee is \$1,500; or

(ii) If CDI assisted FRANCHISEE in its efforts to identify a buyer for the BUSINESS or introduced transferee to FRANCHISEE in the eighteen (18) months prior to the transfer of any assets of the BUSINESS, then FRANCHISEE or the transferee will pay CDI a transfer fee of 10% of the sales price, but no less than \$10,000, subject to Section 13 of this Agreement; or

(iii) If regarding an “Franchised Area Transfer” the fee as referenced in Section 14.D. of this Agreement is \$2,000.

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- EXHIBIT A GUARANTY AND ASSUMPTION OF OBLIGATIONS
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**CHEM-DRY®  
FRANCHISE AGREEMENT**

This Agreement is made and entered into, and effective on the Effective Date by and between CDI and FRANCHISEE.

**1. GRANT OF FRANCHISE**

**A. ACKNOWLEDGEMENTS BY THE PARTIES**

1. CDI has designed and developed a system and franchise opportunity for the operation of businesses using specialized equipment and products to perform carpet and upholstery/drapery cleaning, including area rug cleaning, tile and stone care, spot removal, applying anti-allergen and deodorizer and protective services, as well as such other services which may be specified from time to time, under the “CHEM-DRY” name and other trademarks (“CHEM-DRY Businesses”). CHEM-DRY Businesses have distinctive formats, methods, procedures, designs, layouts, standards and specifications, all of which may be improved, further developed or otherwise modified from time to time. CDI owns all rights to, interest in and goodwill of, and uses, promotes and licenses certain trade names, trademarks, trade dress, service marks and other commercial symbols, including, but not limited to, the service mark, trademark and trade name “CHEM-DRY” (the “Marks”). CDI has also designed and developed, and owns all rights to, certain specialized equipment and products for use in CHEM-DRY Businesses.

2. CDI grants franchises to persons who are willing to undertake the investment and effort to own and operate a CHEM-DRY Business offering the services CDI authorizes and using CDI’s business formats, methods, procedures, designs, layouts, standards, specifications and Marks, as such things may exist from time to time, (the “Franchise System”).

3. FRANCHISEE acknowledges that FRANCHISEE has read this Agreement and CDI’s Franchise Disclosure Document and that FRANCHISEE understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain CDI’s high standards of quality and service, as well as the uniformity of those standards at each CHEM-DRY Business and to protect and preserve the goodwill of the Marks. FRANCHISEE acknowledges that CDI has the right to restrict FRANCHISEE’S sources of goods and services, as provided in various sections in this Agreement. FRANCHISEE acknowledges that FRANCHISEE has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves business risks and that the success of the venture is largely dependent upon the business abilities of FRANCHISEE. FRANCHISEE acknowledges and agrees that CDI’s officers, directors, employees and agents act only in a representative and not in a personal capacity in their dealings with FRANCHISEE. FRANCHISEE further acknowledges that FRANCHISEE has not received or relied upon, any warranty or guaranty, express or implied, as to the potential revenues, profits or success of the franchise or policies made by CDI or its officers, directors, employees or agents that are contrary to the statements, if any, expressly made in CDI’s Franchise Disclosure Document. FRANCHISEE further represents to CDI, as an inducement to its entry into this Agreement, that FRANCHISEE has made no misrepresentations in obtaining the franchise. FRANCHISEE further acknowledges that CDI has not made any representation, warranty, or other claim regarding the CHEM-DRY Business franchise opportunity, other than those made in this Agreement and CDI’s Franchise Disclosure Document. FRANCHISEE represents and warrants to CDI that FRANCHISEE has independently and

thoroughly evaluated this opportunity, including by using business professionals and advisors selected and engaged by FRANCHISEE, and has relied solely upon those evaluations in deciding to enter into this Agreement. FRANCHISEE further acknowledges that FRANCHISEE has been afforded an opportunity to ask any questions FRANCHISEE has and to review any materials of interest to FRANCHISEE concerning the CHEM-DRY Business franchise opportunity. Finally, FRANCHISEE acknowledges that FRANCHISEE has been afforded an opportunity, and has been encouraged by CDI, to have this Agreement and all other agreements and materials CDI has given or made available to FRANCHISEE reviewed by an attorney or other professional advisor.

**B. FRANCHISEE ENTITY**

If FRANCHISEE is a corporation, limited liability company, or general or limited partnership (collectively, an “Entity”), FRANCHISEE and the Owners jointly and severally represent and warrant to CDI, and covenant with CDI that:

1. FRANCHISEE is duly organized or formed, validly existing and in good standing under the laws of the state of FRANCHISEE’S incorporation or formation and duly qualified to do business in the State where the Franchised Area is located.
2. FRANCHISEE has (i) full power and authority under its charter, organizational documents, operating agreement, or partnership agreement, as applicable, to enter into and perform its obligations under this Agreement, (ii) duly authorized the persons signing this Agreement to enter into, execute and deliver this Agreement and pay the fees due and payable hereunder, (iii) determined that the execution, delivery and performance of this Franchisee Agreement by FRANCHISEE will not constitute a breach of or default under its charter, governing documents or any instrument, note, mortgage, security agreement or contract to which FRANCHISEE is a party, directly, with the giving of notice, the passage of time or both, and (iv) determined that no consent of any third party is necessary for FRANCHISEE to enter into, execute, deliver or perform its obligations under this Agreement.
3. FRANCHISEE’S charter, organizational documents, operating agreement, or partnership agreement, as applicable, will be amended within 10 days after the Effective Date to recite that this Agreement restricts the issuance and transfer of any ownership interests in FRANCHISEE, and all certificates and other documents representing ownership interests in FRANCHISEE will bear a legend or notice referring to this Agreement’s restrictions;
4. The Summary Page to this Agreement completely and accurately describes all of FRANCHISEE’S Owners and their interests in FRANCHISEE and the information about the Owners set forth on the Summary Page.
5. Each of FRANCHISEE’S Owners with more than five (5%) ownership interest agree to execute a guarantee in the form CDI prescribes undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between FRANCHISEE and CDI. Subject to CDI’s rights and FRANCHISEE’S obligations under Section 13, FRANCHISEE and its Owners agree to sign and deliver to CDI from time to time a revised Summary Page to reflect any changes in the information included thereon.

6. The BUSINESS (defined below) and other CHEM-DRY Businesses, if applicable and authorized by CDI, will be the only businesses FRANCHISEE operates.

**C. GRANT OF FRANCHISE**

FRANCHISEE has applied for a franchise to own and operate a CHEM-DRY Business. FRANCHISEE and Owners represent and warrant to CDI that all information submitted to CDI as part of or related to the application was true, correct and complete as of the time of submission and is true, correct and complete as of the Effective Date. Such application has been approved by CDI in reliance upon all of the representations made therein. Subject to the terms and conditions of this Agreement, CDI hereby grants to FRANCHISEE a non-exclusive franchise to use the Marks and the Franchise System (the “Franchise”) to operate a CHEM-DRY Business (the “BUSINESS”) in the area as defined in the Summary Page to this Agreement (the “Franchised Area”) and to use the Marks in the operation thereof from the Effective Date of this Agreement for a term (the “Term”) beginning on the Effective Date and ending five (5) years from the Payment Start Date as referenced in Section 8.B. of this Agreement, or, if this Agreement pertains to the transfer of an existing Chem-Dry Business or is a Renewal Agreement, ending five (5) years from the Effective Date of this Agreement. In connection with the operation of the BUSINESS, FRANCHISEE must offer and perform carpet and area rug cleaning, upholstery cleaning, spot removal applying anti-allergen and deodorizer, and protecting services, including removing red stains, treating pet urine odor on carpets and imparting stain resistance to carpet fibers that we mandate, and such other services which may from time to time be changed, specified, and/or directed by CDI (the “Required Services”). FRANCHISEE also may, upon consent or request of CDI, offer and perform other services that CDI first approves, which may require certification by successful completion of additional training and/or purchase of additional equipment and cleaning solutions (“Additional Services”). This Agreement refers to the Required Services and the Additional Services as the “Approved Services.” CDI reserves the right to change the lists of Required Services and Approved Services at any time. As of the Effective Date, the list of Additional Services includes leather and vinyl cleaning, carpet repair, carpet spot dyeing, vinyl composite tile cleaning services, wood floor cleaning, applying anti-allergen and deodorizer, and dryer vent cleaning. CDI may condition the offer and sale, or continuation of the offer and sale, of Additional Services and products in its sole discretion, and to require franchisees which offer and perform such Additional Services to be certified by successful completion of an additional training and/or the purchase of additional equipment and cleaning solutions. Termination or expiration of this Agreement shall constitute a termination or expiration of the Franchise.

**D. FRANCHISED AREA**

The number of franchises which can operate and perform CHEM-DRY Businesses within the Franchised Area at any given time is determined by dividing the current population of the area by sixty thousand (60,000). The nearest whole number to the quotient (the “Maximum Number”) is the maximum number of franchises that CDI may grant in the Franchised Area; provided, however, that, in addition, another franchisee or a third party designated by CDI may service national accounts in the Franchised Area if FRANCHISEE elects not to service a national account or if a national account elects not to do business with FRANCHISEE. The Franchised Area will be determined by CDI based on, among other things, population, population density, geographical terrain and market potential. Based on population changes, the Maximum Number may increase or decrease from time to time and may not remain constant; however, the Maximum Number only affects CDI’s ability to grant franchises and no franchise will be terminated solely as a result of a

decrease in the Maximum Number. FRANCHISEE is in compliance with this Agreement when no event or circumstance has occurred that will give CDI the right to terminate this Agreement under Section 15, whether or not CDI has given notice of default, non-compliance or termination to FRANCHISEE.

FRANCHISEE agrees to operate and conduct business from a single location within the non-exclusive Franchised Area from which FRANCHISEE may operate as many crews, teams, sales forces and vans as necessary. In the event FRANCHISEE has multiple franchises, a separate cleaning crew must be available for each franchise to perform requested work within the Franchised Area for the Approved Services.

FRANCHISEE agrees to advertise and solicit business for the authorized services within the Franchised Area only. FRANCHISEE further agrees that FRANCHISEE will accept and perform only those jobs that are within the Franchised Area.

If FRANCHISEE accepts and performs a job outside of the Franchised Area, CDI will have the right to impose on FRANCHISEE a fine of \$5,000 for each occurrence, due and payable upon invoice, or the right to terminate this Agreement.

FRANCHISEE agrees to, at all times, faithfully, honestly and diligently perform his or her obligations hereunder and to continuously exert best efforts to effectively promote and enhance the BUSINESS and develop and service customers within the Franchised Area.

**E. RIGHTS CDI RESERVES**

Except for the limited license and rights expressly granted to FRANCHISEE under this Agreement, CDI retains all rights with respect to CHEM-DRY Businesses, the Franchise System, the Marks, the sale of the same or similar products and services, and any other activities CDI deems appropriate whenever and wherever CDI desires including inside or outside the Franchised Area. Specifically, but without limitation, CDI reserves the right to:

1. subject to the foregoing limitations on the Maximum Number of franchises in the Franchised Area, grant franchises for any area, including inside or outside the Franchised Area, on any terms CDI deems appropriate;
2. develop, sell, manufacture or distribute, inside or outside the Franchised Area, whether in proximity to the BUSINESS or otherwise, any type of product or service identified by or associated with the Marks or other trademarks in any channel of distribution, including but not limited to telephone and mail order, television, electronic media (i.e., including the internet), catalogue sales, and/or through retail or similar establishments or outlets;
3. develop, sell, manufacture or distribute inside or outside the Franchised Area, whether in proximity to the BUSINESS or otherwise, any type of product or service identified by trademarks or service marks other than the Marks in any channel of distribution including but not limited to telephone and mail order, television, electronic media (i.e., including the internet), catalogue sales, and/or through retail or similar establishments or outlets; and
4. subject to the terms of this Agreement, conduct promotional programs and/or national accounts programs, involving, without limitation, the provision of services to customers inside or outside the Franchised Area.

**F. MODIFICATION OF FRANCHISE SYSTEM**

Because complete and detailed uniformity among Franchise System franchisees under varying conditions might not be possible or practical, FRANCHISEE acknowledges that CDI specifically reserves the right and privilege, to vary, waive, modify, change or add to System Standards for any franchisee based upon the particulars of any condition that CDI considers important to that franchisee's successful operation. FRANCHISEE has no right to require CDI to grant FRANCHISEE a similar variation or accommodation, or to claim for damages from such variation, or to prevent or enjoin the granting and continuation of such variation or accommodation. Furthermore, FRANCHISEE acknowledges and agrees that CDI may from time to time add to, subtract from, modify or otherwise change the Franchise System, including, without limitation, the adoption and use of new or modified certification marks, trademarks or trade names, new fixtures, equipment and signs, new products or services and new techniques in connection therewith, and FRANCHISEE agrees, at its own cost, to promptly accept, implement, use and display all such alterations, modifications and changes.

**2. BUSINESS DEVELOPMENT**

**A. BUSINESS DEVELOPMENT**

FRANCHISEE agrees to do the following, at FRANCHISEE's own expense, to develop the BUSINESS:

1. secure all financing required to develop and operate the BUSINESS;
2. obtain and maintain in good standing all required permits and licenses necessary to operate the BUSINESS, and comply with all applicable laws relating to the operation of the BUSINESS;
3. purchase or lease, and install, all required equipment, supplies, products, vehicles (including at least one (1) white cargo van) and signs (collectively, "Operating Assets") for the BUSINESS; and
4. complete all required training in a timely manner, as more fully described in Section 3 below.

**B. VANS**

FRANCHISEE agrees to purchase or lease one (1) or more white cargo van(s) suitable for the purpose of transporting various equipment, supplies and materials needed to operate the BUSINESS and which otherwise meets CDI's System Standards in the Manual. The van(s) must be used for all cleaning jobs. FRANCHISEE agrees: (1) to maintain the condition and appearance of FRANCHISEE's van(s) according to the standards imposed by CDI from time to time and to maintain the condition of the equipment consistent with the image of a CHEM-DRY Business as a professionally operated service business; (2) that the van(s) shall not be used for any purpose other than the operation of the BUSINESS as described herein; (3) not to sell, donate, rent, lease or otherwise transfer any of the van(s) without first removing any and all signs, emblems, lettering and logos indicating an association with CHEM-DRY Businesses, and/or other Marks, from the van(s).

**C. COMPUTER SYSTEM**

1. CDI may designate specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by you, including without limitation: (i) a compatible computer system that complies with our standards and specifications; (ii) archival back-up systems; (iii) internet access mode and speed; and (iv) physical, electronic, and other security systems (the “Computer System”). CDI may modify the specifications and components of the Computer System from time to time. Upon CDI’s request, FRANCHISEE agrees to purchase and install the Computer System, including any upgrades or replacements CDI specifies.

2. FRANCHISEE also agrees to pay initial and ongoing fees to CDI or its designee for licensing, maintenance and support of any proprietary computer software/applications CDI or its designee provides as a part of the Computer System and that such software/applications may include, among other things, a credit card or other payment processing function requiring FRANCHISEE to process all credit card and other payment transactions through this component of the Computer System.

3. Franchisee agrees to execute and comply with the terms of the Software License Agreement for use in conjunction with the Computer System and acknowledges that any breach of the Software License Agreement will be deemed to be a material breach of this Agreement and any other franchise agreement FRANCHISEE may have with CDI or its affiliates.

4. You may not implement a website or URL for your Chem-Dry Business, either yourself or through a third-party provider, without our prior written consent.

5. We have the right to change this requirement at our discretion.

**D. BUSINESS OPENING**

FRANCHISEE agrees not to open the BUSINESS until:

1. FRANCHISEE completes CDI’s initial training to CDI’s satisfaction;
2. FRANCHISEE pays the initial fee and other amounts then due to CDI; and
3. FRANCHISEE gives CDI certificates for all required insurance policies in accordance with current System Standards.

Subject to FRANCHISEE’S compliance with these conditions, FRANCHISEE agrees to commence operation of the BUSINESS no later than ninety (90) days after the effective date of this Agreement.

**3. TRAINING AND GUIDANCE**

**A. INITIAL AND NEW BUYER TRAINING**

1. Unless you are an existing franchisee, CDI shall furnish an initial training program on the operation of a CHEM-DRY Business which FRANCHISEE is required to complete to CDI’s satisfaction prior to FRANCHISEE’S commencement of BUSINESS operations. CDI agrees to provide FRANCHISEE with initial training on how to (1) mix and apply cleaning solutions, use equipment in cleaning the work product and performing the services required for a CHEM-DRY business under normal working conditions; (2) compute estimates; (3) solicit and

maintain business; and (4) replace inventory and otherwise enter into and conduct a CHEM-DRY Business. If FRANCHISEE purchases a new franchise from CDI, FRANCHISEE will be required to attend a training session in Ann Arbor, Michigan, or at another location designated by CDI prior to operating the CHEM-DRY Business. If FRANCHISEE is a transferee, FRANCHISEE must complete the training required in this section 3.A. within ninety (90) days of FRANCHISEE'S execution of this Agreement by attending a training session in Ann Arbor, Michigan or at another location designated by CDI.

2. FRANCHISEE is responsible for all compensation, benefits, taxes, insurance, travel expenses and living expenses which are incurred in connection with attending the training program. The Initial Package includes training tuition for two people to attend training. CDI may charge tuition for additional trainees and for training associated with the transfer of an existing franchise. The tuition amount as of the Effective Date is \$75.00 per day per attendee.

3. If CDI determines, in its sole discretion, that FRANCHISEE failed to satisfactorily complete the training program, CDI shall have the right to require that FRANCHISEE attend the next initial training program at FRANCHISEE'S expense (including tuition charged by CDI and all compensation, benefits, taxes, insurance, travel and living expenses incurred), or that FRANCHISEE view CDI's web-based training or other media and pass the accompanying test(s). If FRANCHISEE'S performance in the additional training program is unsatisfactory or if FRANCHISEE fails to complete the training, FRANCHISEE'S Business Note signed in connection with this Agreement will be accelerated and immediately due and payable and CDI shall have the right to terminate this Agreement effective immediately.

## **B. GUIDANCE AND MANUAL**

1. CDI shall furnish to FRANCHISEE guidance in the form and substance determined necessary by CDI in connection with the operation of his or her BUSINESS. In the sole discretion of CDI, it shall furnish such guidance in the form of CDI's training manual (which may consist of one or more separate manuals) and other manuals for the operation of a CHEM-DRY Business (the "Manual"), newsletters or other written materials, electronic media, telephonic conversations and/or consultation at the offices of CDI or FRANCHISEE. Additional guidance and assistance shall be available, in the sole discretion of CDI, at per diem fees and charges established from time to time by CDI. New ideas or inventions when made or obtained by CDI will be made available to franchisees at CDI's sole discretion.

2. During the term of the Franchise, CDI will provide FRANCHISEE with access to the Manual, which could include DVDs, computer software and other applications, access to web-based training, other electronic media, and/or written materials. The Manual contains mandatory and suggested specifications, standards, operating procedures and rules ("System Standards") prescribed from time to time by CDI for the operation of a CHEM-DRY Business and information relative to other obligations of FRANCHISEE hereunder. CDI shall have the right to add to, delete from, replace and otherwise modify the Manual from time to time to reflect changes in System Standards and the Franchise System, provided that no such addition or modification shall alter FRANCHISEE'S fundamental status and rights under this Agreement. FRANCHISEE shall keep the Manual current. In the event of a dispute over the contents of the Manual, the master copy maintained by CDI at its principal office, shall be controlling. FRANCHISEE agrees that the Manual's contents are confidential and agrees not disclose the Manual at any time to any person other than employees of the BUSINESS who need to know its contents or use the Manual for any

purpose other than operating the BUSINESS.— FRANCHISEE may not, at any time, copy, duplicate, record, or otherwise reproduce any part of the Manual. If FRANCHISEE loses the Manual or the Manual is damaged or destroyed, FRANCHISEE shall obtain a replacement copy at CDI's then applicable charge.

3. At CDI's option, CDI may post some, or all, of the Manual on a restricted Website or intranet to which FRANCHISEE will have access. (For purposes of this Agreement, "Website" means an interactive electronic document contained in a network of computers linked by communications software, including, without limitation, the Internet and World Wide Web home pages). If CDI does so, FRANCHISEE agrees to follow CDI's security protocols and monitor and access the Website or intranet for any updates to the Manual or System Standards. Any passwords or other digital identifications necessary to access the Manual on a Website or intranet will be deemed to be part of Confidential Information (defined in Section 5 below).

#### **4. MARKS**

##### **A. OWNERSHIP AND GOODWILL OF MARKS**

FRANCHISEE acknowledges the right to use the Marks is derived solely from this Agreement and is limited to the conduct of the BUSINESS pursuant to and in compliance with this Agreement and all System Standards as prescribed by CDI from time to time during the Term. Any unauthorized use of the Marks by FRANCHISEE shall constitute an infringement of the rights of CDI in and to the Marks. FRANCHISEE agrees that all usage of the Marks by FRANCHISEE and any goodwill established thereby shall inure to the exclusive benefit of CDI. FRANCHISEE acknowledges that this Agreement does not confer any goodwill or other interests in the Marks upon FRANCHISEE (other than the right to operate the BUSINESS under this Agreement). All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trade and service marks and commercial symbols CDI hereafter authorizes for use by FRANCHISEE. FRANCHISEE may not at any time during or after the term of this Agreement, contest or assist any other person in contesting the validity, or CDI's ownership of, the Marks.

##### **B. LIMITATIONS ON FRANCHISEE'S USE OF MARKS**

FRANCHISEE agrees to use the Marks as the sole identification for the BUSINESS, except that FRANCHISEE shall always be identified as the independent owner and operator thereof in the form and manner prescribed by CDI. FRANCHISEE shall not use any Mark (1) as part of any Entity or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to FRANCHISEE hereunder), (3) in selling any unauthorized services or products, (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a website or email, except as outlined in the Advertising Rules & Guidelines, or (5) in any other manner not expressly authorized in writing by CDI. FRANCHISEE may not use the Marks in advertising the transfer, sale, or other disposition of the BUSINESS or an ownership interest in FRANCHISEE without CDI's prior written consent, which it will not unreasonably withhold. FRANCHISEE agrees to prominently display the Marks (and only the Marks) on each van used by FRANCHISEE in connection with the operation of the BUSINESS, and on contracts, forms, equipment, uniforms and other materials authorized by CDI. FRANCHISEE further agrees that FRANCHISEE'S telephone number shall be used exclusively for the operation of the BUSINESS and for no other purpose. Promotion of the BUSINESS by use of the internet must adhere to the then—current Advertising Rules & Guidelines. FRANCHISEE agrees to give such notices of trade and service mark registrations as CDI specifies

and to obtain such fictitious or assumed name registrations as may be required under applicable law.

**C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS**

CDI is not required to protect your right to use the Marks or to protect you against claims of infringement or unfair competition arising out of your use of the Marks. FRANCHISEE shall notify CDI immediately of any apparent infringement or challenge to FRANCHISEE'S use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than CDI, CDI's attorneys, and FRANCHISEE'S attorneys, regarding any infringement, challenge or claim. CDI will take such action as it, in its sole discretion, deems appropriate (including no action) and will have the right to exclusively control any litigation, U.S. Patent and Trademark office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. FRANCHISEE shall sign any documents and take any other reasonable action that, in the opinion of CDI's attorneys, are necessary or advisable to protect and maintain CDI's interest in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain its interests in the Marks. CDI will reimburse FRANCHISEE for FRANCHISEE's costs of taking any action CDI has asked FRANCHISEE to take. However, CDI is not required to defend you against any claims of infringement or unfair competition arising out of your use of the Marks and is not required to indemnify you for any expenses or damage that you incur in any administrative or judicial proceeding involving a mark or if the proceeding is resolved unfavorably to you any of the Marks. A finding of invalidity of any of the Marks will not affect your obligations to CDI.

**D. DISCONTINUANCE OF USE OF MARKS**

FRANCHISEE agrees to comply with CDI's directions to modify or otherwise discontinue the use of any Mark at FRANCHISEE's own expense. Under no circumstance will CDI be obligated to reimburse FRANCHISEE for any loss of revenue or goodwill associated with any modified or discontinued Marks or for any expenditures made by FRANCHISEE to promote a modified or substitute trademark or service mark.

**5. CONFIDENTIAL INFORMATION**

1. CDI possesses (and will continue to develop and acquire) certain confidential information relating to, without limitation, the methods, techniques, formats, specifications, procedures, information, systems, sales and marketing techniques and knowledge of and experience in the development, operation and franchising of CHEM-DRY Businesses (the "Confidential Information"). CDI will disclose the Confidential Information to FRANCHISEE in the training program, the Manual and/or in guidance furnished to FRANCHISEE. FRANCHISEE acknowledges that the Confidential Information is proprietary and/or involves trade secrets of CDI and that FRANCHISEE will not acquire any interest in the Confidential Information, other than the right to utilize it as CDI specifies in the operation of the BUSINESS during the term of this Agreement. FRANCHISEE acknowledges and agrees that the Confidential Information is disclosed to FRANCHISEE only on the condition that FRANCHISEE agrees, and FRANCHISEE in fact does agree, that FRANCHISEE:

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

b. will keep each item deemed to be part of Confidential Information absolutely confidential, both during and after this Agreement's Term;

c. will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and

d. will require each employee of the BUSINESS, at the time of employment, to sign a confidentiality agreement agreeing to maintain the confidentiality of the Confidential Information. CDI has the right to regulate the form of agreements that FRANCHISEE uses.

2. FRANCHISEE agrees that the list of FRANCHISEE's current customers, former customers and those who have inquired about the services provided by the BUSINESS (the "Customer List") shall be included in the Confidential Information, shall be the property of CDI and shall constitute a trade secret of CDI. FRANCHISEE agrees that it does not own the Customer List and that it will not disclose the Customer List, or any portion thereof, to any person or entity other than CDI or its designee, either during the term of this Agreement or thereafter. FRANCHISEE agrees to only use the Customer List in the operation of the BUSINESS and in accordance with this Agreement.

3. Confidential Information does not include information, knowledge, or know how which FRANCHISEE can demonstrate lawfully came to FRANCHISEE'S attention before CDI provided it to FRANCHISEE directly or indirectly; which, at the time CDI disclosed it to FRANCHISEE, already had lawfully become generally known in the industry through publication or communication by others (without violating an obligation to CDI); or which, after CDI discloses it to FRANCHISEE, lawfully becomes generally known in the industry through publication or communication by others (without violating an obligation to CDI). However, if CDI includes any matter in Confidential Information, anyone who claims that it is not Confidential Information carries the burden of proof that one of the exclusions provided in this paragraph applies.

4. All ideas, concepts, techniques, or materials relating to a CHEM-DRY Business, whether protectable intellectual property and whether created by or for FRANCHISEE or FRANCHISEE'S Owners or employees, must be promptly disclosed to CDI and will be deemed to be CDI's sole and exclusive property, part of the Franchise System, and works made-for-hire for CDI. To the extent that any item does not qualify as a "work made-for-hire" for CDI, by this paragraph FRANCHISEE hereby assigns ownership of that item, and all related rights to that item, to CDI and agrees to take whatever action (including signing assignment or other documents) CDI requests to evidence CDI's ownership or to help CDI obtain intellectual property rights in the item.

## **6. EXCLUSIVE RELATIONSHIP/ COMPETITIVE BUSINESS**

1. FRANCHISEE acknowledges and agrees that CDI would be unable to protect the Confidential Information against unauthorized use or disclosure if franchisees of CHEM-DRY Businesses were permitted to hold interests or otherwise participate in or promote any Competitive Business (as defined below).

2. FRANCHISEE therefore agrees that during the term of this Agreement, neither FRANCHISEE, nor any Owner, manager, officer, partner or director of FRANCHISEE, if an Entity, and any of their respective spouses and adult offspring shall:

a. have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business – wherever located or operating (except that equity ownership of less than two percent (2%)

of a Competitive Business whose shares or other forms of ownership interest are publicly traded on a recognized United States securities exchange will not be deemed to violate this subparagraph);

b. perform services as a director, officer, manager, employee, consultant, contractor, representative, or agent for a Competitive Business, wherever located or operating;

c. solicit any existing customer of the BUSINESS, or any party to whom or which the BUSINESS has communicated for the purpose of marketing the services of the BUSINESS, in order to divert or attempt to divert any actual or potential business or customer of the BUSINESS to a Competitive Business or any other business; or

d. engage in any other activity which might injure the goodwill of the Marks and Franchise System.

3. The term “Competitive Business” as used in this Agreement shall mean any business which provides, sells or grants franchises or licenses to others to provide or sell, carpet or upholstery/drapery cleaning services or products, tile and stone care services or products, spot removal, applying anti-allergen and deodorizer, or protective services or products, Approved Services, or any related or ancillary services or products.

## **7. INDEMNIFICATION**

1. FRANCHISEE agrees to indemnify, defend, and hold harmless CDI, its affiliates, and CDI’S and their respective shareholders, directors, officers, employees, agents, successors, and assignees (the “Indemnified Parties”) against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the BUSINESS’S operation, the business FRANCHISEE conducts under this Agreement or outside the scope of this Agreement using the Marks, or FRANCHISEE’S breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party’s negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by CDI’s gross negligence or willful misconduct in a final, unappealable ruling issued by a court of, or arbitrator with, competent jurisdiction.

2. For purposes of this indemnification, “claims” include all obligations, damages (actual, consequential, punitive or otherwise), and costs that any Indemnified Party reasonably incurs in investigating, defending and resolving any claim against it, including, without limitation, reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, interest, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at FRANCHISEE’S expense and agree to settlements or take any other remedial, corrective, or other actions.

3. This indemnity will survive termination or expiration of this Agreement and continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement until the expiration of all statutes of limitation on any claims covered by this indemnity, and for the duration of all defending claims asserted against an Indemnified Party before the expiration of such limitations.

## **8. FEES**

In consideration of the license granted to FRANCHISEE in this Agreement, FRANCHISEE agrees to pay to CDI the following fees:

### **A. INITIAL LICENSE FEE**

1. FRANCHISEE agrees to pay a non-recurring and non-refundable initial fee (the “Initial Fee”) comprised of the following:

a. An initial license fee in the amount as set for on the Summary Page of this Agreement for the right to use the Marks during the term of this Agreement (the “Initial License Fee”); and

b. An initial advertising, cleaning solution, and equipment package fee in the amount as set forth on the Summary Page of this Agreement, not including state or local taxes, which can vary, (the “Initial Package”).

2. If CDI agrees to finance the Initial License Fee, FRANCHISEE shall pay a down payment in the amount as set forth on the Summary Page when FRANCHISEE signs this Agreement and FRANCHISEE will sign and deliver to CDI FRANCHISEE’S Business Note (the “Business Note”) for the balance of the Initial License Fee. The Business Note is payable whether or not this Agreement terminates and is not subject to any claim, set off or defenses arising under this Agreement. CDI may assign, pledge or transfer the Business Note to a third party without notice to FRANCHISEE.

3. Upon execution of this Agreement by CDI, the Initial License Fee shall be deemed fully earned and non-refundable.

### **B. MONTHLY FRANCHISE FEE**

1. FRANCHISEE agrees to pay CDI a continuing, non-refundable monthly franchise fee (the “Monthly Franchise Fee”) in the amount as set forth on the Summary Page to this Agreement, beginning on the tenth (10th) day of either (A) the fourth (4th) month after FRANCHISEE completes initial training, (B) if FRANCHISEE is an existing Chem-Dry franchisee, the fourth (4th) month after the Effective Date of this Agreement, or (C) if this is a transfer or succession of an existing Chem-Dry business, the tenth (10th) day of the month after the Effective Date of this agreement (the “Payment Start Date”) for a license to operate the BUSINESS.

2. CDI may increase, in its sole discretion, the Monthly Franchise Fee not more than once each calendar year to reflect increases in the Consumer Price Index for All Urban Consumers-All Items, All Cities Average (1982-1984 = 100) as published by the U.S. Department of Labor or in a successor index we select (“the Consumer Price Index”). Monthly Franchise Fees are non-refundable once paid. CDI will notify FRANCHISEE of any change in the Monthly Franchise Fee.

3. If FRANCHISEE continues to operate the BUSINESS after expiration of the Term or termination of this Agreement, FRANCHISEE will continue to pay the Monthly Franchise Fee on the 10th of the month in an amount that is twice the amount of the Monthly Franchise Fee then in effect until FRANCHISEE signs a successor Franchise Agreement and pays the Successor Fee or ceases to operate the BUSINESS.

### **C. ADDITIONAL FEES AND INTEREST ON LATE PAYMENTS**

1. You must pay to us the then-current administrative fee in effect (the “Administrative Fee”) specified in the Manual upon your request or when we are required due to your actions or request, amend the Agreement or when you ask us to issue written consent to various transactions or to services for which a specific fee is not imposed elsewhere in this Agreement or the System. As of the Effective Date, the Administrative Fee is \$500.00 per transaction.

2. Each discrete amount payable by FRANCHISEE to CDI or its affiliates under this Agreement shall bear interest after its due date at the lesser of one and one-half percent (1.5%) per month or the highest applicable legal rate for open account business credit in the state of FRANCHISEE’s domicile. FRANCHISEE acknowledges that this Section shall not constitute CDI’s agreement to accept any payment after its due date or a commitment by CDI to extend credit to, or otherwise finance the BUSINESS.

3. If CDI debits FRANCHISEE’S account for monies owed and there are insufficient funds available, CDI may charge FRANCHISEE its then-current non-sufficient funds fee (“NSF Fee”).

### **D. APPLICATION OF PAYMENTS**

Notwithstanding any designation by FRANCHISEE, CDI shall have sole discretion to apply any payments by FRANCHISEE to any ~~for~~ fees, purchases from CDI or its affiliates, interest or any other amount owed in such order and application as CDI shall determine. CDI also reserves the right to offset against any sums payable to FRANCHISEE by CDI the amount of any unpaid debts owed by FRANCHISEE to CDI. FRANCHISEE covenants and agrees to cooperate fully and comply with any system implemented by CDI for the electronic or other transfer of funds directly from the bank account of FRANCHISEE to the bank account of CDI, including the execution of any pre-authorized payment forms required by the FRANCHISEE’S bank or with any system implemented by CDI for electronic payment of amounts owed by FRANCHISEE.

## **9. FRANCHISE IMAGE AND OPERATING PROCEDURES**

### **A. EQUIPMENT, PRODUCTS AND SERVICES**

1. FRANCHISEE agrees to use only such Operating Assets and other equipment, cleaning solutions, supplies, promotional materials and business services which have either been approved by CDI or purchased from CDI, its affiliates or other sources, approved or designated by CDI from time to time. FRANCHISEE agrees to purchase all cleaning solutions only from CDI or its affiliates or approved or designated suppliers at the then-current list price, plus applicable taxes, and to pay for all purchases no later than thirty (30) days from the invoice date. FRANCHISEE is required to purchase a minimum of \$3,338.50 (increased not more than once each calendar year to reflect increases in The Metropolitan Area Consumer Index for Urban Consumers-All Items (1982-1984 = 100) as published by the U.S. Department of Labor or in a successor index (the “Consumer Price Index”) of cleaning solution from CDI or its affiliates each calendar year (“Minimum Purchase Amount”). FRANCHISEE may be required to purchase additional amounts of certain products (including a designated mix of product) to meet the product minimums as outlined in the Manual. FRANCHISEE may purchase other equipment, product or supply items from CDI at the then-current list price, plus applicable taxes, and to pay for all purchases no later than thirty (30) days from the invoice date. CDI may approve only a limited

number of sources or a single source (which may include CDI or its affiliates) for certain Operating Assets, or other equipment, supply items, promotional materials and business services (such as credit card processing).

2. If FRANCHISEE: (1) uses any cleaning process or equipment not approved by CDI (which includes improper mixing or application) or (2) offers services in the BUSINESS not approved by CDI, CDI shall have the right to impose on FRANCHISEE a fine of \$5,000 for each occurrence or to terminate this Agreement. If FRANCHISEE possesses or uses cleaning solutions not obtained from CDI in the operation of the BUSINESS, CDI shall have the right to impose on FRANCHISEE a fine of \$5,000 for each occurrence or to terminate this Agreement. FRANCHISEE will pay any such fine when invoiced.

3. FRANCHISEE is required to maintain a business telephone in accordance with the System Standards in the Manual.

## **B. AUTHORIZED PRODUCTS AND APPROVED SERVICES**

The reputation and goodwill of CDI and the Franchise System is based upon and can be maintained and enhanced only by furnishing consistent high quality carpet and upholstery/drapery cleaning, spot removal, applying anti-allergen and deodorizer, and protecting services and other related products and services. FRANCHISEE agrees, therefore, to only offer such cleaning, spot removal and protecting products and other services, and Approved Services that CDI shall authorize from time to time for the BUSINESS. FRANCHISEE agrees not to sell, rent or lease the Customer List(s) or customer contracts, or otherwise use the Customer List(s) for any purpose other than in connection with the operation of the BUSINESS. FRANCHISEE agrees not to, without the prior written approval by CDI, offer or sell any type of service or offer, sell or use any product that is not authorized by CDI for the CHEM-DRY Business. FRANCHISEE will not resell any type of cleaning solutions without the express written approval of CDI. FRANCHISEE further agrees that the equipment used in CHEM-DRY Businesses shall not be used for any purpose other than the operation of the BUSINESS in compliance with this Agreement and in the manner in which it was intended and according to operating procedures as outlined in the Manual.

## **C. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES**

1. FRANCHISEE shall secure and maintain in force in its name all required licenses, permits and certificates relating to the operation of the BUSINESS. FRANCHISEE shall operate the BUSINESS in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to environmental protection, occupational hazards and health, worker's compensation insurance, unemployment insurance, terrorist activities, and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes.

2. The BUSINESS shall, in all dealings with customers, suppliers, CDI and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct, including but not limited to, performing Approved Services pursuant to the BUSINESS within a reasonable amount of time from a customer's request. FRANCHISEE shall address all customer complaints in a timely manner and work diligently to resolve issues concerning the services provided pursuant to this Agreement. In the event CDI becomes involved in the resolution of a customer complaint, FRANCHISEE agrees to cooperate fully with CDI and its representatives in the investigation of the complaint. CDI will determine whether to offer to the customer as a result of CDI's

investigation. FRANCHISEE will pay the cost of resolution, including any discounts or refunds to the customer CDI may deem, in its sole discretion, as necessary under the circumstances. CDI's decision is binding upon FRANCHISEE.

3. FRANCHISEE agrees to refrain from any business or advertising practice which may be injurious to the business of CDI and the goodwill associated with the Marks and other CHEM-DRY Businesses. FRANCHISEE shall notify CDI in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, summons, injunction, award or decree in any court, agency or other governmental instrumentality, which may adversely affect FRANCHISEE'S operation or financial condition or that of the BUSINESS and of any notice of violation of any law, ordinance, or regulation relating to the BUSINESS.

4. FRANCHISEE acknowledges and agrees that to comply with all federal, state, and other data security and privacy legislation applicable to the BUSINESS and its customers, and any Payment Card Industry Data Security Standards applicable to credit card data or related information.

#### **D. MANAGEMENT OF THE BUSINESS/RELATIONSHIP OF THE PARTIES**

1. The BUSINESS shall at all times be under FRANCHISEE'S direct supervision, although FRANCHISEE is not required to be engaged in the BUSINESS'S day-to-day operations. FRANCHISEE may designate a particular individual to be the operator of the BUSINESS. In this case, the operator must satisfactorily complete the initial training described in Section 3.A. of this Agreement either with you within 90 days of purchase, or within 90 days of the start of their employment with your business. FRANCHISEE and its owners agree that they will continuously exert their full time and best efforts to promote and enhance the BUSINESS.

2. The parties mutually understand and agree that this Agreement does not create a partnership, joint venture, agency, employment or fiduciary relationship of any kind between them, and that CDI and FRANCHISEE are independent contractors and that nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose. FRANCHISEE shall be solely responsible for all employment decisions and functions, including, without limitation, those related to hiring, firing, establishing remuneration, personnel policies, benefits, disciplining, supervising and recordkeeping, regardless of whether FRANCHISEE received advice from CDI on these subjects. CDI will not be, directly or indirectly, expressly or by implication, an employer of FRANCHISEE or its employees. FRANCHISEE shall hire all employees of the BUSINESS and will be exclusively responsible for the terms of their employment, compensation and proper training; however, FRANCHISEE shall not hire, retain or utilize any independent contractors to perform services for customers.

3. FRANCHISEE acknowledges and agrees that FRANCHISEE alone will exercise day-to-day control over all operations, activities and elements of the BUSINESS and that under no circumstance shall CDI do so or be deemed to do so. FRANCHISEE further acknowledges and agrees, that the various requirements, restrictions, prohibitions, specifications and procedures of the Franchise System which FRANCHISEE is required to comply with under this Agreement, whether set forth in the Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that CDI controls any aspect or element of the day-to-day operations of the BUSINESS, which FRANCHISEE alone controls, but only constitute brand standards FRANCHISEE must adhere to when exercising control of the day-to-day operations of the BUSINESS.

4. CDI does not assume any liability and will not be considered liable in any way for any express or implied agreements, warranties, guarantees or representations, or any debt incurred by FRANCHISEE in the name of or on behalf of CDI, which are not expressly authorized under this Agreement, or for the actions of any other Chem-Dry franchisees. CDI will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to FRANCHISEE'S operation of the BUSINESS.

5. FRANCHISEE shall conspicuously be identified in a form of notice required by CDI in all dealings with customers, suppliers, public officials and others as the owner of the BUSINESS under a franchise with CDI and shall place such other notices of independent ownership on such forms and other materials as CDI may require from time to time. FRANCHISEE shall not employ any of the Marks in signing any contract or applying for any license or permit or in a manner that may result in CDI's liability for any of FRANCHISEE'S indebtedness or obligations, nor may FRANCHISEE use the Marks in any way not expressly authorized by CDI. Furthermore, FRANCHISEE shall have no right to offer or sell any subfranchises, sublicenses or other form of delegation of rights under this Agreement.

6. FRANCHISEE acknowledges and agrees it is exclusively liable, and that CDI will have no responsibility or obligation whatsoever, for providing and furnishing any type or form of employee benefit or compensation to its employees, including without limitation, wages, salary, benefit plans, savings, or retirement plans (including contributions thereto), insurance, pension, stock, bonus, or like benefits or distributions. Further, CDI shall have no liability for any sales, use, occupation, excise, gross receipts, income, property or other taxes, whether levied upon FRANCHISEE or the BUSINESS in connection with the business conducted by FRANCHISEE. FRANCHISEE is responsible for paying all applicable taxes and must indemnify and reimburse CDI for any taxes that CDI must pay to any taxing authority or account of either FRANCHISEE'S operation or the payments made to CDI.

#### **E. INSURANCE**

FRANCHISEE shall at all times during the term of this Agreement maintain in force, at its sole expense, business liability, professional and product liability, and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the BUSINESS. Such insurance coverage shall be maintained under one or more policies of insurance containing minimum liability protection in such amounts as are specified by CDI from time to time and issued by insurance carriers acceptable to CDI. The insurance coverage for the BUSINESS must also state that the work product is covered and that there is no "workmanship" or "care, custody, and control" exclusion. All liability insurance policies required hereunder shall name CDI and any affiliates (and their officers, directors, employees, agents and affiliates and subsidiaries) as additional insureds and shall provide that CDI receives thirty (30) days prior written notice of termination, non-renewal, expiration or cancellation of any such policy. Upon sixty (60) days prior written notice to FRANCHISEE, CDI may increase the minimum liability protection requirements and require different or additional kinds of insurance at any time, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, product or motor vehicle liability litigation or other relevant changes in circumstances. FRANCHISEE shall furnish annually to CDI a copy of the certificate.

**F. PRICING**

FRANCHISEE may sell any Approved Service or product at any price it chooses. To the extent permitted by applicable law, CDI reserves the right to specify in writing a suggested retail price and/or to establish in writing minimum and/or maximum prices for the products and Approved Services FRANCHISEE sells in order to promote Interbrand competition. FRANCHISEE shall sell any products and services in accordance with the minimum and/or maximum retail prices established by CDI from time to time. Maximum and minimum prices for products and Approved Services FRANCHISEE and other franchisees sell may vary from region to region to the extent necessary in order to reflect differences in costs and other factors applicable to such regions.

In addition, FRANCHISEE must honor any coupons, gift certificates or other authorized promotional offers and participate in all national promotions and programs required by CDI from time to time at FRANCHISEE'S sole cost and may adjust its retail prices accordingly.

**G. COMPLIANCE WITH SYSTEM STANDARDS**

FRANCHISEE acknowledges and agrees that operating and maintaining the BUSINESS according to System Standards is essential to preserve the goodwill of the Marks and all CHEM-DRY Businesses. Therefore, FRANCHISEE agrees at all times to operate and maintain the BUSINESS according to all of CDI's System Standards, as and when modified by CDI. FRANCHISEE agrees that System Standards CDI prescribes in the Manual, or otherwise communicate to FRANCHISEE in writing or another tangible form (for example, via Franchise System extranet or Website), are an integral part of this Agreement as if fully set forth within its text, provided that CDI may unilaterally amend System Standards and the Manual without the consent of FRANCHISEE. All references to this Agreement include all System Standards as periodically modified.

**H. MODIFICATION OF SYSTEM STANDARDS**

CDI periodically may modify System Standards, which may accommodate international, national, regional or local variations, and these modifications may obligate FRANCHISEE to invest additional capital in the BUSINESS and/or incur higher operating costs. FRANCHISEE agrees to implement any changes in System Standards within the time period CDI requests, whether they involve buying new Operating Assets, adding new Products or Services, or otherwise modifying the nature of FRANCHISEE operations, as if they were part of this Agreement as of the Commencement date of this Agreement.

**I. AFFILIATE SERVICES**

1. FRANCHISEE acknowledges that CDI's affiliates and their franchisees not using the Marks may offer and sell goods and services similar to goods and services offered and sold by Chem-Dry Businesses inside and outside the Franchised Area, and to customers or businesses located in the Franchised Area. Nothing in this Agreement or otherwise shall prevent these CDI affiliates or their franchisees from offering their goods and services, without compensation to FRANCHISEE, inside the Franchised Area. In the event of a conflict between FRANCHISEE and an CDI affiliate outlet, CDI agrees to use reasonable methods to address the issue, however FRANCHISEE acknowledges and agrees that CDI and its affiliates have not established, and have no obligation to establish, any method of resolving conflicts between any competing franchises regarding territory, customers and franchisor support. Further, there are no restrictions or restraints

on competition or customer solicitation among the CDI affiliated brand systems that may offer similar products and services.

2. Franchisee acknowledges that CDI and its affiliates reserve the right to integrate their business and operations in the future and use common facilities, technology or platforms to provide training, business information systems, supply chain and other support elements. FRANCHISEE acknowledges that the referral of business between FRANCHISEE and CDI's affiliates and their franchisees would be mutually beneficial. Therefore, in the event CDI and/or its affiliates establish a referral program, FRANCHISEE agrees to notify CDI of any potential users of the affiliate services known by FRANCHISEE in accordance with terms, conditions, and procedures for such referrals established by CDI and its affiliates from time to time in the Manual or otherwise in writing. CDI reserves the right to manage, administer, establish and enforce or waive rules and policies, modify and discontinue any such referral program in its sole discretion.

## **10. MARKETING AND PROMOTION**

### **A. BY FRANCHISEE**

1. FRANCHISEE agrees to list the BUSINESS in the principal regular (white pages) and telephone directories distributed within the BUSINESS' Franchised Area, and in such telephone or internet directory categories as are specified by CDI. CDI may, at its option, by written notice to FRANCHISEE, convert and update this telephone directory listing obligation to digital and electronic advertising.

2. In order to obtain maximum results from promotional materials and to maintain the integrity of the Marks, FRANCHISEE shall not use promotional materials of any kind that have not been supplied by CDI or an approved vendor.

3. Beginning the fifth (5th) month after you complete Initial and New Buyer Training and continuing each month for eight (8) months ("Initial Marketing Period"), you agree to spend \$2,000 per month on local marketing, with least \$1,000 dedicated to digital marketing, and to use CDI recommended vendor(s) to provide the services. Following the Initial Marketing Period, and through the remaining term of this Agreement, FRANCHISEE is expected to spend annually at least 15% of the BUSINESS'S Gross Revenue to advertise and promote the BUSINESS (this may include the costs of telephone directory advertising). In addition, FRANCHISEE must mail reminder postcards/mailings to its customer data base at least four (4) times per year. CDI reserves the right to audit FRANCHISEE'S advertising expenditures at any time upon its request.

4. CDI may require FRANCHISEE's participation in international, national, regional and other marketing promotions, at FRANCHISEE's expense. This includes, without limitation, promotional programs and/or national account programs. FRANCHISEE, may, for good cause as determined by CDI, request permission from CDI not to perform services for any one or more of the national accounts ("national accounts" includes any account which contracts with CDI for services in more than one franchised area and referrals from parties) located in the Franchised Area. In addition, a national account may elect not to do business with FRANCHISEE. In either event, FRANCHISEE agrees that CDI, another franchisee or a third party designated by CDI may provide services for the national account in the Franchised Area. Neither CDI nor any other franchisee will be liable or obligated to pay FRANCHISEE any compensation for doing so and neither CDI nor any franchisee will be considered in breach of any provision of this Agreement or any other agreement between CDI and FRANCHISEE. If any multi-location account requests that

FRANCHISEE perform services outside of the Franchised Area, FRANCHISEE must refer such business to CDI or its designees. In order to receive referrals, FRANCHISEE may be required to obtain additional certification.

5. FRANCHISEE'S local advertising and promotion must follow CDI's guidelines. FRANCHISEE agrees that all advertising, promotion, and marketing will be completely clear, factual, and not misleading or incomplete, and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that CDI prescribes from time to time. FRANCHISEE must follow CDI standards and specifications regarding use of social media in any way that references the Marks or involves the franchise. "Social media" includes personal blogs, common social networks, like Facebook, professional networks, like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools. CDI's approval of FRANCHISEE'S separate website is conditioned on CDI's ownership of the URL for the separate website and FRANCHISEE'S compliance with the Advertising Rules & Guidelines. In the event that FRANCHISEE uses any advertising or promotional materials which are not in compliance with CDI's guidelines, CDI may: (a) charge FRANCHISEE a fine of \$2,000 for each occurrence; or (b) terminate this Agreement. FRANCHISEE will pay such fine when invoiced.

6. "Gross Revenue" as used in this section means all revenues of the BUSINESS, and shall include, but not be limited to, the amounts received from the sale of services and products of every kind and nature. Gross Revenue shall not include the amount of any sales tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or absorbed therein and actually paid by FRANCHISEE to such governmental authority.

## **B. BRAND MARKETING FUND**

1. Recognizing the value of advertising and marketing to the development of goodwill and the public image of Chem-Dry Businesses, CDI has established a Brand Marketing Fund (the "BMF") for the advertising, marketing and public relations programs and materials CDI deems appropriate to promote the Chem-Dry brand. FRANCHISEE agrees to contribute a continuing, non-refundable, monthly amount between \$100 and \$300 as determined by CDI (the "BMF Contribution"). The BMF Contribution shall be payable on the 25<sup>th</sup> day of each month beginning the same month your first Monthly Franchise Fee payment is due. Chem-Dry Businesses operated by CDI or its affiliates shall contribute to the BMF on the same basis as Chem-Dry Business franchisees. The BMF Contribution can be increased to a maximum of \$300 upon 30 days prior written notice from CDI to all FRANCHISEES. The separate BMF account is not a trust fund and CDI is not a fiduciary with regard to the separate BMF account or the monies on deposit therein.

2. We may deposit marketing, promotional and other payments we receive from suppliers or you into the BMF. CDI, not an advertising council, will administer the BMF and will disburse the BMF to pay for marketing, advertising, promotional, public relations, and other similar activities solely intended to benefit the System and all franchised and any company-owned locations. Those activities may include (without limitation) (a) market research, (b) marketing technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, (e) advertising production, (f) advertising and public relations agency fees and expenses, (g) product consumer-related research, and (h) creative services. We also may use the BMF to pay or reimburse us for our administrative overhead expenses incurred for activities

supported by the BMF by both in-house marketing and third-party marketing. Any amounts in the BMF not spent at the end of each fiscal year will remain in the BMF, provided that amounts contributed to the BMF may be used to pay taxes associated with unspent amounts on deposit in the BMF.

3. We will direct all activities and programs funded by the BMF with the assistance of a Chem-Dry Brand Marketing Fund Committee (the “Committee”). The Committee will be an advisory board comprised of franchisees and CDI corporate staff. The BMF will not be audited, however an unaudited financial statement and a summary of expenditures (the “Annual Report”) will be prepared annually by CDI. Upon your written request, we will provide the Annual Report to FRANCHISEE for the most recently ended fiscal year as Confidential Information. You acknowledge that we have no obligation to expend BMF amounts for BMF activities that provide a specific benefit equivalent or proportionate benefit to your BMF Contribution, and we do not warrant or guaranty that you will receive or derive any benefit from BMF activities. We will make final reports of studies and reports produced by the BMF available to you at no cost as Confidential Information. We will make all materials produced by the BMF for franchisee use in the Business available to you. We may suspend, terminate or reinstate the BMF at any time. The BMF will not terminate, however, until we have spent all amounts in the BMF for the purposes set forth above.

## **11. RECORDS AND REPORTING**

### **A. ACCOUNTING AND RECORDS**

FRANCHISEE agrees, at FRANCHISEE’s own expense, to maintain and preserve, in a secure location at the BUSINESS, for five (5) years from the date of their preparation, or such greater period as may be required by the Manual or applicable law, full, complete and accurate books, records and accounts including, without limitation copies of all customer contracts and the Customer List, employee records, sales, invoices, cash receipts, service records, purchase records, accounts payable, cash disbursement records, inventory records, general ledgers, itemized bank deposit slips and bank statements, copies of sales tax returns, and copies of FRANCHISEE’S state and federal income tax returns. These records must be maintained in the English language. CDI may require FRANCHISEE to have audited financial statements prepared annually during the term of this Agreement.

### **B. REPORTING REQUIREMENTS**

1. FRANCHISEE agrees to provide to CDI complete and accurate information in a manner and format that CDI periodically prescribes:

- (a) an income statement, profit and loss statement, and cash flow statement within 48 hours of request;
- (b) on the 5<sup>th</sup> day of each month, a report of Gross Sales obtained in the prior month
- (c) within ten (10) days after the end of each month, a report of FRANCHISEE’s Gross Revenue for such month and a current customer list;
- (d) within twenty (20) days after the end of each month, the operating statements, financial statements, statistical reports and other information CDI requests regarding FRANCHISEE and the CHEM-DRY BUSINESS covering the month;

(e) within sixty (60) days after the end of FRANCHISEE's fiscal year, annual profit and loss statement and source and use of funds statement and balance sheet for the CHEM-DRY BUSINESS as of the end of that fiscal year;

(f) within ten (10) days after filing thereof, exact copies of federal and state income, sales and other tax returns; and

(g) any other forms, records, books and other information CDI periodically required relating to the CHEM-DRY Business.

2. If the reporting information is not received by CDI in a manner and form prescribed by CDI and within the specified timeframe, FRANCHISEE is subject to a fine of \$300 per month for each month it is late or incomplete, or termination of this Agreement.

3. FRANCHISEE agrees that FRANCHISEE's chief accounting officer or chief executive officer must verify and sign each report and financial statement in the manner CDI prescribes. CDI may disclose data derived from these reports to third parties. CDI may, as often as it deems appropriate, access the Computer System and retrieve all information relating to the CHEM-DRY Business' operation. FRANCHISEE consents to such access and agrees to follow CDI's instructions on access procedures.

## **12. INSPECTIONS AND AUDITS**

To determine whether FRANCHISEE and the BUSINESS are complying with this Agreement and all System Standards, CDI and its designated agents or representatives may at all times and without prior notice to FRANCHISEE: (a) inspect FRANCHISEE's Operating Assets and business vehicles; (b) inspect the BUSINESS' premises location; (c) observe FRANCHISEE and all employees in the performance of Approved Services and any other work performed for customers; (d) inspect any job performed by FRANCHISEE, including without limitation obtaining a sample of cleaning solution used; and (e) contact and interview customers, employees and former employees of FRANCHISEE. FRANCHISEE agrees to cooperate fully with CDI. If CDI exercises any of these rights, it will not interfere unreasonably with the BUSINESS'S operation. If, upon inspection or investigation, CDI finds that the quality of work done by FRANCHISEE does not meet System Standards or commercial work standards in the Franchised Area, then CDI may, as an alternative to termination of this Agreement, require FRANCHISEE, at its own expense, to take additional training, obtain an independent evaluation from a qualified inspector, including but limited to any costs associated with the cleaning service and evaluation fee, and to correct the quality of its work and services on each job where the quality of the work does not meet CDI's System Standards. CDI's inspections and evaluations may include use of a "Mystery Shopper" program from time to time throughout the term of this Agreement which may include surveys of, and evaluations by, current and previous customers, without notice to FRANCHISEE. If FRANCHISEE fails an evaluation by CDI or by a Mystery Shopper or if CDI receives a specific customer complaint, FRANCHISEE must pay the costs and expenses of subsequent evaluations performed by FRANCHISEE and subsequent Mystery Shopper visits, plus any applicable fines.

CDI shall have the further right at any time during business hours (at least 9:00 am to 5:00 pm local time), and with at least three (3) days' prior notice to FRANCHISEE, to inspect and audit, or cause to be inspected and audited, the business records, bookkeeping and accounting records, sales and income tax records and returns, job records, purchase records, and other records of the

BUSINESS, any activity conducted by FRANCHISEE at or from the BUSINESS location, and the books and records of any corporation or other entity which holds the Franchise. FRANCHISEE further acknowledges and agrees that CDI shall have the right to make copies of all such books and records. FRANCHISEE shall fully cooperate with representatives of CDI and accountants hired by CDI to conduct any such inspection or audit. If FRANCHISEE fails to provide any such books, records and other materials requested at such inspection/audit in the format prescribed by CDI in the Manual or in writing, then FRANCHISEE shall pay CDI \$500 for each day any such requested books, records and other materials are not available to CDI plus CDI's reasonable expenses incurred in connection with such delay.

FRANCHISEE consents to CDI obtaining, using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by CDI or disclosed to CDI in accordance with this Agreement.

### **13. TRANSFER**

#### **A. BY US**

This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests herein. A sale, transfer, sublicense, subcontracting, delegation, or assignment by CDI of its interest in this Agreement, the Franchise System or the Marks or any parts thereof, and in the sale, transfer or assignment by CDI of this Agreement or any interest therein, may be completed without the consent of or notice to FRANCHISEE. To the extent that the purchaser or assignee shall assume the obligations of CDI under this Agreement, CDI shall thereupon and without further agreement, be released and relieved of all liability with respect to such obligations arising prior to and after such assumption. FRANCHISEE acknowledges that nothing in this Agreement shall prevent CDI from granting a security interest in any of its assets, including the Marks and any other intellectual property. FRANCHISEE further acknowledges that such any such secured party or any agents acting on behalf of such secured party shall not have any obligations to FRANCHISEE arising from the grant of such security interest.

#### **B. BY YOU**

1. FRANCHISEE acknowledges and agrees that the rights and duties created by this Agreement are personal to FRANCHISEE (and, if FRANCHISEE is an Entity, its Owner(s)) and that CDI has granted the Franchise in reliance upon CDI's perceptions of the individual(s) or collective character, business skill, aptitude and financial capacity of FRANCHISEE (and its Owner(s)) and the ability to operate the BUSINESS in the Franchised Area. Thus, you cannot transfer this Agreement. "Transfer" shall mean any voluntary, involuntary, direct, or indirect, in whole or in part, assignment, sale, gift, encumbrance, lease, merger, bequest, change in control, or other disposition of 1) this Agreement or any rights thereunder, 2) the BUSINESS or its assets, 3) any part of your ownership interest in the assets of the BUSINESS, including but not limited to, customer lists, customer contracts and any other customer information of the BUSINESS, 4) any part of your the equity/ownership interest in the Franchisee entity, or 5) a grant of an option, warrant or right to acquire an equity or ownership interest, including but not limited to by divorce, insolvency, probate or intestate succession, trust, or other operation of law. All Transfers require our prior written approval and are subject to the conditions below. Any such Transfer without our

prior written approval, will be void and will constitute a breach of this Agreement. We will not, however, unreasonably withhold our approval provided that the conditions specified below are met, which we will determine in our sole discretion.

**C. CONDITIONS FOR APPROVAL OF TRANSFER**

1. In any other proposed transfer (including a transfer of this Agreement, a transfer of a controlling ownership interest in FRANCHISEE or one of its Owners, or a transfer which is one of a series of transfers (regardless of the time period over which these transfers take place), all of the following conditions must be met as a condition for Franchisor to approve the Transfer:

a. you are in full compliance with this Agreement and all other agreements between you and us, our affiliates, or our designated/approved suppliers and vendors, and you have paid all accrued monetary obligations to us, our affiliates, and our designated/approved suppliers and vendor;

b. the proposed transferee and its direct and indirect equity owner(s) (if the transferee is an Entity) shall submit a complete CDI franchise application to CDI and meet CDI's then applicable standards and qualifications for a new BUSINESS;

c. FRANCHISEE and its owners, and the transferee is of good character and has sufficient business experience, aptitude, and financial resources to operate the BUSINESS;

d. the transferee has assumed or will assume in writing all of FRANCHISEE'S obligations incurred in connection with this Agreement and the conduct of the BUSINESS;

e. FRANCHISEE has paid all amounts owed to CDI and its affiliates, suppliers, and vendors, and have submitted all required reports and statements, and if still outstanding, pays off the Business Note;

f. the proposed transferee and its owners, affiliates, and owners' immediate family members are not engaged in a competitive business;

g. you provide us with written authorization to release to the transferee any and all information about the operation of the BUSINESS which we have collected;

h. the transferee pays the then-current fee and satisfactorily completes CDI's then-current initial training program;

i. the transferee shall (if the transfer is of this Agreement), or FRANCHISEE shall (if the transfer is of a controlling ownership interest in FRANCHISEE or one of its Owners), sign CDI's then-current form of franchise agreement, the personal guaranty and all other required exhibits, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, but which franchise agreement will not provide for payment of an initial license fee or purchase of an Initial Package;

j. in the case of an installment sale, a transaction where FRANCHISEE provides financing to transferee, transferee pays Franchisee via a promissory note or other structured payment plan, FRANCHISEE must continue to guarantee performance and all payment obligations to Franchisor under this Agreement until the final closing of the installment sale or final payment of such structured payment arrangement;

k. if you finance any part of the sale price of the transferred interest, then (a) you agree and will assure that all of the transferee's obligations under any promissory notes or agreements are subordinate to the transferee's obligation to pay Monthly Franchise Fees, BMF Contributions, and other amounts due to us and otherwise to comply with this Agreement, (b) you will not hold any security interest reserved in the business, and (c) you will enter into a comfort letter assuring us that the transferee will meet its obligations under the Franchise Agreement, and reaffirming your guaranty of the Franchise Agreement;

l. you to us:

(i) our then-current transfer fee as set forth in the Summary Page of this Agreement due at issuance of the Franchise Agreements to transferee. (These dollar amounts may be increased once per calendar year to reflect increases in the Consumer Price Index) as stated in the Manual. The transfer fee is due upon our preparation of the required transfer documentation (consent to transfer and assignment agreement and/or preparation of transferee's franchise agreement), and is non-refundable at such time;

(ii) all Monthly Franchise Fees for completed jobs up through the date of closing, fees, amounts owed under any promissory notes with us, late payment fees, late report fees, NSF Fees, interest fees, and all other fees or amounts owed to us, plus interest; and

(iii) all commissions, broker fees or other similar expenses if: (i) you list the BUSINESS with a broker, lead referral network or similar entity; or (ii) the transferee is referred to you or us by a broker, lead referral network or similar entity;

m. the transferee must assume and agree to be bound by all outstanding obligations to customers and clients of the BUSINESS;

n. FRANCHISEE, your principals, and the transferee (if we have a prior relationship with the transferee) sign a general release, in a form satisfactory to CDI, releasing to the extent permitted by applicable law, any and all claims against CDI and its affiliates, shareholders, officers, directors, employees, and agents (such requirement to sign a general release is subject to change in our sole discretion);

o. you must affirm and comply with your post-termination obligations, including, without limitation, such obligations set forth in Sections 6 or 16;

q. to the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

r. the transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

s. FRANCHISEE has corrected any existing deficiencies of the BUSINESS of which CDI has notified FRANCHISEE, and/or (ii) CDI permits, and the transferee agrees (if the transfer is of this Agreement) to upgrade the BUSINESS (including the equipment and the van(s) to be transferred to the transferee) in accordance with CDI's then-current requirements and specifications for entering or transferred CHEM-DRY Businesses within the time period CDI specifies following the effective date of the transfer;

t. FRANCHISEE and its transferring Owners (and any spouses or other immediate family members) acknowledge in a writing delivered to CDI that each of them

will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 16.D. below;

u. we have approved the material terms and conditions of the transfer, the form or purchase and sale agreement, and determined that the price and terms of payment will not adversely affect the transferee's operation of the BUSINESS. The purchase agreement between FRANCHISEE and the transferee must include: (a) a dollar breakdown of the sale price allocated to goodwill, covenant not to compete, van(s), cleaning equipment, cleaning supplies, and office equipment and supplies; and (b) a statement that FRANCHISEE has made a full disclosure to the transferee and that the parties have agreed upon the disposition of all of FRANCHISEE'S outstanding obligations and accounts receivable;

v. the transferee purchases or obtains all equipment CDI then requires to operate a CHEM-DRY Businesses, if not included in the transaction (including, without limitation, proprietary equipment related to the Franchise); and

w. FRANCHISEE and its transferring Owners will not directly or indirectly at any time or in any manner (except with respect to other CHEM-DRY Businesses FRANCHISEE owns and operates) identify itself or themselves or any business as a current or former CHEM-DRY Business or as one of CDI's current or former franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of a CHEM-DRY Business in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with CDI.

CDI may, but has no obligation to, review all information regarding the BUSINESS that FRANCHISEE gives the transferee, including the purchase agreement, correct any information that CDI believes is inaccurate, and give the transferee copies of any reports that FRANCHISEE has given CDI or CDI has made regarding the BUSINESS.

**D. DEATH OR DISABILITY OF FRANCHISEE OR MAJORITY OWNER; DIVORCE**

Upon your death or disability (or the death or disability of an owner of 33% or more of Franchisee (referred to in this document as "your death or disability")), the executor, administrator, conservator, guardian, or other personal representative of Franchisee must transfer your interest in this Agreement or in Franchisee, in accordance with Sections B and C above, to a third party within a reasonable amount of time, but not to exceed six (6) months. During this time between the death and disability and the transfer required by this Section, the BUSINESS must be operated in full compliance with this Agreement, as set forth in the next paragraph. The transfer will be subject to all of the terms and conditions applicable to transfers that are contained in this Section.

For purposes of this Section, disability is defined as a condition that materially impairs your ability to operate the BUSINESS in accordance with this Agreement for a period of thirty (30) or more consecutive days or sixty (60) or more days in a calendar year.

You will promptly notify us of any divorce proceedings that may result in a Transfer and tender the right of first refusal required in Section F below. If we do not exercise such right, you must request our consent to any Transfer, and comply with the Transfer conditions set forth above in Sections 13.B and 13.C.

**E. EFFECT OF CONSENT TO TRANSFER**

CDI's consent to a transfer of this Agreement and the BUSINESS, or any interest in FRANCHISEE or its Owners, is not a determination or evaluation of the fairness of the terms of any contract between FRANCHISEE and the transferee, a guaranty of the BUSINESS or the transferee's prospects of success, or a waiver of any claims CDI has against FRANCHISEE (or its Owners) or of CDI's right to demand the transferee's full compliance with this Agreement. CDI's consent to a transfer shall not operate to release FRANCHISEE nor any guarantor thereof from any liability or obligation to CDI under this Agreement.

**F. CDI'S RIGHT OF FIRST REFUSAL**

If FRANCHISEE or its Owner(s) shall at any time desire to sell an interest in the BUSINESS, an equity ownership interest in FRANCHISEE, or the Business Assets, FRANCHISEE or its Owner(s) shall obtain a bona fide, executed written offer from a responsible and fully disclosed proposed purchaser and shall submit an exact copy of such offer to CDI. CDI shall have the right, exercisable by written notice delivered to FRANCHISEE or its Owner(s) within thirty (30) days from the date of delivery of an exact copy of such offer to CDI, to purchase such interest in the BUSINESS, such equity ownership interest in FRANCHISEE or the Business Assets, for the price and on the terms and conditions contained in such offer, provided that CDI may substitute cash for any form of payment proposed in such offer and shall have not less than thirty (30) days to prepare for closing. If CDI does not exercise its right of first refusal, FRANCHISEE or its Owner(s) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to CDI's approval of the purchaser as provided in Section 13.C., provided that if the sale to such purchaser is not completed within ninety (90) days after delivery of such offer to CDI, or there is a material change in the terms of the sale, CDI shall again have the right of first refusal herein provided.

**G. FRANCHISED AREA TRANSFER**

If FRANCHISEE (and its Owners) are in compliance with this Agreement and any other agreement with CDI, then, subject to the other provisions of this Section 13, CDI shall not unreasonably withhold its approval of FRANCHISEE'S request to relocate the BUSINESS to a different franchised area so long as FRANCHISEE meets all of the applicable requirements of Section 13.H. ("Franchised Area Transfer"). FRANCHISEE acknowledges and agrees CDI's approval of the Franchised Area Transfer is limited to determining if FRANCHISEE meets the requirements of Section 13.H. and is not an endorsement by CDI of FRANCHISEE'S decision to relocate the Business or an indicator of FRANCHISEE'S future performance in the new franchised area. In no event is CDI liable for any damages suffered by FRANCHISEE (or its owners) as a result of approving the Franchised Area Transfer.

**H. CONDITIONS ON APPROVAL OF FRANCHISED AREA TRANSFER**

For any proposed Franchised Area Transfer, all of the following conditions must be met before or concurrently with the effective date of the Franchised Area Transfer:

1. the FRANCHISEE must be in compliance with this Agreement and any other agreement with CDI and its affiliates
2. FRANCHISEE has paid all amounts then due and owed to CDI under this Agreement and the Business Note, and has submitted all required reports and statements;

3. this Agreement is no more than six (6) months from the expiration of its term;
4. FRANCHISEE must sign CDI's then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;
5. FRANCHISEE must not have any unresolved customer service issues;
6. FRANCHISEE must provide CDI with the full and complete Customer List for the Franchised Area being vacated, unless FRANCHISEE has a subsequent operational Chem-Dry business in the Franchised Area;
7. FRANCHISEE pays CDI's then-current Franchised Area Transfer Fee;
8. If the Franchised Area is a Small Market and FRANCHISEE is relocating the Business to a standard sized franchised area, FRANCHISEE will pay the difference between the Initial License Fee paid by FRANCHISEE and CDI's then-current price for a standard-sized Franchised Area within five (5) days after CDI approves the Area Transfer; and
9. Subject to availability, at CDI's sole discretion, and any other requirements CDI may reasonably require;

#### **14. EXPIRATION OF THIS AGREEMENT**

##### **A. FRANCHISEE'S OPTION TO ACQUIRE A RENEWAL FRANCHISE**

1. If FRANCHISEE meets certain conditions, then FRANCHISEE will have the option to acquire one successor franchise term of five (5) years ("Renewal Term"). FRANCHISEE must give CDI written notice of FRANCHISEE's election to acquire a renewal franchise no earlier than nine (9) months and not later than six (6) months before the end of the initial term of this Agreement. The qualifications and conditions for the renewal term are described below. Within thirty (30) days after delivery of FRANCHISEE's notice in writing whether or not CDI shall grant a renewal franchise to FRANCHISEE.

To qualify for a renewal franchise, FRANCHISEE and its Owners must satisfy these conditions:

- a. FRANCHISEE (and each of its Owners) have not defaulted under this Agreement and failed to cure the default within the time permitted under this Agreement during its Term;
- b. Franchisee (and each of its required Owners) have successfully completed all of CDI's then-current training courses;
- c. FRANCHISEE (and each of its Owners) are, on the date FRANCHISEE gives its notice of election, in compliance with this Agreement, including without limitation any requirements regarding servicing national accounts; and
- d. FRANCHISEE agrees (regardless of cost) in the notice of election to add or replace specific Operating Assets, including without limitation any proprietary equipment associated with the Franchise, the business vehicles and other equipment), and otherwise modify the BUSINESS as CDI requires to comply with the System Standards then applicable for new entry CHEM-DRY Businesses.

2. If FRANCHISEE and each of its Owners are not, both on the date FRANCHISEE gives CDI written notice of FRANCHISEE'S election to acquire a renewal franchise and on the date on which the Term of the franchise expires, in compliance with this Agreement, FRANCHISEE acknowledges that CDI has no obligation to grant FRANCHISEE a renewal franchise, whether or not CDI had, or chose to exercise, the right to terminate this Agreement during its term under Section 15.

3. Notwithstanding anything to the contrary in this Agreement, at any time during the term of this Agreement, FRANCHISEE fails to be in compliance with this Agreement or any other agreement between FRANCHISEE and CDI, CDI may refuse to grant a renewal franchise by delivering a notice of CDI's refusal to grant a renewal franchise, stating the reasons for such refusal. If CDI'S notice indicates that CDI will permit FRANCHISEE to obtain a renewal franchise, CDI may condition such right upon FRANCHISEE'S continued compliance with this Agreement, including being current in financial obligations to CDI, and any other agreement between CDI and its affiliates and FRANCHISEE.

#### **B. GRANT OF A RENEWAL FRANCHISE**

If FRANCHISEE qualifies for a renewal franchise, FRANCHISEE agrees to sign the franchise agreement CDI then uses to grant franchises for new CHEM-DRY Businesses (modified as necessary to reflect the fact that it is for a renewal franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement, including without limitation, increased or additional fees and new product or service offerings as Required Services or Additional Services. At the time FRANCHISEE signs the renewal franchise agreement, FRANCHISEE will pay CDI a renewal fee as set forth on the Summary Page of this Agreement.

#### **C. AGREEMENTS/RELEASE**

If CDI grants a renewal franchise, CDI and FRANCHISEE and the owner(s) of FRANCHISEE shall execute CDI's then-current form of franchise agreement and such ancillary agreements as are used in offering franchises for the ownership and operation of CHEM-DRY Businesses (with appropriate modifications to reflect the fact that the agreements relate to the grant of a renewal franchise; including but not limited to, that FRANCHISEE shall not have a right to obtain a renewal franchise beyond the renewal term), and FRANCHISEE and its owner(s) shall execute a general release, in a form satisfactory to CDI, releasing, to the extent permitted by applicable law, any and all claims against CDI and its respective affiliates, shareholders, officers, directors, employees and agents. Failure by FRANCHISEE and its Owner(s) to sign such agreement(s) and release by the earlier of thirty (30) days before expiration of the Term or ninety (90) days after delivery thereof to FRANCHISEE shall be deemed an election by FRANCHISEE not to acquire a renewal franchise.

### **15. TERMINATION OF FRANCHISE**

#### **A. IMMEDIATE TERMINATION**

CDI may terminate this Agreement, effective immediately, if:

1. FRANCHISEE (or any of its owners) has made or makes any material misrepresentation or omission in acquiring the Franchise or operating the BUSINESS;

2. FRANCHISEE does not commence operations of the BUSINESS within ninety (90) days after signing this Agreement;

3. FRANCHISEE or required attendees do not satisfactorily complete the initial training program;
4. FRANCHISEE abandons or fails actively to operate the BUSINESS unless the BUSINESS has been closed for a purpose CDI has approved;
5. FRANCHISEE (or its Owners) makes or suffers any transfer in violation of Section 13;
6. FRANCHISEE (or any of its Owners) is or has been convicted by a trial court of, or plead or has pleaded no contest to, an indictable offense or any other crime or offense that is likely to adversely affect the reputation of the BUSINESS or other CHEM-DRY Businesses, or the goodwill of the Marks;
7. FRANCHISEE (or any of its owners) engages in any dishonest or unethical conduct which, in CDI's opinion, adversely affects the BUSINESS'S reputation or the goodwill associated with the Marks;
8. FRANCHISEE makes any unauthorized use of any Mark;
9. FRANCHISEE (or any of its owners) makes any unauthorized use or disclosure of any part of the Manual or any other Confidential Information;
10. FRANCHISEE violates any provision of this Agreement specifically authorizing ~~\_\_\_\_\_~~ CDI to terminate this Agreement as a remedy for such violation;
11. FRANCHISEE violates any health or safety law, ordinance, or regulation, or ~~\_\_\_\_\_~~ operate the BUSINESS in an unsafe manner;
12. FRANCHISEE fails to provide complete and accurate reports as required by CDI ~~\_\_\_\_\_~~ or fails to pay CDI, or its affiliates, any amounts due and does not correct the failure ~~\_\_\_\_\_~~ within ten (10) days after CDI delivers written notice of that failure to FRANCHISEE;
13. FRANCHISEE uses non-Chem-Dry products on two (2) or more occasions in ~~\_\_\_\_\_~~ operating the BUSINESS, or FRANCHISEE fails on two (2) or more separate occasions ~~\_\_\_\_\_~~ during any twelve (12) month period to submit when due reports or other data, ~~\_\_\_\_\_~~ information or supporting records, to pay CDI, or its affiliates, any amounts due, or otherwise fails to comply with this Agreement on two (2) or more separate occasions during any twelve (12) month period, whether or not such failures to comply are corrected after notice thereof is delivered to FRANCHISEE;
14. FRANCHISEE becomes insolvent;
15. FRANCHISEE commences a case for relief under any bankruptcy laws;
16. FRANCHISEE does not satisfy a final court judgment against it within thirty (30) days or post a proper bond to appeal the judgment;
17. FRANCHISEE has a suit filed against it to foreclose any lien, pledge, security interests, mortgage or garnishments levied and not dismissed within a thirty (30) day period;
18. Any other franchise agreement between CDI, or its affiliates, and FRANCHISEE is terminated by the franchisor in accordance with its terms, or the franchisee wrongfully terminates the franchise agreement;

19. FRANCHISEE (or any of its owners) has any assets, property, or interests which are blocked under any law, ordinance or regulation relating to terrorist activities or FRANCHISEE (or any of its owners) is otherwise in violation of any such law, ordinance or regulation; or

20. FRANCHISEE fails to pay CDI, any of its affiliates, or its approved suppliers and vendors any sum owed, and does not correct such failure within fifteen (15) days after written notice of such failure is delivered to FRANCHISEE;

21. FRANCHISEE fails to comply with any other provision of this Agreement, the Manual, or any System Standard and does not: (a) correct such failure within thirty (30) days after written notice of such failure is delivered to FRANCHISEE; or (b) provide proof acceptable to CDI of efforts which are reasonably calculated to correct such failure if such failure cannot reasonably be corrected within thirty (30) days after written notice of such failure to comply is delivered to FRANCHISEE.

In addition to our right to terminate this Agreement, and not in lieu of such right, or any other rights, CDI may have against FRANCHISEE, upon a failure to cure any default within the applicable time period (if any), CDI has the right, but not the obligation to:

1. charge the applicable fines and fees for non-compliance;
2. reduce the size of FRANCHISEE's Franchised Area or permit other franchisees or CHEM-DRY Businesses to provide the Services and Products within the Franchised Area;

3. enter upon FRANCHISEE's CHEM-DRY Business premises and exercise complete authority with respect to the operation of the CHEM-DRY Business until such time as CDI determines, in its sole discretion that the default has been cured, and FRANCHISEE is otherwise in compliance with this Agreement. In the event CDI exercises the rights described in this Section, FRANCHISEE must reimburse CDI for all reasonable costs and overhead, if any, incurred in connection with our operation of FRANCHISEE's CHEM-DRY Business including, without limitations, costs of personnel for supervising and staffing the CHEM-DRY Business and their travel and lodging accommodations, plus a 20% service charge. This fee is in addition to the payment of the Monthly Franchise Fee and all other fees due under this Agreement during the time CDI exercises its rights under this Agreement. If CDI undertakes operation of the CHEM-DRY BUSINESS pursuant to this Section, FRANCHISEE agrees to indemnify and hold CDI (and its representative(s) and employees) harmless from and against any fines, claims, suits or proceedings that may arise out of our operation of the CHEM-DRY Business.

CDI's delay in exercising or failing to exercise any right or remedy under this Agreement or its acceptance of any late or partial payment due hereunder will not constitute a waiver of any of its rights or remedies.

## **16. RIGHTS AND OBLIGATIONS OF CDI AND FRANCHISEE UPON TERMINATION OR EXPIRATION OF FRANCHISE**

Within thirty (30) days after this Agreement expires or is terminated, FRANCHISEE must provide CDI with written evidence that FRANCHISEE has complied with the obligations set forth in this Section.

### **A. PAYMENT OF AMOUNTS OWED TO CDI OR CUSTOMERS**

FRANCHISEE agrees to pay to CDI, or its affiliates, within fifteen (15) days after the effective date of the termination or expiration of this Agreement, or such later date that the amounts

due to CDI are determined, all amounts owed to CDI, or its affiliates or its franchisees, including the unpaid balance of the Business Note and, as liquidated damages (“Liquidated Damages”) and not as a penalty, the Monthly Franchise Fee then in effect multiplied by the number of months remaining through the end of the Term. FRANCHISEE further agrees to return to its customers all amounts prepaid by such customers for jobs that are not in progress and will not be performed within fifteen (15) days after the effective date of the termination or expiration of this Agreement. Any amounts owed to FRANCHISOR under this provision are a reasonable prediction of the costs and damages FRANCHISOR could reasonably expect to incur upon termination of this Agreement, as determined at the time of contracting.

**B. MARKS**

Immediately when this Agreement expires or is terminated:

1. FRANCHISEE may not directly or indirectly at any time or in any manner (except with other CHEM-DRY Businesses FRANCHISEE owns and operates) identify itself or any business as a current or former CHEM-DRY Business or as one of CDI’s current or former franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of a CHEM-DRY Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with CDI;

2. FRANCHISEE agrees to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to FRANCHISEE’S use of any Mark;

3. FRANCHISEE agrees to deliver to CDI or to destroy all signs, brochures, advertising materials, forms, invoices and other materials containing any Mark or otherwise identifying or relating to a CHEM-DRY Business, including removing all signs, emblems, lettering and logos, or any other indicia of a CHEM-DRY Business, from all business vehicles not surrendered to a third party or purchased by CDI; and

4. FRANCHISEE agrees to refer any telephone number associated in any way with any Mark or the Business to 1-800-CHEMDRY (1-800-243-6379) (or another number specified by CDI). FRANCHISEE further acknowledges that it shall be a direct violation of this Agreement for FRANCHISEE to cause or participate in the transfer of any such telephone numbers to any person or entity other than CDI. In the event that FRANCHISEE fails to comply with any of the foregoing, FRANCHISEE hereby acknowledges that CDI has the sole rights to and interest in all such telephone numbers and directory listings associated with any Marks. ~~---~~FRANCHISEE therefore authorizes CDI, and hereby appoints CDI and any officer of CDI as FRANCHISEE’s attorney in fact, to direct any telephone companies and listing agencies to transfer any such telephone numbers to CDI, or to another person or party at its direction, and the telephone companies and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive rights of CDI in such telephone numbers and directory listings and its authority to direct their transfer.

**C. CONFIDENTIAL INFORMATION/CUSTOMER LISTS**

1. FRANCHISEE agrees, when this Agreement expires or is terminated, to immediately cease using any of CDI’s Confidential Information (including computer software/applications or similar technology and digital passwords and identifications that CDI has licensed to FRANCHISEE or that otherwise are proprietary to CDI or the Franchise System) in any business or otherwise and return to CDI all copies of the Manual and any other confidential

materials that CDI has loaned FRANCHISEE, including all proprietary equipment. All other non-proprietary equipment bearing any of the Marks must either be returned to CDI or the Marks must be removed.

2. Upon termination or expiration, FRANCHISEE also agrees to provide CDI with access to the Customer List. The Customer List must contain the customer's first and last name, address with city, state and postal code, the telephone number with area code, email address and last date of service and other information required by CDI. FRANCHISEE acknowledges that the Customer List and contracts are derived from and are the result of the operation of the CHEM-DRY Business franchise. Therefore, FRANCHISEE agrees that the Customer List and contracts may not be used in connection with any business other than the BUSINESS, and may not be used by, or sold or otherwise transferred to, a third party except as otherwise specifically provided in this Agreement.

**D. COVENANT NOT TO COMPETE**

Upon termination or expiration of this Agreement, FRANCHISEE and its Owner(s) agree that for a period of two (2) years, commencing on the effective date of termination or expiration, or the date on which FRANCHISEE actually ceases to conduct the business described in this Agreement, whichever is later, neither FRANCHISEE nor its owner(s) will (a) participate in or have any direct or indirect interest (e.g., through a spouse) as a disclosed or beneficial owner, investor, lender, partner, director, officer, manager, consultant, employee, representative or agent, or in any other capacity, in any Competitive Business, (b) solicit business from customers of the BUSINESS or contact any of our suppliers or vendors for any Competitive Business purpose, or (c) divert or attempt to divert any business or customer from the BUSINESS to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System, within:

1. The Franchised Area as defined in this Agreement;
2. The geographic area encompassed by the Franchised Area(s) of any Chem-Dry Business as of the date of the termination or expiration of this Agreement; or
3. A geographic area that is contained in a circle having a radius of 10 miles outward from the outside boundary of the Franchised Area as defined in this Agreement.

These restrictions also apply after transfers, as provided in Section 13.C. above. If any person restricted by this Section 16.D. refuses voluntarily to comply with these obligations, the obligations under this Section 16.D. for that person will extend for two (2) years from the date of the entry of a court order enforcing this provision. FRANCHISEE and its owners expressly acknowledge that they possess employable or business skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, CDI's enforcing the covenants made in this Section 16.D. will not deprive FRANCHISEE or its Owners of any personal goodwill or ability to earn a living. FRANCHISEE acknowledges that this covenant is independent and separate from FRANCHISEE's obligation to pay the Liquidated Damages. Payment of the Liquidated Damages shall not release, relieve or waive the obligations of FRANCHISEE and the Owners to comply with this Section 16.D.

**E. CONTINUING OBLIGATIONS**

All obligations of CDI and FRANCHISEE (and its owners) which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire. FRANCHISEE agrees to continue to be responsible for any damages resulting from the operation of the BUSINESS prior to termination or expiration of this Agreement and to indemnify CDI, or its affiliates, for such damages under the indemnification provisions of this Agreement.

**17. ENFORCEMENT**

**A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS**

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which CDI is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable if modified, FRANCHISEE and CDI agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice than this Agreement requires of this Agreement's termination or of CDI's refusal to enter into a successor franchise agreement, or some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and CDI shall have the right, in its sole discretion, to modify such invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable. Such modification(s) to this Agreement shall be effective only in such jurisdiction, unless CDI elects to give it greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions. FRANCHISEE agrees to be bound by any such modification to this Agreement.

**B. WAIVER OF OBLIGATIONS/FORCE MAJURE**

1. CDI and FRANCHISEE may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or another effective date stated in the notice of waiver. Any waiver granted by CDI shall be without prejudice to any other rights CDI, or its affiliates, may have, and will be subject to continuing review by CDI and may be revoked, in CDI's sole discretion, at any time and for any reason, effective upon delivery to FRANCHISEE of ten (10) days prior written notice. CDI and FRANCHISEE shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, CDI's right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of CDI or

FRANCHISEE to exercise any rights under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by CDI, or its affiliates, to exercise any right, power or option, whether of the same, similar or different nature, with respect to other CHEM-DRY Businesses; the existence of franchise agreements for other CHEM-DRY Businesses which contain provisions different from those contained in this Agreement; or the acceptance by CDI, or its affiliates, of any payments due from FRANCHISEE after any breach of this Agreement.

2. Neither CDI, its affiliates, nor FRANCHISEE shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (5) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of amounts owing hereunder by FRANCHISEE, including fees, Minimum Purchase Amounts or product invoices due thereafter.

**C. INJUNCTIVE RELIEF**

Notwithstanding anything to the contrary contained in Section 17.E, CDI and FRANCHISEE shall each have the right in a proper case to obtain temporary restraining orders and/or preliminary injunctive relief from any court of competent jurisdiction. However, the parties shall contemporaneously submit their dispute for arbitration on the merits in accordance with Section 17.E. FRANCHISEE agrees that CDI may have such temporary or preliminary injunctive relief without bond, but upon due notice, and FRANCHISEE'S sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

**D. RIGHTS OF PARTIES ARE CUMULATIVE**

The rights of CDI and FRANCHISEE hereunder are cumulative and no exercises or enforcement by CDI or FRANCHISEE of any right or remedy hereunder shall preclude the exercise or enforcement by CDI or FRANCHISEE of any other right or remedy hereunder or which CDI or FRANCHISEE is entitled by law to enforce.

**E. ARBITRATION**

1. FRANCHISEE and CDI agree that, except for (i) matters covered by Section 17.F. and (ii) controversies, disputes, or claims related to or based on actual or potential improper use of the Marks or unauthorized use or disclosure of Confidential Information, (iii) any of the restrictive covenants contained in this Agreement, (iv) any claims arising out of or related to fraud or misrepresentation, (v) any claims pertaining to or arising out of any warranty issue, any and all other controversies, disputes or claims between CDI and its affiliates, and its and their respective

shareholders, officers, directors, agents, and/or employees, and FRANCHISEE (and/or its Owners, Guarantors, affiliates, and/or employees) arising out of or related to:

- a. this Agreement or any other agreement between the parties or any provision of such agreements;
- b. the relationship of the parties hereto;
- c. the validity of this Agreement or any other agreement between the parties or any provision of such agreements; or
- d. any System Standard shall be submitted for binding arbitration to the American Arbitration Association on demand of either party. Such arbitration proceedings shall be conducted by a single arbitrator in the English language at a location chosen by the arbitrator in Nashville, Tennessee and, except as otherwise provided in this Agreement, shall be heard in accordance with the then-current commercial arbitration rules of the American Arbitration Association. All matters within the scope of the Federal Arbitration Act (9 U.S.C. 1 et seq.) shall be governed by it. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

2. The arbitrator shall have the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 17.I. below, award any punitive or exemplary damages against either party. FRANCHISEE and CDI hereby waive to the fullest extent permitted by law, except as expressly provided in Section 17.I. below, any right to or claim for any punitive or exemplary damages against the other.

3. CDI and FRANCHISEE agree that arbitration shall be conducted on an individual, not a class wide, basis and that an arbitration proceeding between CDI and FRANCHISEE and their respective affiliates, shareholders, officers, directors, agents, and/or employees shall not be consolidated with any other arbitration proceeding involving CDI and any other person. The parties further agree that if this Paragraph is held by any court, agency or tribunal with competent jurisdiction to be: (a) invalid, (b) contrary to, or (c) in conflict with, any applicable present or future law or regulation, the entire Section 17.E. will be deemed null and void and the dispute resolution shall be governed by Section 17.H.

4. FRANCHISEE and CDI agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. FRANCHISEE and CDI further agree that, in any arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed as required shall be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either party.

5. The provisions of this Section 17.E. are intended to benefit and bind certain third party non-signatories and shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. This Section 17.E. is binding upon and agreed to by FRANCHISEE's Owners and Guarantors.

**F. MONETARY DISPUTES**

Either party may file and pursue civil litigation in the courts named below to collect any liquidated amount due and unpaid under this Agreement.

**G. GOVERNING LAW**

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN THE PARTIES WILL BE GOVERNED BY THE LAWS OF THE STATE OF TENNESSEE, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY TENNESSEE LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SUBSECTION.

**H. CONSENT TO JURISDICTION**

SUBJECT TO SECTION 17.E. ABOVE AND THE PROVISIONS BELOW, FRANCHISEE AND ITS OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN THE PARTIES MUST BE COMMENCED IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF TENNESSEE AND FRANCHISEE (AND EACH OWNER AND GUARANTOR OF FRANCHISEE) IRREVOCABLY SUBMITS TO THE PERSONAL JURISDICTION OF THOSE COURTS AND WAIVES ANY OBJECTION FRANCHISEE (OR THE OWNER OR GUARANTOR) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. FRANCHISEE AND ITS OWNERS AGREE THAT CDI MAY ENFORCE THIS AGREEMENT AND ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH FRANCHISEE IS DOMICILED OR THE BUSINESS IS LOCATED.

**I. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**

EXCEPT FOR FRANCHISEE'S OBLIGATION TO INDEMNIFY CDI FOR THIRD PARTY CLAIMS UNDER SECTION 7, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, CDI AND FRANCHISEE (AND FRANCHISEE'S OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN CDI AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

CDI AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

**J. FRANCHISEE MAY NOT WITHHOLD PAYMENTS**

FRANCHISEE agrees not to, on grounds of the alleged nonperformance by CDI or its affiliates of any of its obligations hereunder, withhold payments or amounts due of any kind to CDI or its affiliates.

**K. BINDING EFFECT**

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, beneficiaries, permitted assigns and successors in interest. Subject to CDI's rights to modify certain fees, the Manual and System Standards unilaterally, this Agreement shall not be modified except by written agreement signed by FRANCHISEE and CDI.

**L. LIMITATIONS OF CLAIMS**

Any and all claims, except claims for monies due CDI or its affiliates, arising out of or relating to this Agreement or the relationship among the parties hereto shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to such claims.

**M. SECURITY TO CDI**

To secure payment and performance of any and all obligations from time to time owing by FRANCHISEE to CDI, including payment of any amount owing by FRANCHISEE to CDI in respect of goods and services purchased by FRANCHISEE, FRANCHISEE covenants and agrees to provide on request by CDI, a security interest(s) in all or specific items of the Operating Assets and in such amounts and upon such terms as CDI, in its absolute discretion, determines. Failure to provide such security within ten (10) days following written request therefor, shall be deemed a default under this Agreement.

**N. INTEGRATION/CONSTRUCTION**

1. The preambles and exhibits are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between CDI and FRANCHISEE relating to the subject matter of this Agreement, the franchise relationship, or the BUSINESS (any understanding or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require FRANCHISEE to waive reliance on any representation made in the last Franchise Disclosure Document (including exhibits and amendments) CDI delivered to FRANCHISEE before the Effective Date. The term "FRANCHISEE" as used herein is applicable to one or more persons or an Entity, and the singular usage includes the plural. If two or more persons are at any time FRANCHISEE hereunder, their obligations and liabilities to CDI shall be joint and several. References to "FRANCHISEE" and "transferee" which are applicable to an individual or individuals shall mean the owner(s) of the equity or operating control of FRANCHISEE or the transferee, if FRANCHISEE or the transferee is an Entity. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

2. Except where this Agreement expressly obligates CDI reasonably to approve or not unreasonably to withhold its approval of any action or request by FRANCHISEE, CDI has the absolute right and discretion to refuse any request by FRANCHISEE or to withhold its approval of any action by FRANCHISEE that requires CDI's approval. Nothing in this Agreement is

intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

**18. NOTICE/EXECUTION/PAYMENTS**

By signing this Agreement, FRANCHISEE certifies that it has received and reviewed CDI's Franchise Disclosure Document along with its Exhibits and this Agreement and its Exhibits fourteen (14) calendar days, or a different period if applicable where FRANCHISEE is located, prior to signing this Agreement or prior to paying any monies to CDI or its affiliates. This Agreement may be executed in counterparts, each of which shall be deemed an original against the Party whose signature is provided, and all of which shall be considered an original and together shall constitute one agreement binding on all Parties. Electronic signatures and PDF copies of signatures shall be deemed to be valid and enforceable as original ink signatures.

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or of the Manual shall be deemed so delivered: (a) at the time delivered by hand; (b) at the time delivered via computer transmission if the sender has confirmation of successful transmission; (c) one (1) business day after transmission by facsimiles, telecopy, telegraph or comparable electronic system, provided a confirmation copy is sent by a commercial courier service for next business day delivery; (d) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or (e) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid, to the address set forth herein, or to such other address as designated in writing by CDI or FRANCHISEE. CDI may change the address for notice by giving FRANCHISEE notice of the new address. FRANCHISEE may change the address for notice only by giving CDI thirty (30) days' prior notice by any of the means specified in subparagraphs (a) through (e) above. Any required payment or report which CDI, or its affiliates, does not actually receive at the correct address during regular or business hours on the date due (or postmarked by postal authorities at least two (2) days before it is due) will be deemed delinquent.

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Agreement in multiple counterparts on the day and year first above written.

If Individuals:

If an Entity:

\_\_\_\_\_  
FRANCHISEE – Individually and Personally

\_\_\_\_\_  
Name of Entity

\_\_\_\_\_  
FRANCHISEE – Individually and Personally

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

Its: \_\_\_\_\_

**CHEM-DRY, INC.**

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

\_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A  
TO FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

NOTE:IF FRANCHISEE IS A CORPORATION, EACH OF FRANCHISEE'S SHAREHOLDERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF FRANCHISEE'S GENERAL PARTNERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH OF FRANCHISEE'S MEMBERS AND MANAGERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING.

**ARTICLE I**

**PERSONAL GUARANTY**

The undersigned issues this GUARANTY AND ASSUMPTION OF OBLIGATIONS as of the Effective Date. In consideration of, and as an inducement to, the execution of the Franchise Agreement on this date by CDI, each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that Franchisee will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and will punctually pay the Business Note issued by Franchisee in conjunction with the execution and delivery of the Agreement, and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), and by any failure to pay principal of or interest on the Business Note, including without limitation monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and arbitration requirements.

**ARTICLE II**

**CONFIDENTIALITY**

During the term of this Agreement, you will receive information which Franchisor considers a trade secret and confidential information ("Confidential Information"). You will not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information including, without limitation, operating procedures, customer lists, sources of supply, supplier contracts, advertising materials, copyrighted materials, equipment specifications, any information contained in the Operations Manual, trade secrets, the Proprietary Recipes, copyrighted materials, and other methods, techniques and know-how concerning the operation of the Franchised Business which may be communicated to you or of which you may be apprised by virtue of your relationship with Franchisee and role as a Guarantor of the Franchise Agreement.

ARTICLE III

NON-COMPETITION

- 1) **During the Term of the Franchise Agreement.** During the term of this Franchise Agreement, you shall not:
  - a. Engage as an owner, partner, shareholder, director, officer, employee, consultant, agent, or in any other capacity in any other business which provides or sells, or grants franchises or licenses to others to provide or sell, wood cleaning, coating, protection or other wood care or renewal services or products, or any related or ancillary services or products (collectively, a “Competing Business”), that are the same as or similar to the services sold by the CHEM-DRY Business (except for other franchises or authorizations we enter into with you; or
  - b. Use our Confidential Information, System, CHEM-DRY owners’ intranet website, Operations Manual, Marks, Customer lists, Customer Information, trade secrets, trade dress, proprietary knowledge, or know-how, or any colorable imitations, in the design, development, or operation of any business other than the CHEM-DRY Business franchised hereunder, unless specifically authorized by us; or
  - c. Divert or attempt to divert any business or customer of the CHEM-DRY Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated the Marks or the System.
  
- 2) **After the Term of the Franchise Agreement.** For a period of two (2) years from the time of expiration or termination of this Agreement, you and your owners and, if applicable, your Designated General Manager, shall not: (a) engage as an owner, shareholder, partner, director, officer, employee, consultant, salesperson, representative, or agent or in any other capacity at any Competing Business, (b) solicit business from Customers of your former CHEM-DRY Business or contact any of our supplies or vendors for any competitive business purpose, or (d) divert or attempt to divert any business or Customer of the CHEM-DRY Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System or engage in any business relationship with any contacts with Customers or former Customers of the CHEM-DRY Business, whether respect to collection of accounts receivable, or to provide them services, or for any other purpose whatever, within:
  - a. The Franchised Area defined in the Franchise Agreement;
  - b. The geographic area encompassed by the Territories of any CHEM-DRY franchisees, Company Stores, or any other CHEM-DRY business operator, as of the date of the termination or expiration of the Franchise Agreement; or
  - c. A geographic area that is contained in a circle having a radius of 10 miles outward from the outside boundary of the Franchised Area as defined in the Franchise Agreement.

3) **Intent and Enforcement.** It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein will not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor will be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevent you from earning a living. You further acknowledge and agree that the time limitation of this Article III will be tolled during any default under this Personal Guaranty.

Each of the undersigned consents and agrees: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Franchise Number:

Subject to the dispute resolution provisions in the Agreement and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in the state or federal courts in Nashville, Tennessee, and each of the undersigned irrevocably submits to the personal jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

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

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

Guarantor Name	Address, Phone Number, Email Address	Percentage Ownership in Franchisee Entity

**EXHIBIT B  
TO FRANCHISE AGREEMENT**

**EQUIPMENT SALES AND SECURITY AGREEMENT**

This Agreement is made and entered into as of The Effective Date by and between Franchisee and CDI, and relates to the Franchise Agreement between Franchisee and CDI for Franchisee's operation of a Chem-Dry® Carpet Cleaning business franchise (the "Business"). In consideration of the mutual promises and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, the parties mutually agree and intend to be legally bound as follows:

**EQUIPMENT PURCHASE.** Franchisee agrees to purchase from CDI and CDI agrees to sell to Franchisee the tangible equipment listed on the Summary Page on the payment terms set forth in the Schedule. The equipment purchased under this Agreement shall be referred to as the "Equipment." To secure Franchisee's obligations to pay CDI for the Equipment, in the event CDI financed any portion of the purchase of the Equipment, and to dispose of the Equipment in accordance with the Franchise Agreement, Franchisee has granted to CDI the security interest in the Equipment set forth herein.

**SHIPMENT, TITLE & RISK OF LOSS.** CDI will arrange for shipment of the Equipment on the Schedule to Franchisee. Risk of loss and title to the Equipment transfers to Franchisee upon delivery, subject to any security interest of CDI retained under this Agreement. Franchisee shall inspect each shipment promptly upon receipt and will be deemed to accept the Equipment as conforming to the Schedule unless any defects or deficiencies are noted to CDI within 2 business days after delivery. Franchisee agrees, if no defects or deficiencies are reported within this time period, all sales are final.

**WARRANTIES.** All Equipment is warranted by its manufacturer only. CDI warrants only that the Equipment is delivered with good and merchantable title, free and clear of all liens, claims and encumbrances, and that the Equipment conforms to the requirements set by CDI under the Franchise Agreement. CDI offers other no warranty and assigns to Franchisee any and all rights to any express or implied warranty of each Equipment manufacturer. **THERE ARE NO EXPRESS OR IMPLIED WARRANTIES ON THE EQUIPMENT OFFERED, GIVEN OR PROVIDED BY CDI INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

**EQUIPMENT USAGE.** Franchisee agrees not to use the Equipment in any business or manner other than in the conduct of the Business pursuant to the Franchise Agreement. Franchisee acknowledges that the Equipment is proprietary to the Chem-Dry franchise system. The Equipment can only be used with Chem-Dry authorized cleaning solutions and consistent with all mixing, application and usage procedures. Any usage contrary to this provision shall be considered to be a breach of the Franchise Agreement and this Agreement. In such event, CDI may demand and shall have the right to repurchase and immediate return of the Equipment from Franchisee for the purchase price of \$10.00.

**TRANSFER OF OWNERSHIP.** Franchisee acknowledges that the Franchise Agreement imposes restrictions and limitations on the resale of the Equipment. Franchisee acknowledges that the Equipment may not be sold, leased, or rented to or used by any other party, except under the conditions stated on the attached repurchase schedule, as provided in the Franchise Agreement, or as permitted in writing by CDI. The Equipment is proprietary and authorized for use only within the Chem-Dry® franchise network. Franchisee covenants that Franchisee will not transfer title to the Equipment except in one of these three ways:

Sell the Equipment to another Chem-Dry Franchisee in good standing under its franchise agreement at a mutually acceptable price. CDI has first right of refusal to purchase the Equipment and must approve any transaction. If CDI financed any portion of the purchase price of the Equipment, the transferee will pay the proceeds to CDI if there is any outstanding balance under the Schedule for the Equipment prior to transfer of the Equipment. At the time of transfer Franchisee's account with CDI must be current and the purchasing Franchisee may not have any pending default under any agreement with the proposed transferee.

If Franchisee is terminating or not renewing the Franchise Agreement and Franchisee owns another Chem-Dry franchise, the Equipment (and the liability for any amount owing on the purchase price of the Equipment) will be transferred to that franchise upon written request.

CDI will repurchase the Equipment in accordance with the table below. The percentages shown assume reasonable wear and tear and regular maintenance. If any components of the original piece of Equipment are missing, or there is damage or excessive wear and tear, CDI reserves the right to make a corresponding adjustment to the repurchase price. The original Total Equipment Price under its Schedule will be reduced to the applicable percentage in effect based on the time elapsed after original purchase.

Time Elapsed After Original Purchase	Percentage of Total Equipment Price
Under 1 year	65%
Under 2 Years	50%
Under 3 Years	35%
Under 4 Years	20%
Under 5 Years	15%
Over 5 Years	Offer After Inspection

**RETURN OF EQUIPMENT.** Upon expiration or termination of the Franchise Agreement, Franchisee will cooperate with CDI to allow CDI to arrange for shipment of the Equipment to a location designated by CDI, with CDI paying the cost of freight for such shipment, unless Franchisee has arranged for the sale of the Equipment to another Chem Dry franchisee with the consent of CDI.

**COVENANTS OF FRANCHISEE.** Franchisee covenants with CDI to (i) use and maintain the Equipment in a lawful manner and so as not to violate any law or regulation of the state, city or other political subdivisions in which Franchisee uses the Equipment; (ii) return, pay and file when due all taxes, fees and similar charges, including without limitation sales or use tax, and ad valorem and personal property taxes, imposed on the ownership, possession or use of the Equipment; (iii) keep the Equipment free and clear of all liens, security interests, claims and encumbrances except for those incurred through the initial financing of the Equipment from a vendor approved by CDI; (iv) obtain and maintain property insurance on the Equipment covering loss, damage, theft, vandalism and casualty; (v) maintain the Equipment per the manufacturer's maintenance, repair and replacement instructions; (vi) maintain in place any notices, labels or other indicia provided by CDI to indicate that the Equipment is subject to this Agreement; (vii) operate the Business as required under the Franchise Agreement; and (viii) notify CDI when any party claims any interest in the Equipment.

**GRANT OF SECURITY INTEREST.** In the event Franchisee's purchase of the Equipment sold under the Schedule is financed by CDI, Franchisee hereby grants to CDI a continuing security interest in the Equipment sold to Franchisee, and any additions, accessions, accessories, attachments and replacements of such Equipment, any proceeds and products. The security interest shall continue for the term of this Agreement to secure Franchisee's obligations under this Agreement. Franchisee authorizes CDI to file a financing statement with regards to the Equipment without the necessity of obtaining an additional signature from Franchisee. The rights and remedies of CDI as a secured party under this Agreement and under applicable law are cumulative and non-exclusive. Franchisee agrees to entry for the benefit of CDI by any court of competent jurisdiction without prior notice or the posting of any bond of temporary and permanent injunctions and orders of specific performance to enforce this Agreement or any right or remedy available at law or in equity to CDI.

**TERM, DEFAULT AND TERMINATION.** The term of this Agreement shall commence on the effective date set forth above and shall continue in full force and effect until the Franchise Agreement terminates or expires, and all Equipment is subject to proper disposition as provided herein. If Franchisee shall fail to make any payment as and when due under the Schedule, or shall breach any other term or condition of this Agreement, and such failure shall continue for a period of 15 days after CDI gives Franchisee notice of default, then CDI may accelerate the payments due under the Schedule to be immediately due and payable without further notice or opportunity to cure, and may sue Franchisee for amounts owed by Franchisee without resort to any security or assertion of its rights as a secured party.

**ADDITIONAL TERMS.** **No cancellation, modification, amendment, deletion, addition or other change in this Agreement** or any provision hereof shall be effective for any purpose unless specifically set forth in a writing signed by both Parties. Neither Party's delay in exercising or such Party's acquiescence in or waiver of a breach of any term, provision or condition of this Agreement, shall be deemed or construed to operate as a waiver of such Party's rights hereunder, except for the specific instance of delay, failure, acquiescence, or waiver. This Agreement shall be executed in one or more counterparts, each of which shall be considered to be an enforceable original instrument. Franchisee shall not assign or delegate, directly or indirectly, its obligations and liabilities under this Agreement, except as part of a permitted transfer in compliance with the Franchise Agreement. Except for any payment obligation applicable to

Franchise Number:

Franchisee hereunder, any delay or failure of either Party to perform its obligations shall be excused if it is caused by an extraordinary event or occurrence beyond the control of the nonperforming Party and without the nonperforming party's fault or negligence, such as acts of God, fires, floods, windstorms, explosions, natural disasters, wars and sabotage, and terrorism. Raw material or labor shortages are not force majeure events. Written notice of any anticipated delays in performance, including the anticipated duration of the delay must be given within 24 hours of the force majeure event.

**INCORPORATION OF TERMS.** This Agreement incorporates by this reference Section 17, paragraphs B through M, of the Franchise Agreement as integral terms, conditions, parts and provisions of this Agreement as if written herein.

**IN WITNESS WHEREOF,** the Franchisee and CDI have executed this Agreement effective as of the date first above written.

**Chem-Dry, Inc.**

**Franchisee**

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

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Date: \_\_\_\_\_

**SCHEDULE 1 - EQUIPMENT PURCHASE.**

1. Franchisee agrees to purchase and CDI agrees to sell the following Equipment:

Item	Price
	\$
	\$
	\$
Equipment Total Price	\$
Taxes (due at time of order)	\$
Total Purchase Price	\$

2. Payment Terms. Franchisee agrees to pay and CDI agrees to accept payment for the Equipment described on this Schedule on the following terms:

- \_\_\_\_\_ 1) Payment in full at the time the Equipment is ordered; or
- \_\_\_\_\_ 2) Payment in full is pending from CDI approved financing company.

Franchisee agrees to pay the Taxes when invoiced. In the event any portion of the Total Purchase Price is financed by CDI, outstanding balances will bear \_\_\_\_% simple interest. All amounts due and payable to CDI by Franchisee shall be subject to a one-time late fee of \$100.00 and bear interest after their due date at the highest applicable legal rate for open account business credit in the state of Borrower's domicile, not to exceed ~~one and one-half~~ one and one-half percent (1.5%) per month.

Subject to Agreement. This Schedule is issued under and is subject to the Equipment Sales and Security Agreement to which it relates in all respects. In the event the Equipment purchased pursuant to this Schedule is not proprietary to CDI nor bears any insignia or color schemes associated with the Chem-Dry® brand, the requirements of paragraph 6 of the Equipment Sales and Security Agreement shall be waived for the Equipment.

Franchise Number:

IN WITNESS WHEREOF, the Franchisee and CDI have executed this Schedule effective as of the date first above written.

Chem-Dry, Inc.

Franchisee

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

\_\_\_\_\_

**LENDER ADDENDUM**  
**TO EQUIPMENT SALES AND SECURITY AGREEMENT**

This “Lender Addendum” is made and entered into as of the Effective Date by and among the undersigned lender (“Lender”), the Franchisee and CDI. This Lender Addendum supplements and amends that certain Equipment Sales and Security Agreement dated the Effective Date (the “Sales Agreement”) between CDI and Franchisee. Defined terms from the Sales Agreement are incorporated into this Lender Addendum.

Background. CDI and Franchisee have entered into the Sale Agreement ancillary to the Franchisee’s entry into the Franchise Agreement with CDI so that Franchisee may obtain certain equipment that is proprietary to CDI and that is necessary to perform Franchisee’s obligations under the Franchise Agreement. Lender desires to finance the purchase of the Equipment by Franchisee and take a security interest in the Equipment as collateral for the financing. CDI has restricted the right of the Franchisee to resell and dispose of the Equipment as provided in Section 5 of the Sales Agreement. CDI will consent to the financing of the Equipment purchase by Lender and Franchisee’s grant of a security interest in the Equipment subject to and conditioned upon Lender’s undertakings as set forth in this Lender Addendum.

In consideration of the premises, the mutual promises herein set forth, and for other good and valuable consideration that the parties mutually acknowledge, the parties mutually agree and intend to be legally bound as follows:

1. Franchisee may grant a security interest to Lender in the Equipment and the proceeds, additions, replacements and accessories thereto, so long as Lender pays to CDI all amounts due and owing under the Sales Agreement at or before the time the security interest attaches to the Equipment. CDI will on Lender’s request supply payoff amounts and instructions to Lender. Upon receipt of the payoff amount from Lender or Franchisee, CDI’s security interest in the Equipment shall be subordinated to the security interest of Lender, and shall remain in effect for the duration of the Franchise Agreement term. Lender will notify CDI when Lender’s financing has been repaid and its security interest released within 15 days after such event.
2. Lender’s security interest shall be subject to, and Lender acknowledges that its rights and remedies with regard to the Equipment are limited to, the transfer restrictions set forth in Section 5 of the Sales Agreement. Lender covenants with CDI that Lender will not exercise any rights or remedies against the collateral that is inconsistent with the restrictions on disposition set forth in Section 5. Lender may, upon notice to CDI, marshal and assemble the Equipment for sale in accordance with Section 5 but shall make no use of the Equipment nor rent, lease, sell, lend or donate the Equipment. If Lender is unable to resell the Equipment to another franchisee of CDI within 60 days after first offering the Equipment for sale, then CDI will purchase the Equipment as provided in Section 5.
3. Lender may assign this Lender Addendum to any successor in interest to the financing of the Equipment only after CDI receives a written assumption of the Lender’s obligations under this Lender Addendum acceptable to CDI.

Franchise Number:

4. Lender will copy CDI on any notices of default, termination, foreclosure, marshaling, or similar exercises of the secured party's rights under its agreement with Franchisee. Franchisee consents to the unrestricted exchange of information about Franchisee and the status of its financing or franchise and the related agreements between Lender and CDI.

5. Until CDI is notified by Lender that it has taken possession or constructive possession of the Equipment, CDI may deal with Franchisee as the lawful possessor and operator of the Equipment, and Franchisee shall at all times remain obligated to comply with its obligations to maintain, insure, protect and service the Equipment under the Sales Agreement and to use the Equipment only in compliance with the Franchise Agreement.

6. All notices to Lender, CDI and Franchisee shall be sent to respective address set forth below.

7. Sections 8, 9, 10 and 11 of the Sales Agreement are incorporated by this reference into this Lender Addendum as integral parts hereof.

***Signature Page Follows***

Lender Addendum 2

Franchise Number:

IN WITNESS WHEREOF, Lender, the Franchisee and CDI have executed this Lender Addendum effective as of the date first above written in one or more counterparts.

**Chem-Dry, Inc.:**

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

Address:

**Franchisee:**

Name: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

Address:

**LENDER:**

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

Address:

**EXHIBIT C  
TO FRANCHISE AGREEMENT**

**SOFTWARE LICENSE AGREEMENT**

This Software License Agreement (“Agreement”) applies to the online software service(s) made available by CDI or its vendors (such software and related services being referred to herein as the “Service”). The Service features and capabilities may vary depending on the version or level of the Service provided under this Agreement. You and CDI agree as follows:

1. Permitted Uses. Subject to the terms and conditions of the Agreement, CDI or its vendors will provide the Service for you to use for the purpose of managing your business data. You will be required to read and agree to be bound by the Agreement. Use of the Service requires access to the World Wide Web. You agree to provide all equipment necessary to make such connection to the World Wide Web.

2. Your Registration Obligations.

2.1. You agree to: (i) provide true, accurate, current and complete information as prompted by the Service’s registration form(s) (“Registration Data”) and (ii) maintain and promptly update the Registration Data to keep it accurate and complete.

2.2. Content Policy. By submitting data, files, software, text or other content (“Content”) by using the Service, you warrant that: (i) you are authorized to submit such Content to CDI, and (ii) the use of Content by CDI and its vendors will not infringe or misappropriate the intellectual property rights of or otherwise violate the rights of any third party.

3. Access, Passwords and Security. You may designate as many users as your account will allow, and you may provide and assign access and passwords to such users. You will be responsible for the confidentiality and use of your access number(s), password(s), and account number(s). You will be responsible for all electronic communications, including account registration and other account holder information, email and financial, accounting and other data including any Content (“Electronic Communications”) entered through or under your access number(s), password(s) or account number(s). CDI and its vendors will act as though any Electronic Communications it receives under your access number(s), password(s) or account numbers(s) have been sent by you. You will immediately notify CDI if you become aware of any loss or theft or unauthorized use of any of your access number(s), password(s) and/or account number(s).

4. Franchisee Conduct. You may not: (a) use the Service to impersonate any person or entity, including, but not limited to, an CDI official, guide or host, or falsely state or otherwise misrepresent your affiliation with a person or entity; (b) interfere with or disrupt the Service or servers or networks connected to the Service; (c) use the Service to violate any applicable law or regulation; (d) use the Service to incite or provide instructional information about illegal activities; (e) use, view or copy any portion of the Service for purposes of creating or modifying a competing product or service; (f) decompile, disassemble, reverse engineer, translate or otherwise attempts to discovery any source code or underlying trade secret pertaining to the Service or modify the Service or any graphic generated by use of the Service; or (g) use, copy, modify, sublicense, or

distribute the Service, electronically or otherwise, or any copy, adaptation, transcription or merged portion thereof, except as expressly authorized by CDI.

5. Usage. You agree to use the Service to manage all customer accounts related to any products and/or services that you are authorized or approved to offer or sell under the Franchise Agreement in effect between you and CDI. The Service shall be used solely in connection with the operation of the Franchise and shall not be used to perform information processing for any other person, entity or business.

6. Support: CDI will provide reasonable technical support for the Service as well as training assistance and conversion support. However, any support offered by CDI shall only be for the most current version of the Service and you are solely responsible for ensuring you obtain and substitute or incorporate any new release or “fixes” issues by CDI.

7. General Practices Regarding Use, Storage and Service Access. You acknowledge that CDI may establish, from time to time, general practices and limits concerning use of the Service. CDI has no responsibility or liability for the deletion or failure to store any Content maintained or transmitted by the Service. In the event of an error with your Service, a service technician will be permitted to access your Content as necessary to resolve the problem. CDI reserves the right to change these general practices and limits at any time, in its sole discretion, with or without notice.

8. Service Level Provisions.

8.1. Service Availability. CDI expects the Service to be provided and hosted by a third party and generally to be available during both regular business hours and non-business hours, but in any event, CDI makes no representations or warranties concerning the availability of the Service.

8.2. Service Maintenance. CDI reserves the right to perform regularly scheduled updates, systems maintenance, and emergency maintenance.

9. Content Ownership and Confidentiality; Security. You agree the Customer List, as defined and governed by your Franchise Agreement, contains account and/or personal customer information and is, therefore, confidential information. As such, you agree not to disclose the Customer List, or any portion thereof, and to take all reasonable precautions to ~~insure~~ensure that your employees and/or contractors agree not to disclose such information to unauthorized third parties. CDI will use commercially reasonable efforts to protect, and to cause its vendors to protect, the security of the Content, including requiring its vendor to minimally maintain comprehensive general liability and internet professional and security liability insurance coverage, but in any event, CDI makes no representations or warranties concerning the security of the Content.

10. Modifications to the Service. CDI reserves the right at any time and from time to time to modify or discontinue, temporarily or permanently, the Service (or any part thereof) with reasonable notice to you. CDI will not be liable to you for any modification, suspension or discontinuance of the Service however, in the event of discontinuance CDI will provide reasonable Content transition assistance. CDI may specify from time to time the hardware and software required in order to use the Service (e.g., supported browser versions).

11. Modifications to the Terms of Service. CDI may modify the Agreement if necessary to comply with any other agreements that CDI is currently bound by or will be bound by in the future, and/or with applicable law, as well as to adjust to changing business circumstances. CDI will notify you of any changes to the Agreement, and your continued use of the Service will constitute your acceptance of the revised Agreement.
12. Fees. You agree to pay the then-current fees charged by CDI for the Service. Additional fees may apply for optional features of the Service; and may apply in the event you elect to transfer from one level of the Service to another. CDI reserves the right to modify its fees.
13. Termination and Indemnity. CDI may suspend or terminate your account and/or deny you access to, use of, or submission of Content for, all or part of the Service, without prior notice, if you engage in any conduct that violates this Agreement. You agree to defend, indemnify and hold CDI harmless from and against any and all claims, losses, liability costs and expenses (including but not limited to attorneys' fees) arising from your violation of the Agreement.
14. Links. The Service may provide links to other World Wide Web sites or resources. CDI is not responsible for the availability of such external sites or resources, and does not endorse and is not responsible or liable for any content, advertising, products, or other materials on or available from such sites or resources. CDI will not be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods or services available on or through any such site or resource.
15. CDI Proprietary Rights. The Service is being licensed, not sold, to you by CDI. The Agreement does not grant to you any ownership interest in the Service, and CDI and its vendors reserve and will retain their entire right, title and interest in and to the Service and all intellectual property rights arising out of or relating to the Service except as expressly granted to you by Section 1 of the Agreement.
16. No Resale, Etc. of the Service. You will not copy, sell, resell, rent or sublicense, lease, loan, redistribute, or create a derivative work of any portion of the Service. You will not engage in unauthorized use of the Service, or access to the Service by any unapproved means.
17. Confidentiality. You will keep all information regarding the Service (including its operation and interfaces) strictly confidential and will share such information only as necessary to enable you to use the Service as contemplated by Section 1 of this Agreement.
18. Assignment. You will not assign any of your rights or delegate any of your responsibilities hereunder without the prior written consent of CDI. Any purported assignment or delegation in violation of this Section 18 will be null and void. No assignment or delegation will relieve you of any of your obligations hereunder. CDI will be permitted to assign its rights and delegate its responsibilities hereunder to any successor entity.
19. No Third-Party Beneficiaries. The Agreement is for the sole benefit of you and CDI (and their respective successors and permitted assigns) and nothing herein, express or implied, is intended to or will confer on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of the Agreement.

20. Limitation of Liability.

(a) CDI AND ITS VENDORS, OFFICERS, AGENTS OR EMPLOYEES WILL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, CONTENT OR OTHER INTANGIBLE LOSSES (EVEN IF CDI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), RESULTING FROM: (i) THE USE OR THE INABILITY TO USE THE SERVICE, CONTENT AND/OR ANY INFORMATION; (ii) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES RESULTING FROM ANY GOODS, CONTENT, INFORMATION OR SERVICE PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO THROUGH OR FROM THE SERVICE; (iii) UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS OR CONTENT; (iv) STATEMENTS OR CONDUCT OF ANY THIRD PARTY ON THE SERVICE; OR (v) ANY OTHER MATTER RELATING TO THE SERVICE.

(b) CDI WILL NOT BE LIABLE FOR ANY (i) INTERRUPTION OF BUSINESS, (ii) ACCESS DELAYS OR ACCESS INTERRUPTIONS TO THIS SITE OR THE WEB SITE(S) YOU ACCESS THROUGH THIS SERVICE; (iii) CONTENT NON-DELIVERY, MIS-DELIVERY, CORRUPTION, DESTRUCTION OR OTHER MODIFICATION; OR (iv) EVENTS BEYOND CDI'S REASONABLE CONTROL.

(c) IN NO EVENT WILL CDI'S MAXIMUM AGGREGATE LIABILITY EXCEED THE TOTAL AMOUNT PAID BY YOU TO CDI FOR THE SERVICE DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO LIABILITY. BECAUSE SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, IN SUCH STATES, OUR LIABILITY IS LIMITED TO THE EXTENT PERMITTED BY LAW.

21. General. Except for, and subject to, the Franchise Agreement in effect between you and CDI, this Agreement constitutes the entire agreement between you and CDI with respect to the Service and governs your use of the Service. You also may be subject to additional terms and conditions that may apply when you use affiliated or other CDI services, third-party content or third-party software. Any dispute arising under or in connection with this Agreement will be resolved in accordance with the dispute resolution provisions (including any provisions regarding arbitration, governing law, and/or consent to jurisdiction) contained in the Franchise Agreement. This Agreement does not limit any rights that CDI may have under trade secret, copyright, patent, trademark or other laws. The failure to exercise or enforce any right or provision of this Agreement will not constitute a waiver of such right or provision. If any provision of the Agreement is found by a court of competent jurisdiction to be invalid, the court should endeavor to give effect to the parties' intentions as reflected in the provision, and the other provisions of the Agreement remain in full force and effect. Any claim or cause of action arising out of or related to use of the Agreement or the Service must be filed within one (1) year after such claim or cause of action arose or be forever barred. If any litigation or other dispute resolution proceeding is commenced between parties to this Agreement to enforce or determine the rights or responsibilities of the parties, the prevailing party or parties in the proceeding will be entitled to receive, in addition to any other relief granted, its reasonable attorneys' fees, expenses, and costs incurred preparing for

Franchise Number:

and participating in the proceeding. The section titles in the Agreement are for convenience only and have no legal or contractual effect. The Agreement will inure to the benefit of CDI and its successors and assigns.

22. Survival. Accrued payment obligations and Sections 9, 13, 15, 17, 18, 19, 20, 21 and 22 in the Agreement shall survive the termination of the Agreement.

If Individuals:

If an Entity:

\_\_\_\_\_  
FRANCHISEE – Individually and Personally

\_\_\_\_\_  
Name of Entity

\_\_\_\_\_  
FRANCHISEE – Individually and Personally

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

**CHEM-DRY, INC.**

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

Date: \_\_\_\_\_

**EXHIBIT D  
TO FRANCHISE AGREEMENT**

**CONSOLIDATED OFFICE AGREEMENT**

**THIS CONSOLIDATED OFFICE AGREEMENT** (“COA”) is made and entered into the Effective Date, by and between CDI and Franchisee.

**WITNESSETH:**

**WHEREAS**, Franchisee is the owner of multiple Chem Dry® franchises (“Franchises”) situated in different designated franchised areas;

**WHEREAS**, the Chem-Dry franchise agreements (“Agreements”) between Franchisee and CDI pertaining to the Franchises requires Franchisee to establish an office location within each franchised area and to operate the Franchises from each office location;

**WHEREAS**, Franchisee desires to establish only one office located in one of its franchised areas and to operate all of the Franchises from that single office location; and

**WHEREAS**, CDI is willing to grant an exception to the office location requirement in the Agreements, on a limited, non transferrable, and revocable basis.

**NOW, THEREFORE**, in consideration of the mutual promises made herein, CDI and Franchisee agree to be bound by the following terms and conditions

1. Unless this COA is signed in conjunction with the sale of a new Chem-Dry franchise, Franchisee agrees to pay CDI a nonrefundable administration fee of \$500.00 as consideration for the privilege of headquartering all Franchises from a single office location.

2. This COA will expire with the Franchise Agreement, and is non-renewable and non-transferrable.

3. Pursuant to section 11 of the Agreements, Franchisee agrees to maintain and preserve full and accurate books for each franchise headquartered at the single office location.

4. Upon expiration of this COA, Franchisee may be eligible to enter into a second COA with CDI so long as Franchisee notifies CDI of its desire to do so at least sixty (60) days prior to the expiration of this COA. Any subsequent COAs will be upon then-current terms and conditions and will require payment of the then-current fee. Upon expiration of this COA and if CDI does not enter into a new COA with Franchisee, Franchisee will have until the expiration date of this COA to move all franchise operations to office locations within the designated franchised areas for each Franchise. Failure to do so within the timeframe will be a material breach of the Agreement for that Franchise. Franchisee acknowledges and agrees CDI has no obligation to enter into subsequent COAs with Franchisee and that doing so will be at CDI’s sole discretion.

Franchise Number:

5. Franchisee acknowledges and agrees this COA is entered into by CDI solely as an accommodation to Franchisee and CDI may terminate this COA, with or without cause, upon sixty (60) days written notice to Franchisee. In the event this COA is terminated, Franchisee agrees to all franchise operations to office locations within the designated franchised areas for each Franchise with the timeframe indicated in CDI's notice.

6. In the event the Agreement pertaining to the Franchise where Franchisee's office is located pursuant to this COA either terminates or expires, Franchisee agrees to move its office immediately to another location that has been approved by CDI.

7. Should any portion of this COA be found to be contradictory to the Agreements, then the Agreements shall prevail.

**IN WITNESS WHEREOF**, the parties hereto have executed this COA as of the date first above written.

FRANCHISEE

\_\_\_\_\_  
Individually and Personally –

\_\_\_\_\_  
Individually and Personally –

If an entity:

\_\_\_\_\_  
Name of entity

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

Its: \_\_\_\_\_

CHEM-DRY, INC.

\_\_\_\_\_  
Melanie Parker  
Vice President, Legal & Franchise Administration

Date: \_\_\_\_\_

Franchise Number:

**EXHIBIT E**  
**TO THE FRANCHISE AGREEMENT**  
**STATE ADDENDA TO THE FRANCHISE AGREEMENT**

## ADDENDUM TO THE FRANCHISE AGREEMENT AND OTHER AGREEMENTS

### CALIFORNIA

This Addendum relates to franchises sold in the state of California and is intended to comply with California Franchise Investment Act. In consideration of the execution of the Franchise Agreement (the “Franchise Agreement”) the Business Note (the “Business Note”), the Equipment Sales and Security Agreement (the “Equipment Agreement”), and the Software License Agreement (the “SLA”), CDI and Franchisee agree to amend the agreements as follows:

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 to 20043, provides you with certain rights on termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

2. California Corporations Code, Section 31125 requires us to give you a disclosure document approved by the Department of Corporations prior to solicitation of a proposed material modification of an existing franchise.

3. Our right to terminate pursuant to Section 15(15) of the Franchise Agreement if Franchisee commences bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).

4. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

5. Section 17.E. of the Franchise Agreement is amended by adding the following language:

“The cost of the arbitration will be borne equally by the parties.”

6. Section 17.J. of the Franchise Agreement and the Business Note, the Equipment Agreement, and the SLA is amended by adding the following language:

“Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.”

7. In all other respects, the Franchise Agreement, the Business Note, the Equipment Agreement, and the SLA will be construed and enforced according to its terms.

8. California law may not enforce the choice of Tennessee law provision in Section 17.G of the Franchise Agreement.

9. California Business and Professions Code Sections 20000 through 20043 (“CFRA”) provide rights to the franchisee concerning termination and non-renewal of the franchise. If the Franchise Agreement is inconsistent with this law, the law will control.

10. Notwithstanding any other provision of the Franchise Agreement to the contrary, we may terminate the Franchise Agreement without the right to cure as provided in Section 20021 of CFRA.

11. We reserve the right to notify you at the time we terminate the Franchise Agreement that we will not enforce the post-termination covenant in Section 16.D and will then have no obligation to purchase any inventory from you under Section 20022 of CFRA.

12. Notwithstanding any other provision of the Franchise Agreement to the contrary, we shall exercise the right to terminate the Franchise Agreement in accordance with CFRA Section 20020.

13. You acknowledge your obligation to provide us with notice of transfer, sale or assignment under CFRA Section 20029.

14. The Franchise Agreement requires you to execute a general release in certain circumstances. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043)

15. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of California.

16. You acknowledge that the Franchise Agreement and all related agreements between you and us are not consumer contracts and are not within the scope of California Civil Code Section 1632. You confirm and agree that all contract negotiations and discussions between us and you have been conducted in the English language and no other language.

FRANCHISEE

CHEM-DRY, INC.

\_\_\_\_\_

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

\_\_\_\_\_

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

Date: \_\_\_\_\_

## ADDENDUM TO THE FRANCHISE AGREEMENT

### ILLINOIS

This Addendum relates to franchises sold in the state of Illinois and is intended to comply with Illinois statutes and regulations.— In consideration of the execution of the Franchise Agreement, CDI and Franchisee agree to amend the Agreement as follows:

1. Sections 14 and 15 of the Agreement regarding nonrenewal and termination is amended as follows:

The conditions under which your franchise may be terminated or not renewed may be affected by Illinois law, 815 ILCS §§ 705/19 and 705/20.

2. Section 17.F. of the Agreement is deleted in its entirety and replaced as follows:

This Agreement, the franchise, and the relationship of the parties will be governed by the internal laws of the state of Tennessee, except to the extent governed by the United States Trademark, Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et. seq.) and except for any claims arising out of the Illinois Franchise Disclosure Act of 1987 and except that all issues relating to arbitrability or the enforcement of interpretation of the agreement to arbitrate as described in Section 15F will be governed by the United States Arbitration act (9 U.S.C. § 1 et. seq.) and the Federal common law relating to arbitration.

3. Section 17.G. of the Agreement is deleted in its entirety.

4. Section 17.I. of the Agreement is deleted in its entirety and replaced as follows:

EXCEPT FOR FRANCHISEE'S OBLIGATION TO INDEMNIFY CDI FOR THIRD PARTY CLAIMS UNDER SECTION 7, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, CDI AND FRANCHISEE (AND FRANCHISEE'S OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN CDI AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

5. Section 17.K. of the Agreement is deleted in its entirety and replaced as follows:

Any and all claims, except claims for monies due CDI, arising out of or relating to this Agreement or the relationship among the parties hereto, excluding any claims arising under the Illinois Franchise Disclosure Act, shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date FRANCHISEE or CDI knew or should have known of the facts giving rise to such claims.

6. The following language is added to the Agreement as the last paragraph in Section 17:

Franchise Number:

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

7. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

8. In all other respects, the Agreement will be construed and enforced according to its terms.

FRANCHISEE

CHEM-DRY, INC.

\_\_\_\_\_

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

\_\_\_\_\_

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

Date: \_\_\_\_\_

## ADDENDUM TO THE FRANCHISE AGREEMENT

### MARYLAND

This Addendum relates to franchises sold in the state of Maryland and/or to residents of the state of Maryland and is intended to comply with Maryland statutes and regulations. In consideration of the execution of the Franchise Agreement, CDI and Franchisee agree to amend the Agreement as follows:

1. The Franchise Agreement is amended by the addition of the following language:

The representations hereunder are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland franchise Registration and Disclosure Law.

2. Our right to terminate pursuant to Section 15(15) of the Franchise Agreement if you commence bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 et seq.).

3. The acknowledgements Section 1(a)(iii) of the Franchise Agreement and the following language from Section 18 (a) of the Franchise Agreement, are deleted: “By signing this Agreement, FRANCHISEE certifies that it has received and reviewed CDI’s Franchise Disclosure Document along with its Exhibits and this Agreement and its Exhibits fourteen (14) calendar days, or a different period if applicable where FRANCHISEE is located, prior to signing this Agreement or prior to paying any monies to CDI or its affiliates.”

4. Section 17 of the Franchise Agreement is amended by the addition of the following language:

Pursuant to the Maryland Franchise Registration and Disclosure Law, the Franchisee is permitted to bring a lawsuit in Maryland for claims arising under this Law.

5. Any general release required as a condition of renewal, sale, and/or assignment or transfer of the Store or the Franchise Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

6. The Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

7. Sections 13 and 14 of the Agreement is amended by the addition of the following language:

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

9. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

10. 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. Maryland franchisees and/or those operating outlets within the State of Maryland are not to sign the Disclosure Questionnaire attached as Exhibit I.

11. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. We have secured a surety bond in the amount of \$72,145, which is on file with the Commissioner.

12. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Maryland.

In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

CHEM-DRY, INC.

\_\_\_\_\_

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

\_\_\_\_\_

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

Date: \_\_\_\_\_

## ADDENDUM TO THE FRANCHISE AGREEMENT

### MINNESOTA

This Addendum relates to franchises sold in the state of Minnesota and is intended to comply with Minnesota statutes and regulations. In consideration of the execution of the Franchise Agreement, CDI and FRANCHISEE agree to amend the Agreement as follows:

1. Section 4 of the Franchise Agreement is amended by adding the following language:

CDI will protect the FRANCHISEE'S right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the FRANCHISEE from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

2. Sections 14.B. and 15 of the Franchise Agreement are amended by adding the following language:

3. Nothing in the Franchise Agreement shall in any way abrogate or reduce any rights of Franchisee as provided for in the Minnesota Statutes, Chapter 80C. Minnesota Statutes §80C.14, subdivisions 3, 4 and 5 require that Franchisee be given at least 90 days written notice in advance of termination (with 60 days to cure) and 180 days written notice for non-renewal of the Franchise Agreement, except that the notice shall be effective immediately for certain grounds. Section 17 of the Agreement is amended by adding the following language:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J, prohibits CDI from requiring litigation, to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate, reduce or otherwise waive any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or FRANCHISEE'S right to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. Section 17.I. of the Franchise Agreement is deleted in its entirety and replaced as follows:

EXCEPT FOR FRANCHISEE'S OBLIGATION TO INDEMNIFY CDI FOR THIRD PARTY CLAIMS UNDER SECTION 7, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, CDI AND FRANCHISEE (AND FRANCHISEE'S OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN CDI AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

5. Notwithstanding anything to the contrary in the Franchise Agreement, no release language in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

Franchise Number:

6. Any limitations on claims is amended to conform to Minnesota Statutes, Section 80C.12, subdivision 1(g).

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

8. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

CHEM-DRY, INC.

\_\_\_\_\_

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

\_\_\_\_\_

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

Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT**

**NEW YORK**

This Addendum relates to franchises sold in the state of New York and is intended to comply with New York statutes and regulations. In consideration of the execution of the Franchise Agreement, CDI and FRANCHISEE agree to amend the Agreement as follows:

1. Section 17.I of the Franchise Agreement are amended by adding the following sentence at the end of each Section:

“However, that all rights arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Sections 687.4 and 687.5, be satisfied.”

2. Section 17.G of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

“The foregoing choice of law should not be considered a waiver of any right conferred upon Franchisee by the General Business Law of the State of New York, Article 33.”

3. Notwithstanding anything to the contrary in the Franchise Agreement, you shall be permitted to terminate the Franchise Agreement upon any grounds available by law.

4. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

CHEM-DRY, INC.

\_\_\_\_\_

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

\_\_\_\_\_

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

Date: \_\_\_\_\_

## ADDENDUM TO THE FRANCHISE AGREEMENT

### NORTH DAKOTA

This Addendum relates to franchises sold in the state of North Dakota and is intended to comply with North Dakota statutes and regulations. In consideration of the execution of the Franchise Agreement, CDI and Franchisee agree to amend the Agreement as follows:

1. North Dakota Century Code Section 9-08-06 states “Every contract by which anyone is restrained from exercising a lawful profession, trade, or business of any kind is to that extent void, except: 1) One who sells the goodwill of a business may agree with the buyer to refrain from carrying on a similar business within a specified county, city, or a part of either, so long as the buyer or any person deriving title to the goodwill from him carries on a like business therein and 2) Partners, upon or in anticipation of a dissolution of the partnership business has been transacted, or within a specified part thereof.”

2. Any provision of the Franchise Agreement requiring the Franchisee to execute a release in a format designated by CDI is unenforceable with regard to claims arising under the North Dakota Franchise Investment Law.

3. Any provision of the Franchise Agreement requiring the Franchisee to consent to liquidated damages or termination penalties is hereby deleted.

4. Section 17 of the Franchise Agreement is amended by adding the following language:

A. Any provision of the Agreement which requires the Franchisee to consent to waiver of exemplary and punitive damages is unenforceable pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

B. Arbitration and mediation proceedings will be conducted at a site agreeable to all parties.

C. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys’ fees.

D. The venue of any litigation arising out of the franchise relationship between Franchisee and CDI will be within the state of North Dakota.

E. Both Franchisor and Franchisee will be allowed the option of a jury trial.

5. Section 17.I. of the Agreement is deleted in its entirety.

6. You acknowledge that your failure to pay the Initial Fee when due is a material default under the Franchise Agreement and ~~the-that~~ we can suspend providing services to you, and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Fee.

Franchise Number:

7. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements, or Tennessee law if such provisions are in conflict with North Dakota law.

8. The (i) covenant not to compete in Section 16.D, and (ii) one year limitation period in Section 17.L of the Franchise Agreement are not enforceable in North Dakota.

9. Notwithstanding anything to the contrary in the Franchise Agreement, no release language in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.

10. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

CHEM-DRY, INC.

\_\_\_\_\_

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

\_\_\_\_\_

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

Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT**

**RHODE ISLAND**

This Addendum relates to franchises sold in the state of Rhode Island and is intended to comply with Rhode Island statutes and regulations. In consideration of the execution of the Franchise Agreement, CDI and Franchisee agree to amend the Franchise Agreement as follows:

1. Section 17 of the Agreement is amended by adding the following language:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.

2. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

CHEM-DRY, INC.

\_\_\_\_\_

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

\_\_\_\_\_

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

Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT**

**VIRGINIA**

This Addendum relates to franchises sold in the state of Virginia and is intended to comply with Virginia statutes and regulations. In consideration of the execution of the Franchise Agreement, Chem-Dry, Inc. (“CDI”) and Franchisee agree to amend the Franchise Agreement as follows:

1. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause”, as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

CHEM-DRY, INC.

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

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT, FRANCHISE DISCLOSURE DOCUMENT, AND RELATED AGREEMENTS**

**WASHINGTON**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

—**Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington

~~1.~~ Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

1.  
—

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

~~2.~~ **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

4.  
—

~~3.~~ **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

5.           

          

4. ~~**Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.~~

6.           

          

5. ~~**Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.~~

7.           

           **C**

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

6. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

11.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

7. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

13.

**Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed

14. \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in

Franchise Number:

Washington.

- **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

~~—As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~

15.

~~8.—**Questionnaires and Acknowledgments.** 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.~~

16.

~~17.**Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).~~

~~9.—**Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.~~

18.

~~—The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.~~

~~In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.~~

~~RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.~~

~~In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.~~

~~A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the~~

~~parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial may not be enforceable.~~

~~Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.~~

~~Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.~~

~~RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~

~~We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.~~

~~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.~~

19. Liquidated damages for Washington franchisees or franchisees whose Franchised Businesses are located in Washington shall be limited to two (2) years of Monthly Franchise Fees and Minimum Product Purchases.

20. The Securities Division has required a financial assurance. The franchisor has posted a surety bond in the amount of \$100,000 with the Securities Division to secure its preopening obligations to you.

21. The acknowledgements Section 1(a)(iii) of the Franchise Agreement shall not apply in Washington.

The undersigned does hereby acknowledge receipt of this Addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

FRANCHISEE

CHEM-DRY, INC.

\_\_\_\_\_

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

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

Franchise Number:

\_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT**

**WISCONSIN**

This Addendum relates to franchises sold in the state of Wisconsin and is intended to comply with Wisconsin statutes and regulations. In consideration of the execution of the Franchise Agreement, CDI and Franchisee agree to amend the Franchise Agreement as follows:

1. The Wisconsin Fair Dealership Law supersedes any provisions of the Franchisee’s Franchise Agreement inconsistent with that law.

2. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

FRANCHISEE

CHEM-DRY, INC.

\_\_\_\_\_

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

\_\_\_\_\_

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

Date: \_\_\_\_\_

**EXHIBIT F**  
**TO THE FRANCHISE AGREEMENT**  
**RELEASE AGREEMENT**

For Franchisees Acquiring an Additional Franchise

**THIS RELEASE AGREEMENT** (“Agreement”) is made and entered into the Effective Date by and between CDI and Franchisee.

**WITNESSETH:**

**WHEREAS**, CDI and Franchisee have entered into one or more Franchise Agreements, whereby Franchisee was granted the right to own and operate an Chem-Dry business within a specific franchised area;

**WHEREAS**, Franchisee desires to acquire an additional franchise; and

**WHEREAS**, CDI is willing to grant an additional franchise to Franchisee provided Franchisee executes this Agreement concurrently with the execution of a new franchise agreement and pays the required fee to CDI.

**NOW, THEREFORE**, in consideration of the covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Release.** The Franchisee hereby forever releases, remises and discharges CDI and CDI’s affiliates, its shareholders, directors, officers, employees and agents, and all its respective heirs, executors, administrators, successors and assigns, of and from any and all known and unknown claims, causes of action, suits, debts, agreements, promises and demands of whatever nature or kind, in law or in equity, which the Franchisee now has, ever had, or, but for this release, hereafter would or could have arising from the relationship between the parties or relating in any manner to the Franchise Agreements, except for CDI’s obligation under the franchise agreement on and after the date of this Agreement. Franchisee hereby warrants and represents to CDI that he or she has not assigned any of the above-described claims, causes of action, suits, debts, agreements, promises and demands released hereunder.

For franchises in the State of California, the Franchisee acknowledges that this Release Agreement is a general release which extends to all known and unknown claims, causes of action, suits, debts, agreements, promises and demands whether or not claimed or suspected. The Franchise waives all of the provisions of California Civil Code Section 1542, and similar laws of other jurisdictions. California Civil Code Section 1542 reads as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

For franchisees in the State of Washington, the release(s) do not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**2. Construction and Enforcement.**

(a) **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), this Agreement will be governed by the laws of the State of Tennessee.

(b) **Binding Effect.** This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest, and will not be modified except by written agreement signed by Franchisee and CDI.

(c) **Construction.** The preambles are a part of this Agreement, which constitutes the entire agreement of the parties relating to its subject matter. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of the sections or paragraphs.

**IN WITNESS WHEREOF**, the parties hereto have executed this Release Agreement as of the date first above written.

FRANCHISEE

\_\_\_\_\_  
Individually & Personally

\_\_\_\_\_  
Individually & Personally

CHEM-DRY, INC.

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

## RELEASE AGREEMENT

For Franchisees Signing a Renewal Franchise Agreement

**THIS RELEASE AGREEMENT** (“Agreement”) is made and entered into the Effective Date by and between CDI and \_\_\_\_\_ Franchisee.

### WITNESSETH:

**WHEREAS**, CDI and Franchisee entered into the “Franchise Agreement, whereby Franchisee was granted the right to own and operate a Chem-Dry business within the Franchised Area;

**WHEREAS**, Franchisee desires to acquire a renewal franchise for an additional term of five (5) years; and

**WHEREAS**, CDI is willing to grant a renewal franchise to Franchisee provided Franchisee meets the requirements of Section 12 of the Franchise Agreement, including but not limited to executing this Agreement concurrently with the execution of a new franchise agreement and payment of the current renewal fee to CDI.

**NOW, THEREFORE**, in consideration of the covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Release.** The Franchisee hereby forever releases, remises and discharges CDI and CDI’s affiliates, its shareholders, directors, officers, employees and agents, and all its respective heirs, executors, administrators, successors and assigns, of and from any and all known and unknown claims, causes of action, suits, debts, agreements, promises and demands of whatever nature or kind, in law or in equity, other than those arising from this Agreement, which the Franchisee now has, ever had, or, but for this release, hereafter would or could have relating in any manner to the Franchise Agreement. Franchisee hereby warrants and represents to CDI that he or she has not assigned any of the above-described claims, causes of action, suits, debts, agreements, promises and demands released hereunder.

For franchises in the State of California, the Franchisee acknowledges that this Release Agreement is a general release which extends to all known and unknown claims, causes of action, suits, debts, agreements, promises and demands whether or not claimed or suspected. The Franchise waives all of the provisions of California Civil Code Section 1542, and similar laws of other jurisdictions. California Civil Code Section 1542 reads as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

**2. Construction and Enforcement.**

(a) **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), this Agreement will be governed by the laws of the State of Tennessee.

(b) **Binding Effect.** This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest, and will not be modified except by written agreement signed by Franchisee and CDI.

(c) **Construction.** The preambles are a part of this Agreement, which constitutes the entire agreement of the parties relating to its subject matter. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of the sections or paragraphs.

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement as of the date first above written.

FRANCHISEE

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

CHEM-DRY, INC.

\_\_\_\_\_

## EXHIBIT G

### TO THE FRANCHISE AGREEMENT

#### COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

**THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE** (this “Assignment”) is made, entered into and effective on \_\_\_\_\_ (the “Effective Date”) by and between: (i) \_\_\_\_\_ (the “Franchisor”); and (ii) \_\_\_\_\_ (the “Franchisee”).

#### BACKGROUND INFORMATION

The Franchisor entered into that certain Franchise Agreement (the “Franchise Agreement”) dated as of \_\_\_\_\_ with the Franchisee, pursuant to which the Franchisee plans to own and operate a \_\_\_\_\_ franchised business (the “Franchised Business”) located at \_\_\_\_\_ (the “Site”). In addition, pursuant to that certain Lease Agreement (the “Lease”), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from \_\_\_\_\_ (the “Lessor”). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

#### OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.
2. **Incorporation of Terms:** Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.
3. **Indemnification of Franchisor:** Franchisee agrees to indemnify and hold Franchisor and its parents, affiliates, stockholders, directors, officers, principals, franchisees/licenseses and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys’ fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee’s breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.
4. **Conditional Assignment:** Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory, equipment, and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee’s rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of the Franchisee’s breach of the Lease, then such payment by the Franchisor, or

such breach or default by the Franchisee, shall at Franchisor's option be deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination:** Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Exercise of Remedies:** In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

- a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;
- b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;
- c) to exclude the Franchisee, its agents or employees from the Site;
- d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;
- e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;
- f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor; and

g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of Franchisee defaults under the Lease and fails to cure said default within the applicable cure period (if any).

The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Site or otherwise exercise of its other rights described in this Assignment. In the event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Site, it will provide written notice to Franchisee in writing and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

7. **Power of Attorney:** Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies:** It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6 hereof, but shall have the irrevocable right to do so.

9. **Binding Agreements:** This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control.** This Assignment governs and controls over any conflicting provisions in the Lease.

Franchise Number:

11. **Attorneys' Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

12. **Severability.** If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

**IN WITNESS WHEREOF**, the Parties have caused this Assignment to be executed as of the day and year first above written.

**FRANCHISEE**

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

Name: \_\_\_\_\_

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

**FRANCHISOR**

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

Name: \_\_\_\_\_

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

**The Lessor hereby consents, agrees with, approves of and joins in with this COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE.**

**LESSOR**

\_\_\_\_\_

**EXHIBIT C**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**

**BUSINESS NOTE**

BUSINESS NOTE

Date: \_\_\_\_\_

Franchise Number: \_\_\_\_\_

Total Principal Amount: \_\_\_\_\_

FOR VALUE RECEIVED, the Undersigned (“Borrower”), jointly and severally, promise to pay to the order of Chem-Dry, Inc. (“CDI”) the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), payable in \_\_\_ equal, monthly installments of \_\_\_\_\_, beginning on the tenth day of (A) the month after Borrower signs the Franchise Agreement and/or this Business Note if Borrower is an existing CDI franchisee, or purchases an existing Chem-Dry franchise business (B) the month that is the earlier of (i) the fourth (4<sup>th</sup>) month after Borrower completes initial franchise training with CDI, or (ii) the eighth (8<sup>th</sup>) month after the date of this Note, and continuing on the tenth day of each subsequent month until paid in full. Interest shall accrue from the first installment due date as set forth above until this note is paid in full at the rate of \_\_\_% per annum. Payments must be paid on time or the loan will be become voided and all monies are due immediately and interest will be charged retroactively. Payment of both principal and/or interest shall be made via electronic transfer of funds from Borrower’s banking account or in such other manner as CDI or the holder of this Business Note shall designate. Borrower agrees to execute and submit all documents necessary to authorize such electronic transfer of funds transaction.

This Business Note represents the balance of the Initial Fee, Initial License Fee, or other amounts payable by Borrower to CDI under that certain Chem-Dry Franchise Agreement between Borrower, as franchisee, and CDI, as franchisor. Borrower’s obligations under this Business Note are absolute, irrevocable and unconditional. No defense, claim, set off, or other cause in favor of Borrower arising under the Franchise Agreement shall affect Borrower’s obligations to pay this Business Note in accordance with its terms. CDI may assign, transfer, discount or pledge this Business Note without notice to Borrower. Borrower acknowledges that its obligations under this Business Note are independent of and are not conditioned or dependent upon any rights or obligations of the parties to the Franchise Agreement.

This Business Note may be prepaid in whole or in part, without premium, from time to time on the date that any installment comes due, with minimum partial payments of \$100.00 or any multiple thereof. If Borrower pays the Initial License Fee amount owed pursuant to the Franchise Agreement associated with this Business Note in full within six (6) months of the date of this Business Note, CDI will discount the total due for the Initial License Fee by ten percent (10%). No prepayments of this Business Note shall affect the obligation of Borrower to make the payments of installments of the principal and interest required by the first paragraph hereof until this Business Note shall have been paid in full. All amounts due by Borrower to CDI shall be

subject to a one-time late fee of \$100.00 and bear interest after their due date at the highest applicable legal rate for open account business credit in the state of Borrower’s domicile, not to exceed ~~one and one half~~ and one-half percent (1.5%) per month. After the maturity of this Business Note (whether by acceleration or otherwise), CDI shall have the right to collect all payments due and interest shall accrue on the principal balance at the rate of 18% per annum. A charge of \$40.00 will be assessed for each installment returned unpaid (NSF, Account Closed, etc.).

On default hereunder and at any time thereafter, CDI may declare all of the obligations under this Business Note immediately due and payable.

The occurrence of any one or more of the following shall be deemed to be an event of default hereunder: (a) Failure of Borrower to pay any installment of principal or interest when due; (b) The filing of any petition by Borrower or against Borrower under the Federal Bankruptcy Act as now or hereafter in force for any relief based upon an allegation of Borrower’s insolvency, or the adjudication of Borrower as a bankrupt under said Act; (c) The filing of a petition against Borrower for reorganization of Borrower under the Federal Bankruptcy Act as now or hereafter in force, and the approval of such petition by any United States District Court or United States Bankruptcy Court; (d) The execution and delivery by borrower of a general assignment for the benefit of creditors; (e) The appointment of a Receiver for Borrower by a court of competent jurisdiction, which appointment shall not have been vacated within a period of thirty (30) days after the date of the appointment of such Receiver; (f) Insolvency of Borrower. Insolvency shall be defined as, when the current liabilities, less payables due CDI, exceed the current assets of Borrower, as determined by generally accepted accounting principles; (g) Failure of Borrower to maintain on a current basis any account with CDI; (h) Failure to cure, within applicable grace periods, any breach of a Franchise Agreement(s) with CDI; (i) Failure to comply with any other provisions in this agreement.

No waiver by CDI of any default on the part of Borrower, and no practice of the parties at variance with the terms hereof shall constitute a waiver of any subsequent default of the same or different terms, covenants or conditions hereof. CDI shall be entitled to recover all costs and expenses, including reasonable attorneys’ fees, incurred or paid by CDI in enforcing or defending any action relating to this Business Note, whether or not suit is filed. Wherever “CDI” is referred to herein, it shall be deemed to refer to CDI or any other assignee or subsequent holder of this Business Note.

IN WITNESS WHEREOF, the undersigned have duly executed, issued and delivered this Business Note effective as of the Date first set forth above.

Borrower

\_\_\_\_\_  
Partner or Officer

\_\_\_\_\_  
Partner or Officer

Business Name \_\_\_\_\_

Franchise Number:

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Bus. Phone # \_\_\_\_\_

The undersigned individuals jointly and severally, unconditionally, irrevocably and absolutely guaranty the timely payment and performance of this Business Note as the primary obligation of the undersigned, not as an accommodation party. The undersigned waive notice of default, notice of amendment, extension or modification, demand, protest, notice, presentment, exhaustion of remedies and all other defenses and conditions precedent to direct enforcement against the undersigned.

\_\_\_\_\_, Individually \_\_\_\_\_,  
Individually \_\_\_\_\_

Print Name: \_\_\_\_\_ Print Name:  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_ Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

Franchise Number:

**EXHIBIT D**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**OPERATIONS MANUAL**

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**TO THE FRANCHISE DISCLOSURE DOCUMENT**

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Sherry DeMott	238 West Cork Tree Drive	Orange	CA	714-374-2275
Janet Huffman	17535 Thompson Ct.	Perris	CA	951-776-9198
Janet Huffman	17535 Thompson Ct.	Perris	CA	951-776-9198
Robert Schirmer	12941 Fracine Terrace	Poway	CA	858-344-5001
Robert Schirmer	12941 Francine Terrace	Poway	CA	619-948-9600
William E. Aguilera	19024 Archwood St.	Reseda	CA	818-697-3115
Agustin Campos	774 S. Spruce Ave.	Rialto	CA	909-873-5451
Agustin Campos	774 S. Spruce Avenue	Rialto	CA	909-873-5451
<del>Court</del> , Dean <del>Court</del>	3103 Moran Avenue	Richmond	CA	510-236-1669
Dean Court	3103 Moran Ave.	Richmond	CA	510-236-1669
Michael Leffler	1145 Voltaire Drive	Riverside	CA	844-723-3748
Michael Leffler	1145 Voltaire Drive	Riverside	CA	844-723-3748
Evan Stover	617 Elefa St.	Roseville	CA	916-786-8989
Alan Lopez	PO Box 246737	Sacramento	CA	916-399-0769
Luis Pina	3233 Torrance Ave	Sacramento	CA	415-657-0114
Luis Pina	3233 Torrance Ave	Sacramento	CA	650-551-0061
Chad Lopez	7240 Frasinetti Rd.	Sacramento	CA	916-399-0769

## Franchise Number:

Chad Lopez	P.O. Box 246737	Sacramento	CA	916-920-5262
Chad Lopez	Post Office Box 246737	Sacramento	CA	916-920-5262
<del>Lopez</del> , Chad <del>Lopez</del>	7240 Frasinetti Rd.	Sacramento	CA	916-399-0769
Melissa Duke	4014 Scarlet Oak <del>CT</del> Ct.	San Bernardino	CA	909-982-9999
Melissa Duke	4014 Scarlet Oak <del>CT</del> Ct.	San Bernardino	CA	909-982-9999
Tracy Steiger	71 Glenn Way, Unit 4	San Carlos	CA	650-347-1323
Steiger, Tracy	71 Glenn Way, Unit 4	San Carlos	CA	650-347-1323
Michael Coons	7770 Regents Road, #113-277	San Diego	CA	858-530-3033
<del>Mollard</del> , Lori & Wayne <del>Mollard</del>	441 W. Allen Ave.	San Dimas	CA	626-357-7070
<del>Mollard</del> , Lori & Wayne <del>Mollard</del>	441 W. Allen Ave.	San Dimas	CA	626-357-7070
Corman Leonard	2443 Fillmore St.	San Francisco	CA	415-747-0555
Thomas Walsh	PO <del>BOX</del> -Box 8058	San Jose	CA	408-978-9220
Thomas Walsh	PO Box- 8058	San Jose	CA	408-978-9220
Ray Brown	133 Valpreda Road	San Marcos	CA	760-452-9449
Peter Overfield	38 <del>B-2</del> Beta Ct. <del>B-2</del>	San Ramon	CA	925-820-0650
Peter & Greg Overfield	38 Beta Court B-2	San Ramon	CA	925-820-0650
Greg Overfield	38 <del>B-2</del> Beta Ct <del>B-2</del>	San Ramon	CA	925-820-0650
Josh Brannon	4221 Ironwood Avenue	Seal Beach	CA	310-530-7989
Josh Brannon	4221 Ironwood Avenue	Seal Beach	CA	310-530-7989
Miguel (Mike) A. Rivera	PO <del>BOX</del> -Box 811	Sonoma	CA	415-751-3379
Miguel (Mike) A. Rivera	PO <del>BOX</del> -Box 811	Sonoma	CA	707-938-9614
Luis-Emilio Alvarenga	627 Mayfair Ave.	South San Francisco	CA	650-875-3636
Thomas Vosburg	10017 River View Circle	Stockton	CA	209-369-0386
Vosburg, Thomas	10017 River View Circle	Stockton	CA	209-463-4433
Joel New	943 West Fremont St	Stockton	CA	209-465-9018
Ronald M. Regan	3703 Five Mile Dr	Stockton	CA	209-957-8530
Jeff White	P.O. <del>BOX</del> -Box 1221	Tehachapi	CA	661-823-7402
Jo C. Curtice	21733 Anza Ave.	Torrance	CA	310-373-8443
James Beauchamp	PO BOX 8520	Truckee	CA	530-587-6138
James Beauchamp	PO BOX 8520	Truckee	CA	530-587-6138
Daniel Joyce	29550 Cole Grade Road	Valley Center	CA	760-724-4471
Daniel Joyce	29550 Cole Grade Road	Valley Center	CA	760-724-4471
Michael D. Coons	18218 Paradise Mt Rd #13	Valley Center	CA	760-505-1652
Daniel Joyce	29550 Cole Grade Road	Valley Center	CA	760-724-4471

## Franchise Number:

Douglas A. DeSario	PO <del>BOX-Box</del> 4721	Ventura	CA	805-658-2999
Doug DeSario	Post Office Box 4721	Ventura	CA	310-313-1918
Doug DeSario	Post Office Box 4721	Ventura	CA	661-367-8902
Douglas & Caroline DeSario	P.O. Box 4721	Ventura	CA	805-658-2999
<del>Desario,</del> Douglas <a href="#">Desario</a>	PO <del>BOX-Box</del> 4721	Ventura	CA	805-965-6999
<del>Desario,</del> Douglas <a href="#">Desario</a>	PO <del>BOX-Box</del> 4721	Ventura	CA	805-658-7999
<del>Desario,</del> Douglas A <a href="#">Desario</a>	PO <del>BOX-Box</del> 4721	Ventura	CA	805-658-2999
<del>DeSario,</del> Douglas & Caroline <a href="#">DeSario</a>	P.O. Box 4721	Ventura	CA	805-658-2999
Douglas & Caroline DeSario	PO Box 4721	Ventura	CA	805-658-2999
Doug DeSario	Post Office Box 4721	Ventura	CA	310-313-1918
Paul Grobbel	1547 Palos Verdes Mall #239	Walnut Creek	CA	925-939-1153
Brandon John Gamba	30 Aleman Ct	Walnut Creek	CA	707-446-3803
Jim Salsbury	749 Lakefield Road	Westlake Village	CA	805-494-1002
Brad Coghill	6345 Painter Ave. #B	Whittier	CA	562-698-1555
Stephen Williams	24085 Rubi Court	Wildomar	CA	951-200-1977
Stephen Williams	24085 Rubi Court	Wildomar	CA	951-696-0363
Michael W. Curteman	717 Gibson Road	Woodland	CA	530-662-6111
Kevin L. Eddy	4413 Bella Vista Circle	Farmington	NM	619-281-2255
Kevin Eddy	4413 Bella Vista Circle	Farmington	NM	858-487-1077
<del>Eddy,</del> Kevin L. & Tamara M. <a href="#">Eddy</a>	4413 Bella Vista Circle	Farmington	NM	760-436-0334
<del>Eddy,</del> Kevin <a href="#">Eddy</a>	4413 Bella Vista Cr.	Farmington	NM	619-281-2255
<del>Woodard,</del> David <a href="#">Woodard</a>	722 Bowles Lane	Gardnerville	NV	530-577-1928
<b>COLORADO</b>				
Kerry L. Rogers	6496 Brentwood Ct.	Arvada	CO	970-845-0707
Kerry Rogers	6496 Brentwood Ct.	Arvada	CO	303-425-0566
Ashley VanLeuven	4719 Ashfield Court	Boulder	CO	720-304-3910
Ashley VanLeuven	4719 Ashfield Court	Boulder	CO	720-304-3910
Ashley VanLeuven	4719 Ashfield Court	Boulder	CO	720-304-3910
<del>Hanks,</del> David B. & Sharon M. <a href="#">Hanks</a>	1155 War Eagle Drive N	Colorado Springs	CO	719-550-1144
Kevin Huntsman	3335 El Paso Pl Suite 110	Colorado Springs	CO	719-599-4441
Hanks, David B & Sharon M.	6660 Delmonico Dr.	Colorado Springs	CO	970-627-2445
Aaron Pannell	10273 Sharon Springs Dr	Colorado Springs	CO	719-631-9963
Glenn Hansen	1470 S. Quebec Way #256	Denver	CO	970-353-3838
Kraig D. Baade	1942 S Quebec Street	Denver	CO	303-450-0595
Kraig D. Baade	1942 S Quebec Street	Denver	CO	303-466-5555
Noah Lopez	PO Box 4602	Durango	CO	970-259-9046

## Franchise Number:

Noah Lopez	PO Box 4602	Durango	CO	970-259-9046
Michael C. Elder	4825 Ruidosa Drive	Fort Collins	CO	970-493-3980
Thomas Baumer	15985 S. Golden Rd. Unit I	Golden	CO	303-255-1900
Thomas Baumer and Bob Krusinski	15985 S. Golden Road	Golden	CO	303-278-0194
Kyle Baldwin	2144 Bluebell Avenue	Greeley	CO	970-667-8801
Kyle Baldwin	<a href="#">2144 Bluebell Avenue</a> ATTN: Kyle Baldwin	Greeley	CO	970-667-8801
Patrick Scott Vick	439 Fairway Lane	Gunnison	CO	970-641-3151
Michael Court	8955 Ridgeline Blvd. Ste 1800	Highlands Ranch	CO	303-252-0517
Michael Court	8955 Ridgeline Blvd. Ste 1800	Highlands Ranch	CO	303-252-0517
Michael Court	8955 Ridgeline Blvd. Ste 1800	Highlands Ranch	CO	303-252-0517
Michael Court	8955 Ridgeline Blvd. Ste 1800	Highlands Ranch	CO	303-252-0517
Michael Court	8955 Ridgeline Blvd. Ste 1800	Highlands Ranch	CO	303-252-0517
Michael Court	8955 Ridgeline Blvd. Ste 1800	Highlands Ranch	CO	303-252-0517
Michael Court	8955 Ridgeline Blvd. Ste 1800	Highlands Ranch	CO	303-252-0517
Scott G. Abbott	12330 Mineral Road	Longmont	CO	303-652-8400
Bill Wotochek	7839 Lakeshore Dr	Parker	CO	720-768-8982
Darrell Contreras	962 Tamarack Circle	Pueblo	CO	719-647-1545
Darrell Contreras	<a href="#">962 Tamarack Circle</a> ATTN: Darrell Contreras	Pueblo	CO	719-647-1545
<b>CONNECTICUT</b>				
David M. Patrick	106 Beaver Brook Rd.	Milford	CT	203-874-4555
William W. Stuart	PO <del>BOX</del> -Box 9232	Noank	CT	860-536-3677
Thomas Galotti	1108 Shippan Avenue	Stamford	CT	203-718-0784
Thomas Galotti	1108 Shippan Ave.	Stamford	CT	203-718-0784
<b>DELAWARE</b>				
Angelo A. Cairo	23233 Blue Water Way	Lewes	DE	302-234-0200
Ward Lee Culver II	10917 Player Lane	Berlin	MD	302-497-7123
David Geer	819 208th St.	Pasadena	MD	302-629-2055
David Greer	819 208th St.	Pasadena	MD	302-629-2055
<b>FLORIDA</b>				
Fred R. Brereton Jr	2835 S. Pine St.	Foley	AL	855-588-7847
Jessica A. Svoboda	13576 NW CR 235	Alachua	FL	352-378-4111
Donald J. Veatch	181 Island Breeze Ave.	Daytona Beach	FL	386-586-2220
Brandon Belles	6011 French Creek Ct	Ellenton	FL	941-263-2626
Brandon Belles	6011 French Creek Ct	Ellenton	FL	941-263-2626
Christine M. Boger	15519 U.S. Hwy 441 N	Eustis	FL	352-350-7698
Christine M. Boger	15519 U.S. Hwy 441 N	Eustis	FL	352-350-7698
Christine M. Boger	15519 U.S. Hwy 441 N	Eustis	FL	352-350-7698

## Franchise Number:

Robert Wayne Davis	2866 Via Piazza Loop	Fort Myers	FL	239-494-8642
Robert Wayne Davis	2866 Via Piazza Loop	Fort Myers	FL	239-949-4559
Robert Wayne Davis	2866 Via Piazza Loop	Fort Myers	FL	239-949-4559
William Speidel	Attn: William	Fort Walton Beach	FL	850-862-0062
William Speidel	594 Lombre Court	Fort Walton Beach	FL	850-862-0062
Greg Kingos	17211 Laurelin Ct.	Ft. Myers	FL	239-945-7757
Jason McLaverty	2400 South Ocean Dr.	Ft. Pierce	FL	772-621-7182
Adesh K. Sahni	11215 ST Johns Industrial Pkwy N.	Jacksonville	FL	904-620-7310
Alex Erwin	6057 Magellan Road	Jacksonville	FL	904-778-7878
Ted Jastremski	18403 Bittern Ave	Lutz	FL	813-402-8403
Ted Jastremski	18403 Bittern Avenue	Lutz	FL	813-402-8403
Dominic Pinate	5650 SW 131 <del>CT</del> Ct	Miami	FL	305-233-6433
Augusto Hernandez	6771 SW 7th Street	Miami	FL	786-339-9168
Trish Boot	441 19th Street Northwest	Naples	FL	239-353-4246
Warren R. Litka	2940 2nd St. N.E.	Naples	FL	239-455-7452
<del>Litka, Warren R.</del> <a href="#">Litka</a>	2940 2nd St. <del>Ne</del> NE	Naples	FL	239-455-7452
Trish Boot	441 19th St <del>Nw</del> NW	Naples	FL	239-489-1191
Daniel Muller	13127 Bromborough Drive	Orlando	FL	321-204-2931
Daniel Muller	13127 Bromborough Drive	Orlando	FL	321-204-2931
Juliana Pulecio Velasquez	11940 Founders Street	Orlando	FL	321-666-1810
Juliana Pulecio Velasquez	11940 Founders Street	Orlando	FL	321-666-1810
Sara Lynn & Jonathan Ofri	PO BOX 1	Palm City	FL	561-532-1442
Sara Lynn & Jonathan Ofri	PO BOX 1	Palm City	FL	561-532-1442
Pat Occhilupo	9 Bunkerview Place	Palm Coast	FL	386-445-1434
Carey Christopher	2005 Rowe Lane	Pensacola	FL	850-318-3419
Kevin Bream	43 S. Powerline Rd #254	Pompano Beach	FL	877-577-1877
Gary Cannava	601 SE 5th Ter.	Pompano Beach	FL	954-741-5311
<del>Bream, Kevin</del> <a href="#">Bream</a>	43 S. Powerline Rd #254	Pompano Beach	FL	877-577-1877
Gary Cannava	601 SE 5th Terrace	Pompano Beach	FL	561-775-7711
<del>Bream, Kevin</del> <a href="#">Bream</a>	43 S. Powerline Rd #254	Pompano Beach	FL	877-577-1877
Bernardo Quintero	1902 Southwest Logan Street	Port Saint Lucie	FL	772-249-8670
Patricia Yager	10575 Hearth Road	Spring Hill	FL	352-683-9757
Patricia Yager	10575 Hearth Rd	Spring Hill	FL	352-683-9757
Edward Davis	1644 SW Gregor Way	Stuart	FL	772-288-1141
Ronald J. Burkey	8305 Bay Club Ct	Tampa	FL	509-942-4502
Ronald J. Burkey	8305 Bay Club Ct	Tampa	FL	509-942-4502
Clyde Miller	1438 North River Circle	Tarpon Springs	FL	770-886-9300
<del>Miller, E. Clyde</del> <a href="#">Miller</a>	1438 North River Circle	Tarpon Springs	FL	727-844-0034

## Franchise Number:

<del>Miller</del> , E. Clyde Miller	1438 North River Circle	Tarpon Springs	FL	727-447-4726
Roger Averill	4820 Walton Ave	Titusville	FL	321-634-4456
Roger Averill	4820 Walton Ave	Titusville	FL	321-634-4456
Robert Chavez	86224 Caesars Avenue	Yulee	FL	904-535-5937
Robert Chavez	86224 Caesars Avenue	Yulee	FL	904-535-5937
Carey Christopher	7002 Green Spring Drive	Louisville	KY	850-318-3419
<b>GEORGIA</b>				
Clyde Miller	1438 North River Circle	Tarpon Springs	FL	770-886-9300
Robert Chavez	86224 Caesars Avenue	Yulee	FL	904-650-3575
Scott Arman Miller	387A Old Commerce Road	Athens	GA	706-510-1110
Ivan Clarke	1160 Wing Street	Atlanta	GA	678-737-4977
Ivan Clarke & Tanja Ketisch	220 Beachland Dr.	Atlanta	GA	678-737-4977
Ivan Clarke and Tanja Ketisch	1160 Wings Street	Atlanta	GA	678-737-4977
Ivan Clarke	1160 Wing Street	Atlanta	GA	678-737-4977
Ivan Clarke	1160 Wing Street	Atlanta	GA	678-737-4977
Brian Palmer	228 Busbin Road	Fayetteville	GA	770-631-4536
Brian Palmer	228 Busbin Road	Fayetteville	GA	770-631-4536
Brian E. Massey	110 Lexington Lane	Kingsland	GA	912-673-8883
Brian E. Massey	110 Lexington Lane	Kingsland	GA	912-262-0060
Adam Tolbert	917 Tucker Road	Macon	GA	478-781-6557
Eric McClintock	552 W Atlanta St. Suite B	Marietta	GA	770-218-5656
Eric McClintock	552 W Atlanta St. Suite B	Marietta	GA	404-231-8583
Eric McClintock	552 W Atlanta St. Suite B	Marietta	GA	770-218-5656
Eric McClintock	552 W Atlanta St. Suite B	Marietta	GA	770-218-5656
Eric McClintock	552 W Atlanta St. Suite B	Marietta	GA	770-419-1788
Eric McClintock	552 W Atlanta St. Suite B	Marietta	GA	770-495-7004
Frank Humphries	3181 Red Rose Drive	Powder Springs	GA	470-264-5660
Kevin C. Wann	270 Joe Tike Dr.	Ringgold	GA	423-899-4144
Keith William Sapp	208 East Montgomery Cross Roads	Savannah	GA	912-352-8400
Tanya G. DeVoe	215 Savannah Ave.	Statesboro	GA	912-489-8832
Suhail Saqi	1814 Plum Street	Valdosta	GA	229-244-3304
Samuel L. Anderson	606 Edgefield Road	Belvedere	SC	803-278-6050
<b>HAWAII</b>				
Frank Kelso	91-1121 Keaunui Drive Suite 108	Ewa Beach	HI	808-798-8703
Kristen Shimabukuro	1726 10th Avenue	Honolulu	HI	808-798-9873

## Franchise Number:

Kelii Irvin Ross	94-1010 Leihaku Street	Waipahu	HI	808-371-8874
<b>IDAHO</b>				
Clifford Rogers	720 Pearl Drive	Blackfoot	ID	208-785-1300
Clifford Rogers	720 <del>PEARL</del> Pearl Dr.	Blackfoot	ID	208-785-1300
Jason Smith	1061 Foxmoor Dr.	Hailey	ID	208-788-3999
Jim Johnson	PO Box 3173	Idaho Falls	ID	208-529-9559
Andrew J. Hottinger (Jeff)	2828 Knollcrest Drive	Lewiston	ID	208-746-7056
<del>Hottinger,</del> Andrew J. Hottinger	2828 Knollcrest Drive	Lewiston	ID	208-746-7056
Andrew J. Hottinger	2828 Knollcrest Drive	Lewiston	ID	208-746-7056
Casey McClellan	1331 North 2100 West	Malad	ID	208-766-2370
Lynn & Diana Sharp	909 3rd Street S.	Meridian	ID	208-475-5100
Lynn & Diana Sharp	909 3rd Street S.	Nampa	ID	208-475-5100
Lynn Sharp	909 3rd St. South	Nampa	ID	208-475-5100
<del>Sharp,</del> Lynn Sharp	909 3rd St S	Nampa	ID	208-475-5100
<del>Lynn Sharp</del> Sharp, Lynn	909 3rd St S	Nampa	ID	208-475-5100
<del>Lynn Sharp</del> Sharp, Lynn	909 3rd St S	Nampa	ID	208-475-5100
<del>Lynn Sharp</del> Sharp, Lynn	909 3rd St S	Nampa	ID	208-475-5100
<del>Lynn Sharp</del> Sharp, Lynn	909 3rd St S	Nampa	ID	208-475-5100
<del>Lynn Sharp</del> Sharp, Lynn	909 3rd St S	Nampa	ID	208-475-5100
Lynn & Diana Sharp	909 3rd Street S.	Nampa	ID	208-475-5100
<del>Lynn Sharp</del> Sharp, Lynn	909 3rd St. S	Nampa	ID	208-475-5100
<del>Lynn Sharp</del> Sharp, Lynn	909 3rd St. S	Nampa	ID	208-475-5100
Shayne Remington	PO Box 82	Rexburg	ID	208-356-6116
Shayne Remington	P.O. Box 82	Rexburg	ID	208-529-2771
Shayne Remington	P O Box 82	Rexburg	ID	208-356-6116
<b>ILLINOIS</b>				
Sonia Jona Rodriguez	6705 31st Street	Berwyn	IL	312-339-2963
Matthew T. Wilcox	1115 E. Lafayette Street	Bloomington	IL	309-661-9830
Thomas A. May	1122 Chickory Ridge Trail	Cary	IL	847-550-0828
Derrick Meyers	5009 S. Bend Road	Chana	IL	815-282-5020
Derrick Meyers	5009 S. Bend Road	Chana	IL	815-762-7555
Arevalo, Ignacio	4824 S. Linder Ave	Chicago	IL	708-795-5932
Ignacio Arevalo	4824 S Linder Ave.	Chicago	IL	708-795-5932
Jason L. Armstrong	106 Webster Drive	Columbia	IL	618-281-9999
Jason Armstrong	106 Webster Dr.	Columbia	IL	618-281-9999
Timothy J. Dodaro II	135 Erick St.	Crystal Lake	IL	847-416-2621
Timothy J. Dodaro II	135 Erick St.	Crystal Lake	IL	847-416-2621
Timothy J. Dodaro II	135 Erick St.	Crystal Lake	IL	847-416-2621
Timothy J. Dodaro II	135 Erick St.	Crystal Lake	IL	847-416-2621

## Franchise Number:

Timothy J. Dodaro II	135 Erick St.	Crystal Lake	IL	847-416-2621
Michael Peterman	124 E. Cerro Gordo St.	Decatur	IL	217-789-9788
Michael Peterman	124 E. Cerro Gordo St.	Decatur	IL	217-875-7570
Michael L. Peterman	124 E. Cerro Gordo St.	Decatur	IL	217-789-9788
Mike Peterman	124 E. Cerro Gordo Street	Decatur	IL	217-875-7570
Michael Court	16436 Cherry Creek Ct. Unit 5	Joliet	IL	708-498-3985
Michael Court	16436 Cherry Creek Ct. Unit 5	Joliet	IL	708-498-3985
Jim R. Bibula	617 N 3550th Road	La Salle	IL	815-223-8810
Jim R. Bibula	617 N 3550th Road	La Salle	IL	815-223-8810
Sandra Hattar	16536 Willow Walk Drive	Lockport	IL	708-498-3398
Sandra Hattar	16536 Willow Walk Drive	Lockport	IL	784-983-3980
Sandra Hattar	16536 Willow Walk Drive	Lockport	IL	708-498-3398
Sandra Hattar	16536 Willow Walk Drive	Lockport	IL	708-498-3398
Robert W. Varner	2609 Liberty Drive	Maryville	IL	618-659-9909
Robert W. Varner	2609 Liberty Drive	Maryville	IL	618-659-9909
Michael Court	1042 N Star Lane	New Lenox	IL	708-429-2303
Michael Court	1042 N Star Lane	New Lenox	IL	708-498-3985
Christine M. Hall	8522 Harding Ave.	Skokie	IL	847-933-9283
Jeffrey Keef	67 Clements Rd.	Walnut Hill	IL	618-249-6755
<del>Keef, Jeffrey &amp; Keef,</del> Stacey <del>Keef</del>	67 Clements Rd.	Walnut Hill	IL	618-998-9373
Jeff Keef	67 Clements Road	Walnut Hill	IL	618-249-6755
<del>Keef, Jeffrey &amp; Keef,</del> Stacey <del>Keef</del>	67 Clements Road	Walnut Hill	IL	618-249-6755
Ei Maung	206 W. Norman Ln.	Wheeling	IL	847-443-5133
<del>Maung, Ei Maung</del>	206 W. Norman Lane	Wheeling	IL	847-443-5133
<del>Maung, Ei Maung</del>	206 W. Norman Lane	Wheeling	IL	847-443-5133
<del>Hampton, Sean R</del> <del>Hampton</del>	3528 Market St.	Hannibal	MO	217-222-6624
<b>INDIANA</b>				
Dennis Campbell	2370 E Baseline Road	Albion	IN	260-490-2705
Dennis Campbell	2370 E Baseline Rd	Albion	IN	260-665-1740
Dennis Campbell	2370 E. Baseline Road	Albion	IN	260-665-1740
Dennis Campbell	2370 E Baseline Rd	Albion	IN	260-768-9130
John Buehler	7203 South Lodge Rd	Bloomington	IN	812-287-9886
John and Jennifer Buehler	7203 South Lodge Rd	Bloomington	IN	812-322-8422
George A. Roccia	919 23rd Street	Columbus	IN	812-376-0671
George A. Roccia	919 23rd Street	Columbus	IN	812-934-5060
R. Edward Frutig	1800 Sterling Avenue	Elkhart	IN	574-255-8221

## Franchise Number:

<del>Frutig</del> , R. Edward <a href="#">Frutig</a>	1800 Sterling Avenue	Elkhart	IN	574-255-8221
<del>Frutig</del> , R. Edward <a href="#">Frutig</a>	1800 Sterling Avenue	Elkhart	IN	574-255-8221
<del>Frutig</del> , R. Edward <a href="#">Frutig</a>	1800 Sterling Avenue	Elkhart	IN	574-294-4958
<del>Frutig</del> , R. Edward <a href="#">Frutig</a>	1800 Sterling Avenue	Elkhart	IN	574-293-0994
Ed Frutig	1800 Sterling Ave	Elkhart	IN	574-264-9412
<del>Frutig</del> , R. Edward <a href="#">Frutig</a>	1800 Sterling Avenue	Elkhart	IN	574-264-9412
Robert A. Bohrer III	3201 N. 11th Ave	Evansville	IN	812-598-1116
Brad Jacobs	4305 Tacoma Ave	Fort Wayne	IN	260-409-1138
Heath Davis	51635 Terri Brooke Drive	Granger	IN	574-257-7578
Jason & Rachel Boulton	667 Brookview Dr	Greenwood	IN	317-556-7775
Jason & Rachel Boulton	667 Brookview Dr	Greenwood	IN	317-556-7775
Jason & Rachel Boulton	667 Brookview Dr	Greenwood	IN	317-556-7775
Jason & Rachel Boulton	667 Brookview Dr	Greenwood	IN	317-556-7775
Jason & Rachel Boulton	667 Brookview Dr	Greenwood	IN	317-556-7775
Jason & Rachel Boulton	667 Brookview Dr	Greenwood	IN	317-556-7775
Jason & Rachel Boulton	667 Brookview Dr	Greenwood	IN	317-556-7775
Kevin Jones	1601 Country Club Road	Indianapolis	IN	317-273-9814
Tabitha Minor	5751 Tim Tam Court	Indianapolis	IN	317-786-9400
Kevin Jones	1601 Country Club Road	Indianapolis	IN	317-273-9814
Kevin Jones	1601 County Club Road	Indianapolis	IN	317-273-9814
Thomas A. Minor Jr.	5751 Tim Tam Court	Indianapolis	IN	317-843-9400
Kevin Jones	1601 Country Club Rd.	Indianapolis	IN	317-273-9814
<del>Jones</del> , Kevin <a href="#">Jones</a>	1601 Country Club Road	Indianapolis	IN	317-273-9814
Kevin Jones	1601 Country Club Rd	Indianapolis	IN	317-273-9814
Kevin & Amy Jones	1601 Country Club Road	Indianapolis	IN	317-273-9814
Thaddeaus Hymas	809 North Cherry Wood Lane	Muncie	IN	765-217-4337
<del>Hymas</del> , Thaddeaus <a href="#">Hymas</a>	809 North Cherry Wood Lane	Muncie	IN	765-217-4337
Debra Shirley	742 Ash Street	Tipton	IN	765-675-7544
Richard Lahart	406 Wilshire Ct.	Valparaiso	IN	219-707-6539
Richard Lahart	406 Wilshire Ct.	Valparaiso	IN	219-707-6539
Steve Borchert	PO <del>BOX-Box</del> 2951	W Lafayette	IN	765-423-1166

## Franchise Number:

IOWA				
Mark Pounds	P.O. <del>BOX</del> Box 263	Cedar Falls	IA	319-277-2585
Mark Pounds	P.O. <del>BOX</del> Box 263	Cedar Falls	IA	319-277-2585
Jason G. Klein	2020 Werner Ave NE Unit B	Cedar Rapids	IA	319-390-1931
Jason G. Klein	2020 Werner Ave NE Unit B	Cedar Rapids	IA	319-390-1931
Brennan Casler	1606 Southview Circle	Fairfield	IA	641-469-6115
Joe D. Stephens	717 Cunningham Dr.	Sioux City	IA	712-266-1177
Christopher Voss	1140 Lake Ave.	Fairmont	MN	507-236-0713
<del>Steigleder</del> , Michael W. <del>Steigleder</del>	8943 J Street	Omaha	NE	712-328-7412
KANSAS				
Kathy L. Dunn	225 East 16th Avenue	Hutchinson	KS	620-663-1807
Christopher Douglas Green	3979 Woodlawn Blvd, Ste 3	Wichita	KS	316-315-0006
KC Ehrhardt	13954 County Road 180	Rosendale	MO	913-351-3508
KENTUCKY				
Phillip Chad Wheeler	1725 Ashley Circle Suite 110	Bowling Green	KY	270-842-9802
Chad Wheeler	1725 Ashley Circle Suite #110	Bowling Green	KY	270-842-9802
Gregory Taylor	116 Keelridge Drive	Georgetown	KY	859-885-0707
<del>Schoenbeck</del> , Gary & Mike <del>Schoenbeck</del>	<del>501 Wilmar Court</del> ATTN: Gary <del>or</del> Miike Schoenbeck	La Grange	KY	502-426-9342
Gary Schoenbeck	501 Wilmar Court	La Grange	KY	502-426-9342
Daniel Eckels	2118 Villa Square	Murray	KY	270-227-4601
<del>Eckels</del> , Daniel <del>Eckels</del>	2118 Villa Square	Murray	KY	270-227-4601
LOUISIANA				
James L. Billeaudeau	440 Industrial Pkwy Suite 8	Lafayette	LA	225-243-5777
James L. Billeaudeau	440 Industrial Pkwy Suite 8	Lafayette	LA	337-233-9444
Gary Duhon	1004 Lake Ridge Lane	Lake Charles	LA	337-436-3200
MAINE				
Miller, Rick G.	45 Bartlett Road	Kittery Point	ME	207-451-9470
Frederick F. Wilcox	32 Lockland Dr.	Windham	ME	207-828-0288
MARYLAND				
Cris Horton	PO Box 1237	California	MD	240-808-9257
Braddy, Ronald D.	3929 Hawthorn <del>RDRd</del>	Ellicott City	MD	410-857-1600
Ronald D Braddy	3929 Hawthorn <del>RDRd</del>	Ellicott City	MD	410-461-8077
Imad S. Haddad	20631 Miracle Dr.	Gaithersburg	MD	301-869-0869
Chris Harper	7806 Foxfarm Ln	Glen Burnie	MD	410-514-6023
Chris Harper	7806 Foxfarm Lane	Glen Burnie	MD	410-514-6023
Dale R. Drum	203 Linden Blvd.	Middletown	MD	240-409-0211
<del>Drum</del> , Dale R. <del>Drum</del>	203 Linden Blvd	Middletown	MD	240-409-0122

## Franchise Number:

Otis Watts III	3126 E. Joppa Rd.	Parkville	MD	410-661-2560
<del>Watts,</del> Otis <a href="#">Watts</a> III	3126 E. Joppa Rd	Parkville	MD	410-661-2560
Joshua Creekmore	20 Killington Drive	Pasadena	MD	410-255-8200
David Geer	819 208th St.	Pasadena	MD	443-331-4141
David Geer	819 208th St.	Pasadena	MD	443-331-4141
Eric Allen Bearinger	4010 Robin Hood Way	Sykesville	MD	410-983-6677
Eric Allen Bearinger	4010 Robin Hood Way	Sykesville	MD	410-983-6677
Eric Allen Bearinger	4010 Robin Hood Way	Sykesville	MD	410-983-6677
Bianca Egalite	10702 Presidential Parkway	Upper Marlboro	MD	301-381-3939
William Denning	5 South Main Street	Woodsboro	MD	240-702-2007
William Denning	5 South Main Street	Woodsboro	MD	240-439-1448
Carlos Ayala	10538 Rogues Road	Midland	VA	202-787-3909
<b>MASSACHUSETTS</b>				
Tom McGeorge	22 South Orleans Road	Harwich	MA	508-255-6564
Daniel Jackunas	185 Lincoln St.	Hingham	MA	781-749-9099
David Swart	122 High St	Pembroke	MA	781-826-7133
David Swart	122 High Street	Pembroke	MA	781-826-7133
David B. Swart	122 High St.	Pembroke	MA	781-826-7133
David Swart	122 High Street	Pembroke	MA	781-826-7133
Rico Traversa	5 North Rd	Peru	MA	413-269-8446
Rico Traversa	5 North Rd	Peru	MA	413-269-8446
<del>Stuart,</del> Nancy <a href="#">Stuart</a>	329 Franklin Street	Reading	MA	781-942-2175
<del>Stuart,</del> Nancy <a href="#">Stuart</a>	329 Franklin St	Reading	MA	781-942-2175
Nancy Stuart	329 Franklin St.	Reading	MA	781-942-2175
Patricia Maher	265 Poskus St	Stoughton	MA	508-384-2254
Patricia Maher	265 Poskus St	Stoughton	MA	508-384-2254
Patricia Maher	265 Poskus St	Stoughton	MA	508-384-2254
Patricia Maher	265 Poskus St	Stoughton	MA	508-384-2254
Gregory & Mary Martin	46 Wilson Road	West Yarmouth	MA	508-760-5666
Gregory Martin	46 Wilson Road	West Yarmouth	MA	508-760-5666
<b>MICHIGAN</b>				
Ed Frutig	1800 Sterling Avenue	Elkhart	IN	574-255-8221
Dawn Marrocco	40296 Vincenzia Drive	Clinton Township	MI	734-663-5497
<del>Pittiglio,</del> Cheryl <a href="#">Pittiglio</a>	38552 Albert Blvd	Clinton Township	MI	313-622-1693
Dawn Marrocco	40296 Vincenzia Drive	Clinton Township	MI	734-663-5497
Dawn Marrocco	40296 Vincenzia Drive	Clinton Township	MI	586-576-9700
Dawn Marrocco	40296 Vincenzia Drive	Clinton Township	MI	586-576-9700
Cheryl Pittiglio	38552 Albert Blvd	Clinton Township	MI	313-622-1693
Timothy Lawrence Jettie,	5636 Mayfair	Dearborn Heights	MI	248-476-3580

## Franchise Number:

<del>Boening</del> , John E. <a href="#">Boening</a>	9992 Clark Rd	Grand Ledge	MI	517-485-5595
<del>Boening</del> , John E. <a href="#">Boening</a>	9992 W. Clark Rd.	Grand Ledge	MI	517-485-5595
John Edward Boening	9992 W. Clark Rd.	Grand Ledge	MI	517-485-5595
John Boening	9992 Clark Road	Grand Ledge	MI	517-485-5595
Tim Teall	400 Lakeshore Drive	Ishpeming	MI	906-486-8077
Nicholas Fuller	5012 Brooklyn Road	Jackson	MI	517-783-4634
Nicholas Fuller	5012 Brooklyn Road	Jackson	MI	517-783-4634
Sean Thompson	6780 Brooklyn Rd	Napoleon	MI	517-263-7146
Sean Thompson	6780 Brooklyn Road	Napoleon	MI	517-990-5548
Dominic Pittiglio Jr.	440 Indianside Drive	Oakland	MI	248-879-3954
Douglas N. Dawson	7113 Graal Shores	Rapid River	MI	906-428-1962
Bryon Jackson	2900 North Main St.	Royal Oak	MI	248-589-2250
Tim Whyte	1819 N. 8 Mile Road	Sanford	MI	989-349-6595
Tim Whyte	1819 N. 8 Mile Road	Sanford	MI	989-349-6595
Tim Whyte	1819 N. 8 Mile Road	Sanford	MI	989-349-6595
MINNESOTA				
James Withrow	2720 161st Ave. NW	Andover	MN	763-862-7862
Nicole Roberts	8716 Highwood Way	Apple Valley	MN	651-333-3602
Jeffrey & Tracy Swenson	17021 Commercial Park Rd Suite 3	Brainerd	MN	218-828-4320
Kenneth Brown	16984 12th -Street NW	Cokato	MN	320-286-5558
<del>Brown</del> , Kenneth & Ann <a href="#">Brown</a>	16984 12th Street <a href="#">NwNW</a>	Cokato	MN	320-286-5558
<del>Brown</del> , Kenneth & Ann <a href="#">Brown</a>	16984 12th <del>STREET</del> <a href="#">Street</a> NW	<del>COKATO</del> <a href="#">Cokato</a>	MN	320-286-5558
Colton Withrow	15408 Woodland Beach Road	Deerwood	MN	218-828-7040
Christopher Q. Voss	1140 Lake Avenue	Fairmont	MN	507-236-0713
Paul Rynearson	232 N. Murphy St.	Lake Crystal	MN	507-625-5590
Rynearson, Paul	232 N. Murphy St.	Lake Crystal	MN	507-625-5590
Mark Hendricks	36942 County 39	Laporte	MN	218-751-0403
Roy & Karen Simmons	2728 Village Green	Moorhead	MN	218-233-4601
Ben Longest	P.O. Box 857	Owatonna	MN	507-455-1454
<del>Rhodes</del> , Lonnie Mark <a href="#">Rhodes</a>	<a href="#">P.O. Box 857</a> <del>ATTN-Attn:</del> Ben Longest	Owatonna	MN	507-332-2528
<del>Hauser</del> , Robert A. <a href="#">Hauser</a>	4502 20 ST SE	Rochester	MN	507-280-9050
Robert Hauser	4502 20th St <a href="#">SeSE</a>	Rochester	MN	507-280-9050
<del>Hauser</del> , Robert & Kathleen <a href="#">Hauser</a>	4502 20 St <a href="#">SeSE</a>	Rochester	MN	507-280-9050
Hauser, Robert A.	4502 20 St <a href="#">SeSE</a>	Rochester	MN	507-280-9050
Jeff Swenson	33078 County Road 2	Saint Joseph	MN	218-828-4320
<del>Swenson</del> , Jeffrey Arnold <a href="#">Swenson</a>	33078 Country Road #2	St. Joseph	MN	320-252-9799
Paula Faughender	668 Victoria Street S.	St. Paul	MN	651-341-0933
Faughender, Paula	668 Victoria St.	St. Paul	MN	651-341-0933

## Franchise Number:

Paula Faughender & Eric Weispfening	668 Victoria Street S.	St. Paul	MN	651-341-0933
Paula Faughender & Eric Weispfening	668 Victoria Street S.	St. Paul	MN	651-341-0933
David W Plantz	P.O. BOX 146	Onalaska	WI	507-457-9458
MISSISSIPPI				
Troy J. Ross	4 Schooner Lane	Ocean Springs	MS	228-872-4363
Cain, Allen	1035 Parkway Dr	Spring Hill	TN	901-755-5958
MISSOURI				
Kenneth Hukill	2337 W. Cothrell Street	Olathe	KS	913-768-7373
Ronald Sailer	5330 Flint St.	Shawnee	KS	913-962-1992
Steven Weidinger	2501 Northwest Salem Court	Blue Springs	MO	816-229-2312
Steven Weidinger	2501 Northwest Salem Court	Blue Springs	MO	816-229-2312
Tony Sharp	301 Anita Drive	Carl Junction	MO	417-222-3363
Tony Sharp	301 Anita Drive	Carl Junction	MO	417-222-3363
Sean R. Hampton	12109 Country Meadows Place	Hannibal	MO	800-248-3606
<del>Eidem</del> , Douglas L. <a href="#">Eidem</a>	810 Rabbit Run Rd	Jefferson City	MO	573-441-1065
<del>Eidem</del> , Douglas L. <a href="#">Eidem</a>	810 Rabbit Run Rd	Jefferson City	MO	573-346-3306
Douglas L. Eidem	810 Rabbit Run Rd.	Jefferson City	MO	573-635-1065
<del>Eidem</del> , Douglas L. <a href="#">Eidem</a>	810 Rabbit Run Rd	Jefferson City	MO	573-441-1065
Tom McGeorge	208 NW Shagbark	Lee's Summit	MO	816-941-2271
KC Ehrhardt	13954 County Road 180	Rosendale	MO	816-841-4776
KC Ehrhardt	13954 County Road 180	Rosendale	MO	402-525-6136
KC Ehrhardt	13954 County Road 180	Rosendale	MO	402-525-6136
KC Ehrhardt	13954 County Road 180	Rosendale	MO	816-364-2225
Christ Makos	10774 Trenton Avenue	St Louis	MO	636-441-7750
Billy G. Sparks	3803B William Dr.	St. Charles	MO	636-441-4330
<del>Sparks</del> , Billy G. <a href="#">Sparks</a>	<del>3803b-3803B</del> William Dr	St. Charles	MO	636-441-4330
Christ Makos	10774 Trenton Avenue	St. Louis	MO	314-423-2800
Katerina Seitz	Katerina Seitz	Sunset Hills	MO	314-423-2800
MONTANA				
John Betcher	PO Box 81021	Billings	MT	406-652-7400
Adam Dewis	PO Box 4708	Bozeman	MT	406-284-8688
Jonathan Henry	3800 8th Avenue South	Great Falls	MT	406-454-2500
David Ward	PO Box 2232	Hamilton	MT	406-363-1532
Bill Simmons	3173 Tancy Drive	Helena	MT	406-458-9615

## Franchise Number:

Mike Walker	Post Office Box 17905	Missoula	MT	406-251-5255
Mike Walker	Post Office Box 17905	Missoula	MT	406-251-5255
<b>NEBRASKA</b>				
Joe Stephens	717 Cunningham Dr.	Sioux City	IA	712-266-1177
Travis Nisley	135 Meadowfield Run	Clemmons	NC	402-934-9300
Travis Nisley	135 Meadowfield Run	Clemmons	NC	402-934-9300
Kenneth M. Hinsdale	10819 S 204th Avenue Circle	Gretna	NE	402-505-6616
Shawn G. Closner	6161 S 97th	Lincoln	NE	402-489-4800
Jeff Carstens	6000 Hitching Post Lane	Lincoln	NE	402-420-9025
Mike Steigleder	8943 J Street	Omaha	NE	402-592-4691
Thomas D. Ferguson	2301 5th Avenue	Scottsbluff	NE	308-632-7752
Robert Orsborn	P.O. Box 348	Stromsburg	NE	402-764-8131
<b>NEVADA</b>				
David Woodard	722 Bowles Lane	Gardnerville	NV	775-782-8477
Adam D. Dowd	PO Box 92438	Henderson	NV	702-438-2436
James Everett Willis	720 Merialdo Lane	Las Vegas	NV	702-766-9066
Catherine Sylvie Remy	7660 Kalmalii Ave	Las Vegas	NV	725-234-6434
Derek Windous	499 W. Edgewater Dr.	Spring Creek	NV	775-738-8850
<b>NEW HAMPSHIRE</b>				
Rick G. Miller	45 Bartlett Road	Kittery Point	ME	603-430-9470
Laurence Dapolito	18 Hillside Drive	Brookline	NH	603-882-1617
<b>NEW JERSEY</b>				
<del>Kramer</del> , Daniel <a href="#">Kramer</a>	198 Lincoln Avenue	W. Milford	NH	973-728-6172
<del>Perro</del> , Richard F. (Brothers) <a href="#">Perro</a>	10 Annabelle Ave.	Clifton	NJ	973-773-5559
Richard F. Perro	10 Annabelle Ave.	Clifton	NJ	973-773-5559
Glenn Rosenbower	53 Lincoln Place	East Rutherford	NJ	201-723-4204
Christopher Benford	43 Ocean Blvd.	Keyport	NJ	732-583-6571
Wilce Morisset	1502 Garden Drive	Ocean	NJ	732-607-4400
Wilce Morisset	1502 Garden Dr.	Ocean	NJ	732-607-4400
Marcus, Allen	961 Route 10 East	Randolph	NJ	973-376-8787
Allen Marcus	111 Canfield Ave. Unit A-18	Randolph	NJ	973-927-5113
<del>Marcus</del> , Bruce G. <a href="#">Marcus</a>	111 Canfield Ave. Unit A-18	Randolph	NJ	908-232-0800
<del>Marcus</del> , Bruce G. <a href="#">Marcus</a>	111 Canfield Ave. Unit A-18	Randolph	NJ	800-750-5333
<del>Marcus</del> , Bruce G. <a href="#">Marcus</a>	111 Canfield Ave. Unit A-18	Randolph	NJ	800-750-5333
Bruce G. Marcus	111 Canfield Ave. Unit A-18	Randolph	NJ	908-766-7771
Brian Flaherty	107 Highway 71	Spring Lake Heights	NJ	732-751-8520
<del>Flaherty</del> , Brian <a href="#">Flaherty</a>	107 Highway 71	Spring Lake Heights	NJ	732-751-8520

## Franchise Number:

<del>Kramer</del> , Daniel H. <a href="#">Kramer</a>	198 Lincoln Avenue	W. Milford	NJ	973-728-6172
Daniel H. Kramer	198 Lincoln Avenue	W. Milford	NJ	973-728-6172
Melinda S. Gammello	1513 E Woodlawn St	Allentown	PA	908-475-8916
<del>Blau</del> , Andy <a href="#">Blau</a>	1840 County Line Rd	Huntingdon Valley	PA	609-259-6699
<del>Blau</del> , Andy <a href="#">Blau</a>	1840 County Line Rd	Huntingdon Valley	PA	609-259-6699
Antoine Cheek	2027 Snyder Avenue	Philadelphia	PA	215-715-1160
NEW MEXICO				
David Gallegos	9440 San Mateo NE	Albuquerque	NM	505-883-1133
David Gallegos	9440 San Mateo NE	Albuquerque	NM	505-883-1133
David Gallegos	9440 San Mateo NE	Albuquerque	NM	505-883-1133
David Gallegos	9440 San Mateo NE	Albuquerque	NM	505-883-1133
David Gallegos	9440 San Mateo NE	Albuquerque	NM	505-883-1133
Kevin Eddy	4413 Bella Vista Circle	Farmington	NM	505-325-7601
Kevin Lee Eddy	4413 Bella Vista Circle	Farmington	NM	505-325-7601
NEW YORK				
Steve Waters	18 Limerick Lane	Ballston Spa	NY	518-583-6699
Elvin Flores	918 Hollywood Avenue	Bronx	NY	917-447-8474
Robert K. Hughes	3373 Howlett Hill Rd	Camillus	NY	315-391-5696
Joseph Charlip	816 Kirkland Court	Central Islip	NY	516-774-4393
Joseph Charlip	816 Kirkland Court	Central Islip	NY	516-774-4393
Mark Brady	19 Wren Drive	Hauppauge	NY	631-474-1834
Brian Speary	34 Pellbridge Dr.	Hopewell Junction	NY	845-299-8209
James Carine	44 Silas Woods Rd.	Manorville	NY	631-878-7088
Michael Thomas Diffley	4 Crabapple Lane	Nanuet	NY	914-333-0875
Michael Diffley	4 Crabapple Lane	Nanuet	NY	845-735-6996
Christian Vasquez	122 East 42nd Street	New York	NY	347-768-7113
Thomas Perry	PO Box 143	Peconic	NY	631-734-7645
Randall Lippert	19 Candee Street	Phoenix	NY	315-343-5220
Cory Casamassina	91 Northern Pkwy. West	Plainview	NY	516-433-0302
Paul Casamassina	91 Northern Pkwy. West	Plainview	NY	516-433-4701
<del>Casamassina</del> , Paul & Cathy <a href="#">Casamassina</a>	91 Northern Pkwy West	Plainview	NY	516-433-4701
Michael Pinelli	77 Wappanocca Ave.	Rye	NY	914-925-2525
Eric S. Wheeler	2075 Brook Lane	Seaford	NY	516-882-0933
Eric S. Wheeler	2075 Brook Lane	Seaford	NY	516-882-0933
Eric S. Wheeler	2075 Brook Lane	Seaford	NY	516-882-0933
Brian Paul Thayer	4333 Cleveland Road	Syracuse	NY	315-391-8520
Ralph J. DeStefanis	1034 Erie Street	Utica	NY	866-367-2221
<del>DeStefanis</del> , Ralph <a href="#">DeStefanis</a>	1034 Erie St.	Utica	NY	607-547-6060
Ralph J. DeStefanis	1034 Erie St.	Utica,	NY	315-363-6752
Ralph J. DeStefanis	1034 Erie St.	Utica	NY	315-738-1111
Lucille I. Angelo	686 Hightower Way	Webster	NY	585-458-5797

## Franchise Number:

<del>Angelo,</del> Lucille I. <a href="#">Angelo</a>	686 Hightower Way	Webster	NY	585-458-5797
<del>Angelo,</del> Lucille I. <a href="#">Angelo</a>	686 Hightower Way	Webster	NY	585-458-5797
Lucille I. Angelo	686 Hightower Way	Webster	NY	585-458-5797
Donna Scalfaro	41 Dyke Road	West Seneca	NY	716-706-0003
Donna Scalfaro	41 Dyke Road	West Seneca	NY	716-706-0003
Donna Scalfaro	ATTN: Donna Scalfaro	West Seneca	NY	585-391-0111
Donna Scalfaro	41 Dyke Road	West Seneca	NY	716-706-0003
Elvin Flores	135 Chester Drive	Yonkers	NY	917-447-8474
<b>NORTH CAROLINA</b>				
Richard B. Solan	5100 Reagan Drive	Charlotte	NC	704-875-8877
Quentin Cellucci	13520 Cedar Farm Road APT 207	Charlotte	NC	704-688-0815
<del>Solan,</del> Richard <a href="#">Solan</a>	5100 Reagan Drive	Charlotte	NC	704-875-8877
<del>Richard,</del> Carolyn & Justin Solan <a href="#">Richard</a>	5100 Reagan Drive	Charlotte	NC	704-875-8877
Rick & Carolyn Solan	5100 Reagan Drive	Charlotte	NC	704-875-8877
Richard Reid	106 S. Walnut Circle	Greensboro	NC	336-299-2844
Marino Lopez	4281 Harbor Ridge Drive	Greensboro	NC	336-905-8210
Marino Lopez	4281 Harbor Ridge Drive	Greensboro	NC	336-905-8210
Richard Reid	106 S. Walnut Circle	Greensboro	NC	336-299-2844
Richard Reid	106 S. Walnut Circle	Greensboro	NC	336-299-2844
Richard Reid	106 S. Walnut Circle	Greensboro	NC	336-299-2844
Richard Reid	106 S. Walnut Circle	Greensboro	NC	336-299-2844
Shirley C. Williams	201 East Price St.	Hendersonville	NC	828-697-0088
Robert Medred	1121 Highway 86 North	Hillsborough	NC	919-968-4009
Robert Medred	ATTN: Carbo Clean, Inc.	Hillsborough	NC	919-968-4009
Robert Medred	1121 Highway 86 North	Hillsborough	NC	919-968-4009
Robert Medred	1121 NC Highway 86 North	Hillsborough	NC	336-437-1800
Walter Tilford Smith, III	312 Soundview Dr.	Kill Devil Hills	NC	252-330-3540
Paul Gullesterian	108 Baywatch Dr.	Mooresville	NC	704-660-0916
Brian Bartholomew	PO Box 752	Nashville	NC	919-285-3140
Brian Bartholomew	Post Office Box 752	Nashville	NC	919-285-3140
Brian Bartholomew	Post Office Box 752	Nashville	NC	252-234-5914
Krystle Brooks	1406 Kelly Place	Newport	NC	252-393-7580
Steven Wilford Murphy	444 S Blount St. #319	Raleigh	NC	919-524-1000
<del>Hutchens,</del> Michael Allen <a href="#">Hutchens</a>	1220 Shuping Mill Rd	Rockwell	NC	704-662-0071
Michael Allen Hutchens	1220 Shuping Mill Rd	Rockwell	NC	704-933-2000
<del>Hutchens,</del> Michael Allen <a href="#">Hutchens</a>	1220 Shuping Mill Rd	Rockwell	NC	704-547-0808

## Franchise Number:

Stanley B. Lineberry	324 Ben Eller Lane	Taylorsville	NC	704-484-8887
Stanley B. Lineberry	324 Ben Eller Lane	Taylorsville	NC	704-732-8885
Stanley B. Lineberry	324 Ben Eller Lane	Taylorsville	NC	828-268-3338
Stanley B. Lineberry	324 Ben Eller Lane	Taylorsville	NC	828-268-3338
Stanley B. Lineberry	324 Ben Eller Lane	Taylorsville	NC	828-268-3338
Trenton A. Barnes	1017 Cedar Knoll Drive	Wake Forest	NC	919-553-0662
Trenton A. Barnes	1017 Cedar Knoll Dr.	Wake Forest	NC	919-847-2228
Brandon Sherron	PO Box 93	Wendell	NC	919-366-1980
Jodie Matheny	340 Windy Woods Way	Wilmington	NC	910-994-7774
Carrie A. Hansley	5131 North Causeway Rd, Unit B	Winston Salem	NC	336-945-6160
Carrie A. Hansley	5131 North Causeway Rd, Unit B	Winston Salem	NC	336-945-6160
Carrie A. Hansley	5131 North Causeway Rd	Winston-Salem	NC	336-945-6160
<del>Wood, Charles</del> <a href="#">Wood</a>	4432 Reedy Branch Road	Winterville	NC	252-758-8353
Charles Wood	4432 Reedy Branch Road	Winterville	NC	252-758-8353
<del>Wood, Charles</del> <a href="#">Wood</a>	4432 Reedy Branch Road	Winterville	NC	252-758-8353
Charles Wood & Eric Uhlenbrock	4432 Reedy Branch Road	Winterville	NC	252-758-8353
<b>NORTH DAKOTA</b>				
Roy A. Simmons	2728 Village Green Dr.	Moorhead	MN	218-233-4601
James D. Sundine	607 25th Avenue South	Grand Forks	ND	701-741-1150
<b>OHIO</b>				
Leroy V. Hamp III	2881 Hamden Dr	Beavercreek	OH	937-233-2008
Leroy V. Hamp III	1184 Richfield Ctr.	Beavercreek	OH	937-233-2008
Lauren & Chris Cocklin	5245 Dolores St. NW	Canton	OH	614-333-1828
Lauren & Chris Cocklin	5245 Dolores St. NW	Canton	OH	614-333-1828
Gerald L. McCray	6000 Bradford Way	Hudson	OH	330-650-2944
Gerald L. McCray	6000 Bradford Way	Hudson	OH	330-650-2944
Loren Matey	1489 Woodforest NW	Massillon	OH	330-833-3232
Tyler Tucci	833 Mandy Lane	Newark	OH	740-404-8043
Chris Gearhart	78 W Parkside Drive	Powell	OH	614-850-0873
Steven Conner	PO Box 275	Rootstown Township	OH	330-325-2626
Steven Conner & Aeriolo Conner	PO Box 275	Rootstown Township	OH	330-325-2626
Toby Barta	2620 Centennial Road	Toledo	OH	419-843-3451
Toby L. Barta	2620 Centennial Rd Suite A	Toledo	OH	800-292-4573
Chris Cocklin	5656 Burntwood Way	Westerville	OH	614-333-1828
<del>Flickinger, Paul</del> <a href="#">Flickinger</a>	4276 Sylvan Rd	Wooster	OH	419-756-5353
Paul Jeffrey Flickinger	4276 Sylvan Road	Wooster	OH	330-262-5139

## Franchise Number:

<del>Flickinger, Paul</del> Jeffrey <a href="#">Flickinger</a>	4276 Sylvan Road	Wooster	OH	419-281-1434
Steven Finn	2583 Peach Lane	Wooster	OH	330-294-9693
Steven Finn,	2583 Peach Lane	Wooster	OH	330-294-9693
<del>Flickinger, Paul</del> Jeffrey <a href="#">Flickinger</a>	4276 Sylvan Road	Wooster	OH	330-722-2718
OKLAHOMA				
Gary Donaldson	35423 E. 141 Street South	Coweta	OK	918-786-4433
Gary Donaldson	35423 E. 141 Street South	Coweta	OK	918-786-4433
Tiffany Bondurant	6504 Hunter Drive	Edmond	OK	405-771-2009
<del>Richards, John &amp; Linda</del> <a href="#">Richards</a>	816 North David Lane	Muskogee	OK	918-458-5300
John Richards	816 North David Lane	Muskogee	OK	918-683-4884
Kipp Violet	18761 East Red Fox Trail	Owasso	OK	918-233-8554
Kipp Violet	18761 East Red Fox Trail	Owasso	OK	918-233-8554
<del>Herman, Randy</del> <a href="#">Herman</a>	1821 Belt Line Road	Garland	TX	405-215-9777
<del>Herman, Randy</del> <a href="#">Herman</a>	1821 Belt Line Road	Garland	TX	405-215-9777
<del>Herman, Randy</del> <a href="#">Herman</a>	1821 Belt Line Road	Garland	TX	405-215-9777
<del>Herman, Randy</del> <a href="#">Herman</a>	1821 Belt Line Road	Garland	TX	405-215-9777
<del>Herman, Randy</del> <a href="#">Herman</a>	1821 Belt Line Road	Garland	TX	405-215-9777
<del>Herman, Randy</del> <a href="#">Herman</a>	1821 Belt Line Road	Garland	TX	405-215-9777
<del>Herman, Randy</del> <a href="#">Herman</a>	1821 Belt Line Road	Garland	TX	405-215-9777
<del>Herman, Randy</del> <a href="#">Herman</a>	1821 Belt Line Road	Garland	TX	405-215-9777
<del>Herman, Randy</del> <a href="#">Herman</a>	1821 Belt Line Road	Garland	TX	405-215-9777
OREGON				
Roger Schultz	ATTN: ROGER & CHRISTINE SCHULTZ	Bend	OR	541-388-7374
Jeff Couch	P.O. BOX 5676	Central Point	OR	541-665-5244
Geoff Speidel	PO Box 1995	Hood River	OR	541-354-5454
Sean Gallagher	61 Grace Street	Lebanon	OR	541-754-0236
Sean Gallagher	61 Grace Street	Lebanon	OR	541-928-1177
Larz Richardson	3709 Pacific Street	North Bend	OR	541-290-0141
Robert Kelley	22021 SW Sherwood Blvd	Sherwood	OR	360-256-9896
Rob Kelley	22021 SW Sherwood Blvd	Sherwood	OR	503-625-3101
<del>Kelley, Rob</del> <a href="#">Kelley</a>	22021 SW Sherwood Blvd	Sherwood	OR	503-625-3101
<del>Kelley, Rob</del> <a href="#">Kelley</a>	22021 SW Sherwood Blvd	Sherwood	OR	503-625-3101

## Franchise Number:

<a href="#">Kelley, Rob Kelley</a>	22021 SW Sherwood Blvd	Sherwood	OR	503-625-3101
<a href="#">Kelley, Rob Kelley</a>	22021 SW Sherwood Blvd	Sherwood	OR	503-625-3101
Rob Kelley	22021 SW Sherwood Blvd	Sherwood	OR	503-625-3101
Rob Kelley	22021 SW Sherwood Blvd	Sherwood	OR	360-573-5390
Rob Kelley	22021 SW Sherwood Blvd	Sherwood	OR	503-625-3101
Mike Tanuvasa	P.O. Box 562	Tualatin	OR	503-256-2266
Mike Tanuvasa	P.O. Box 562	Tualatin	OR	503-256-2266
Mike Tanuvasa	P.O. Box 562	Tualatin	OR	503-235-6184
Mike Tanuvasa	P.O. Box 562	Tualatin	OR	503-644-4101
Mike Tanuvasa	P.O. Box 562	Tualatin	OR	503-256-2266
Mike Tanuvasa	P.O. Box 562	Tualatin	OR	503-256-2266
Mike Tanuvasa	P.O. Box 562	Tualatin	OR	503-624-1756
Mike Tanuvasa	P.O. Box 562	Tualatin	OR	503-636-4837
Mike Tanuvasa	P.O. Box 562	Tualatin	OR	503-256-0059
Roger Schultz	2798 S 3200 W	Hurricane	UT	541-388-7374
<a href="#">Schultz, Roger &amp; Christine Schultz</a>	2798 S 3200 W	Hurricane	UT	541-388-7374
Roger Schultz	2798 S 3200 W	Hurricane	UT	541-388-7374
Roger Schultz	2798 S 3200 W	Hurricane	UT	541-388-7374
<a href="#">Rodeback, Ronald &amp; Gelene Rodeback</a>	933 S Nevada Drive	Longview	Wa	360-423-5754
PENNSYLVANIA				
Anthony Mangione	PO BOX 742	Brodheadsville	PA	610-863-6499
Anthony Mangione	P.O. Box 742	Brodheadsville	PA	570-595-9042
Melissa Venneri	2510 State Ave.	Coraopolis	PA	412-262-2234
Melissa Venneri	2510 State Ave.	Coraopolis	PA	412-262-2234
Melinda S. Gammello	3383 Greenwood Dr.	Hellertown	PA	610-821-4916
<a href="#">Blau, Andy Blau</a>	1840 County Line Rd	Huntingdon Valley	PA	215-234-7374
<a href="#">Blau, Andy Blau</a>	1840 County Line Rd	Huntingdon Valley	PA	215-234-7374
Iretha Nalls	104 Country Court	Long Pond	PA	570-776-8377
Iretha Nalls	104 Country Court	Long Pond	PA	570-776-8377
Jason Zinobile	22575 Decorum Rd	Neelyton	PA	814-527-4722
Jason Zinobile	22575 Decorum Rd	Neelyton	PA	814-527-4722
Thomas Barkdoll	1207 Mountain Road	Newburg	PA	717-243-8807
Gevorg Marashlian	35 Rockwood Rd.	Newtown Square	PA	610-789-4474
Antoine Cheek	2027 Snyder Ave	Philadelphia	PA	610-638-6363
Antoine Cheek	2027 Snyder Ave	Philadelphia	PA	610-638-6363
<a href="#">Miller, Mark Miller</a>	485 Hartman Rd	Reading	PA	717-336-6399
Mark Miller	485 Hartman Rd	Reading	PA	800-378-4030
<a href="#">Miller, Mark Miller</a>	485 Hartman Rd	Reading	PA	610-431-4575
<a href="#">Miller, Mark Miller</a>	485 Hartman Rd	Reading	PA	610-948-9480
<a href="#">Miller, Mark Miller</a>	485 Hartman Rd	Reading	PA	717-336-6399
Mark Miller	485 Hartman Rd	Reading	PA	610-678-9900
Miller, Mark	485 Hartman Rd	Reading	PA	610-948-9480
Troy Ramsey	4 East King Street	Shippensburg	PA	717-532-8676

## Franchise Number:

Daren Donovan	203 Whitmer Road	Shippensburg	PA	717-261-1086
<del>Ramsey</del> , Troy <a href="#">Ramsey</a>	4 E. King Street	Shippensburg	PA	717-261-1950
Daren Donovan	203 Whitmer Road	Shippensburg	PA	717-261-1086
<del>Manwarren</del> , Philip <a href="#">Manwarren</a>	1 Line St	Throop	PA	570-586-5298
<del>Manwarren</del> , Philip <a href="#">Manwarren</a>	1 Line St	Throop	PA	570-586-5298
Philip Manwarren	1 Line St	Throop	PA	570-586-5298
Kristie Norman	56 Overhill Road	Williamsport	PA	570-873-0010
Kristie Norman	56 Overhill Road	Williamsport	PA	570-873-0010
Kristie Norman	56 Overhill Road	Williamsport	PA	570-873-0010
J. Mark Minnich	3241 East Berlin Rd	York	PA	717-632-1058
<del>Minnich</del> , J. Mark <a href="#">Minnich</a>	3241 East Berlin Rd	York	PA	717-600-0242
<b>SOUTH CAROLINA</b>				
Rick and Carolyn Solan	5100 Reagan Drive	Charlotte	NC	704-875-8877
Richard & Carolyn Solan	5100 Reagan Drive	Charlotte	NC	704-875-8877
Samuel L. Anderson	606 Edgefield Road	Belvedere	SC	803-278-6050
Charlie Garcia	2797 Westbrook Rd.	Edgemoor	SC	803-913-3955
<del>Garcia</del> , Charlie & Emily <a href="#">Garcia</a>	2797 Westbrook Rd.	Edgemoor	SC	803-913-3955
Zeeshan Fazli (2 territories)	1010 Albany Park Drive	Fort Mill	SC	980-500-0026
Seth A. Hook	120-B Old Mill Rd.	Greenville	SC	864-720-4395
Travis K. Poore	114 Greenside Drive	Greenwood	SC	864-543-3506
Ronald E. Reynolds	745 Sonny Boy Ln	Johns Island	SC	843-766-0052
Ronald E. Reynolds & Andrew Blom	745 Sonny Boy Ln	Johns Island	SC	843-301-0202
Ronald E. Reynolds & Andrew Blom	ATTN: Ronald Reynolds	Johns Island	SC	843-301-0202
<del>Reynolds</del> , Ronald E <a href="#">Reynolds</a>	745 Sonny Boy Ln	Johns Island	SC	843-301-0202
Brad Smith	336 Barnevelder Drive	Lexington	SC	803-500-4707
Brandon J. Bialecki	406 39th Avenue South	North Myrtle Beach	SC	843-272-1104
Vincent Billy	109 Middleton Place Drive	Piedmont	SC	864-387-3332
Vincent Billy	109 Middleton Place Drive	Piedmont	SC	864-387-3332
Gregory C. Phillips	1527 Mudville Road	Ridgeville	SC	843-797-1025
Paul A. Moen	1708 Congressional Blvd.	Summerville	SC	843-873-5288
Paul A. Moen	1708 Congressional Blvd.	Summerville	SC	843-873-5288
Paul A. Moen	1708 Congressional Blvd.	Summerville	SC	843-873-5288
Paul A. Moen	1708 Congressional Blvd.	Summerville	SC	843-873-5288
<del>KING</del> , Michael <a href="#">King</a>	3130 Cain's Mill Road	Sumter	SC	803-749-4003

## Franchise Number:

Michael King	3130 Cain's Mill Road	Sumter	SC	803-749-4003
Dalton Cody Collins	625 Godwin St.	Sumter	SC	843-662-4939
Dalton Cody Collins	625 Godwin St.	Sumter	SC	803-828-0338
<b>SOUTH DAKOTA</b>				
Joe Stephens	717 Cunningham Dr.	Sioux City	IA	712-266-1177
Brad Engelhart	382091 Spillway Drive	Aberdeen	SD	605-332-1551
Brad Engelhart	382091 Spillway Drive	Aberdeen	SD	605-332-1551
Brad Engelhart	Attn: Brad Engelhart	Tea	SD	605-332-1551
Brad Engelhart	27178 Linda Ave., Ste# 2	Tea	SD	605-332-1551
<b>TENNESSEE</b>				
Wann, Kevin C.	270 Joe Tike Drive	Ringgold	GA	423-899-4144
Michael Woods	925 Tiny Town Road	Clarksville	TN	931-551-2674
Michael Woods	925 Tiny Town Road	Clarksville	TN	931-551-2674
Michael Woods	925 Tiny Town Road	Clarksville	TN	931-551-2674
Jenna W. Tamayo	1805 W. State of Franklin Road	Johnson City	TN	423-225-8525
Jenna W. Tamayo	1805 W. State of Franklin Rd.	Johnson City	TN	423-225-8525
Andrew Stuart Bremer	3503 Mirage Lane	Knoxville	TN	865-355-0200
Andrew Stuart Bremer	2705 Cloudberry Lane	Knoxville	TN	865-355-0200
Andrew Stuart Bremer	2705 Cloudberry Lane	Knoxville	TN	865-355-0200
Amanda C. Mottern	4178 Larchpoint Cove	Lakeland	TN	901-382-3339
James Eichel	320 Grooms Road	Puryear	TN	731-333-1828
Sean E. Tinsley	PO <del>BOX-Box</del> 1503	Smyrna	TN	615-223-9945
Tara Ouston	200 Brook Ct	Smyrna	TN	615-557-5231
<del>Tinsley, Sean &amp; Neva Ann Tinsley</del>	<del>PO</del> PO Box 1503	Smyrna	TN	615-223-9945
Tim Outson	200 Brook Ct.	Smyrna	TN	615-557-5231
Tim Outson	200 Brook Court	Smyrna	TN	615-454-0275
Allen Cain	1012 Rochelle Ave	Thompsons Station	TN	615-373-5044
Allen Cain	1012 Rochelle Ave	Thompson's Station	TN	901-755-5958
Allen Cain	1012 Rochelle Ave	Thompson's Station	TN	615-373-5044
<del>Cain, Allen Cain</del>	1012 Rochelle Ave	Thompson's Station	TN	615-790-7757
Allen Cain	1012 Rochelle Ave	Thompson's Station	TN	931-388-0878
Allen Cain	1012 Rochelle Ave	Thompson's Station	TN	615-373-5044
Neil Burgin	3655 Old Manchester Hwy.	Tullahoma	TN	931-455-6266
Neil Burgin	3655 Old Manchester Hwy	Tullahoma	TN	931-455-6266
<b>TEXAS</b>				
Sharlene DeVore	PO Box 63	Abilene	TX	325-695-2335
Sharlene DeVore	PO Box 63	Abilene	TX	325-695-2335
David J. Katz	4015 Beltline Road Suite 106B	Addison	TX	972-490-1977
Roger Thomas	PO <del>BOX-Box</del> 7753	Amarillo	TX	806-353-5053

## Franchise Number:

Richard Garcia	817 S. Belleview St.	Amarillo	TX	806-353-5053
Casey M. Barba	PO Box 92105	Austin	TX	512-892-1116
Casey Barba	PO Box 92105	Austin	TX	512-892-1116
Derrick Barba	PO Box 92105	Austin	TX	512-892-1116
Haitham Ahmed	14112 McCoy Loop	Austin	TX	737-200-2885
Haitham Ahmed	14112 McCoy Loop	Austin	TX	737-200-2885
Haitham Ahmed	14112 McCoy Loop	Austin	TX	737-200-2885
John Anthony Ramirez	305 Interstate 10 S	Beaumont	TX	409-866-5700
Adrian Tenorio	1087 Rio Brazos	Boerne	TX	210-741-9470
<del>Tenorio</del> , Adrian Tenorio	1087 Rio Brazos	Boerne	TX	210-741-9470
Patrick Skweres	1204 Prairie Lea St.	Brenham	TX	979-277-9333
Patrick Skweres	1204 Prairie Lea St.	Brenham	TX	979-277-9333
Patrick Skweres	1204 Prairie Lea St.	Brenham	TX	979-277-9333
Amy Diamond	P.O. <del>BOX</del> Box 2063	Cleburne	TX	817-558-3113
Amy Diamond	1220 Lynnwood Dr	Cleburne	TX	817-558-3113
Bradley W. Ayers	5400 Elmo Weedon Rd.	College Station	TX	979-776-9833
Bradley W. Ayers	5400 Elmo Weedon Rd.	College Station	TX	979-776-9833
Bradley Ayers	5400 Elmo Weedon Road	College Station	TX	979-776-9833
<del>Herman</del> , Randy & Erika Herman	11110 Petal St. Suite 100	Dallas	TX	972-690-7272
Angie Rodriguez	1202 North East 5th St.	Dumas	TX	806-935-5504
Carolyn Copeland	5115 Ocotillo	El Paso	TX	915-581-1387
Greg Garcia	7337 Desierto Luna	El Paso	TX	915-833-2411
Wally Closner	9708 Santa Clara Drive	Fort Worth	TX	817-560-9192
Jamal Pedescleaux	4701 Marbella Circle	Fort Worth	TX	817-475-9995
Jamal Pedescleaux	4701 Marbella Circle	Fort Worth	TX	817-475-9995
John Cordero	4212 Mantis St	Fort Worth	TX	817-242-4462
Jamal Pedescleaux	4701 Marbella Circle	Fort Worth,	TX	817-475-9995
Matthew Plante	1612 Garden Lakes Drive	Friendswood	TX	346-217-9105
Matthew and Maxine Plante	1612 Garden Lakes Drive	Friendswood	TX	281-460-9484
Matthew and Maxine Plante	1612 Garden Lakes Drive	Friendswood	TX	346-217-9105
Matthew and Maxine Plante	1612 Garden Lakes Drive	Friendswood	TX	346-217-9105
Randy Herman	1821 Belt Line Road	Garland	TX	972-690-7272
Randy Herman & Erika H. Herman	1821 Belt Line Road	Garland	TX	972-530-2219
<del>Herman</del> , Randy & Eirka Herman	1821 Belt Line Road	Garland	TX	972-517-7979
Randy Herman & Erika H. Herman	1821 Belt Line Road	Garland	TX	972-690-7272
Randy Herman	1821 Belt Line Road	Garland	TX	972-980-9436

## Franchise Number:

Tracy Meek	2534 Shell Road Ste. C	Georgetown	TX	512-868-6722
<del>Meek, Tracy L.</del> <a href="#">Meek</a>	2534 Shell Road Ste. C	Georgetown	TX	512-868-6722
Tracy Meek	2534 Shell Road Ste. C	Georgetown	TX	512-868-6722
Tracy Meek	2534 Shell Rd.	Georgetown	TX	512-868-6722
Brandon Russell	8225 E FM 916	Grandview	TX	817-294-7557
Paola Michel	2100 Grayson Dr.	Grapevine	TX	817-409-4199
Paola Michel & Angel Rodriguez	2100 Grayson Dr	Grapevine	TX	817-409-4199
Howard Thornton	2187 FM 1564 E	Greenville	TX	214-241-1143
<del>Thornton, Howard</del> <a href="#">Thornton</a>	2187 FM 1564 E	Greenville	TX	214-241-1143
Gene Quintana	13330 Western Oak Dr. STE 5	Helotes	TX	210-695-9888
Gene Quintana	13330 Western Oak Dr. Ste. 5	Helotes	TX	210-680-1370
Gene Quintana	13330 Western Oak Dr. Ste 5	Helotes	TX	830-331-2003
Alvaro Mejia	958 W. 18th. Street	Houston	TX	281-350-4644
Alvaro Mejia	958 W. 18th. Street	Houston	TX	281-350-4644
<del>Katz, David J.</del> <a href="#">Katz</a>	2296 Prairie Wind Path	Lewisville	TX	972-490-1977
David Katz	2296 Prairie Wind Path	Lewisville	TX	972-490-1977
Sujay Kumar Bhatt	804 Claremont Court	McKinney	TX	469-770-7123
Sujay Kumar Bhatt	804 Claremont Court	McKinney	TX	469-770-7123
Glenn Keelin	4901 Lancashire Rd	Midland	TX	432-315-3551
Glenn & Tracy Keelin	4901 Lancashire Rd	Midland	TX	432-315-3551
<del>Miller, Ralph Ben</del> <a href="#">Miller, III</a>	774 Cambridge Dr.	New Braunfels	TX	830-379-3816
Ralph B. Miller, III	774 Cambridge Dr.	New Braunfels	TX	830-606-9200
<del>Miller, Ralph III &amp; Carey</del> <a href="#">Miller</a>	774 Cambridge Dr.	New Braunfels	TX	210-651-5109
Ralph B. Miller III	774 Cambridge Dr.	New Braunfels	TX	512-459-3816
Darnell M. (goes by Maurice) Green	P.O. Box 3415	Palestine	TX	903-723-7503
Lori J. Flores	1407 Ebeling Drive	Plainview	TX	806-296-5415
Richard Dwight Emmot II	2458 Santa Barbara Loop	Round Rock	TX	737-377-3787
Richard Dwight Emmot II	2458 Santa Barbara Loop	Round Rock	TX	737-377-3787
Richard Dwight Emmot II	2458 Santa Barbara Loop	Round Rock	TX	737-377-3787
Ignacio Arevalo	8222 Maloy Manor	San Antonio	TX	210-680-4891
Raynard Crouteau	2308 W. Houston Street	Sherman	TX	903-893-4898
Michael Smith	PO <del>BOX</del> <a href="#">Box</a> 5305	Texarkana	TX	903-838-9748
Stephens Kaigler	11 S. Dragonwood Pl.	The Woodlands	TX	832-228-0264
Stephens Kaigler	11 S. Dragonwood Pl.	The Woodlands	TX	832-956-1535
Stephens Kaigler	11 S. Dragonwood Pl.	The Woodlands	TX	832-956-1535

## Franchise Number:

Bryan Guajardo	504 E. Warren Ave	Victoria	TX	361-573-4432
Daniel Maher	PO Box 23614	Waco	TX	254-666-5128
Daniel & Deborah Maher	PO Box 23614	Waco	TX	512-483-1666
Dale Weixel	313 Sanchez Ct.	Weatherford	TX	817-244-1777
<del>Weixel</del> , Dale <a href="#">Weixel</a> (Weixel, Inc.)	313 Sanchez Court	Weatherford	TX	817-596-4420
James Espinoza	15502 Galveston Road	Webster	TX	281-488-6595
James Espinoza	15502 Highway 3 Suite 122	Webster	TX	281-488-6595
<b>UTAH</b>				
Wade Chalfant	423 South Stage Coach Drive	Brookside	UT	435-705-1035
Bart Rich	13659 S. Hansomcab Way	Herriman	UT	801-571-9853
Teresa & Darryl Adcock	P.O. Box 332	Hyde Park	UT	435-752-6100
Teresa Adcock	P.O. <del>BOX</del> <a href="#">Box</a> 332	Hyde Park	UT	435-752-6100
Darryl & Teresa Adcock	P.O. <del>BOX</del> <a href="#">Box</a> 332	Hyde Park	UT	435-752-6100
Shon Stevens	1425 South 50 West	Kaysville	UT	801-896-3790
Shon Stevens	1425 South 50 West	Kaysville	UT	801-896-3790
David Nelson	4260 N 300 West Street	Pleasant View	UT	801-254-1633
David Nelson	4260 N 300 West Street	Pleasant View	UT	801-254-1633
Randy Ostler	3927 West Deerhorn Dr.	Riverton	UT	801-254-0317
Juan Perez	5171 W. Jaycie Court	Salt Lake City	UT	801-266-8150
Juan Perez	5171 W. Jaycie Court	Salt Lake City	UT	801-266-8150
Juan Perez	5171 W. Jaycie Court	Salt Lake City	UT	801-266-8150
Juan Perez	5171 W. Jaycie Court	Salt Lake City	UT	801-266-8150
Juan Perez	5171 W. Jaycie Court	Salt Lake City	UT	801-905-1627
<del>Qualls</del> , Johnathan D. <a href="#">Qualls</a>	3224 Chateau View Cir	South Jordan	UT	801-547-1200
Johnathan Qualls	3224 Chateau View Circle	South Jordan	UT	801-255-6919
John and Kristy Qualls	3224 Chateau View Circle	South Jordan	UT	801-229-2000
John and Kristy Qualls	3224 Chateau View Circle	South Jordan	UT	801-266-1149
Stanley Snyder	387 North 200 West	Spanish Fork	UT	801-798-2882
Scot Pyne	41 W 400 North	Tooele	UT	435-882-1601
<b>VERMONT</b>				
Gary Catozzi	196 Stratton Rd	Rutland	VT	800-244-2033
Gary Catozzi	196 Stratton Rd	Rutland	VT	802-775-4195
Gary Catozzi	196 Statton Rd	Rutland	VT	802-775-4195
<b>VIRGINIA</b>				
Chris Lunn	4556 Eisenhower Ave.	Alexandria	VA	703-519-4545

## Franchise Number:

Chris Lunn	4556 Eisenhower Ave.	Alexandria	VA	703-519-4545
Patrick S. Fauntroy	PO BOX 1106	Centreville	VA	703-323-1041
<del>Fauntroy</del> , Patrick S. Fauntroy	PO BOX 1106	Centreville	VA	703-524-6359
Rory Shifflett	PO BOX 171	Charlottesville	VA	434-979-9274
Peter Agrios	524 Longdale Crescent	Chesapeake	VA	757-424-3618
Peter Agrios	524 Longdale Crescent	Chesapeake	VA	757-424-3618
James Carrigan	311 Stonewall Dr.	Fredericksburg	VA	540-899-8911
James Carrigan	311 Stonewall Dr.	Fredericksburg	VA	540-899-8911
Don Rowe	2683 Hadensville Fife Rd	Goochland	VA	757-220-9020
Don Rowe	2683 Hadensville Fife Rd.	Goochland	VA	757-220-9020
Jim Slaughter Jr.	10451 Chamberlayne Rd.	Mechanicsville	VA	804-569-9501
Mark Fulcher	8545 Meadowbridge Road	Mechanicsville	VA	804-264-2920
Carlos Ayala	10538 Rogues Road	Midland	VA	301-656-0123
Carlos Ayala	10538 Rogues Road	Midland	VA	703-393-8450
Carlos Ayala	10538 Rogues Road	Midland	VA	301-656-0123
Ali Hamdallah	PO BOX 4717	Midlothian	VA	804-639-2131
Brian Dougherty	16 Dwight Rd.	Newport News	VA	757-877-0648
Brian Curran	2361 B Greystone Court	Rockville	VA	804-620-3050
Brian Curran	2361 B Greystone Ct.	Rockville	VA	804-620-3050
Joseph Flores	1537 Mill Race Dr	Salem	VA	540-375-6625
Joseph Flores	1537 Mill Race Dr	Salem	VA	540-375-6625
Joseph Flores	1537 Mill Race Dr	Salem	VA	540-951-2423
Heather Staples	3045 Clarke Drive	Virginia Beach	VA	757-471-0087
Heather Staples	3045 Clarke Drive	Virginia Beach	VA	757-471-0087
William Russell Francis	408 Misty Meadow Drive	Winchester	VA	540-535-1200
<b>WASHINGTON</b>				
Rob Kelley	22021 SW Sherwood Blvd	Sherwood	OR	503-625-3101
John Hess	PO Box 30978	Bellingham	WA	360-734-3551
Michael Kirkman	19218 Filbert Road	Bothell	WA	425-778-4195
Barry Cooney	35718 59th Ave. Ct. E	Eatonville	WA	253-262-0626
Barry Cooney	35718 59th Ave. Ct. E	Eatonville	WA	253-262-0626
Ronald Magaoay	19529 61st Ave. NE	Kenmore	WA	425-419-6051
Omar Garcia	105303 E. 1049 PRSE	Kennewick	WA	509-579-0747
Omar Garcia	105303 E. 1049 PR SE	Kennewick	WA	509-579-0747
Omar Garcia	105303 E. 1049 PRSE	Kennewick	WA	509-579-0747
Omar Garcia	105303 E. 1049 PRSE	Kennewick	WA	509-579-0747
Omar and Stephanie Garcia	105303 E. 1049 PRSE	Kennewick	WA	509-579-0747
Brent Phelps	21328 SE 284th St.	Kent	WA	253-630-4913

## Franchise Number:

Brent Phelps	21328 SE 284th Street	Kent	WA	253-630-4913
Brent Phelps	21328 SE 284th Street	Kent	WA	253-630-4913
Brent Phelps	21328 SE 284th Street	Kent	WA	253-630-4913
Brent Phelps	21328 SE 284th Street	Kent	WA	253-630-4913
<del>Phelps, Brent &amp; Gwendolyn Phelps</del>	21328 SE <del>284TH</del> 284th ST	Kent	WA	888-330-4913
Ronald Rodeback	933 South Nevada Dr.	Longview	WA	360-423-5754
Erasmus Garcia	P.O. <del>BOX-Box</del> 2036	Lynnwood	WA	425-775-0368
Sergio A. Marroquin	P.O. <del>BOX-Box</del> 841	Lynnwood	WA	425-778-2141
James Kilty	9 <del>overlake-Overlake laneLanc</del>	<del>MeelearyMcCleary</del>	WA	360-339-7577
Joanne Sandberg	PO <del>BOX-Box</del> 1327	Milton	WA	253-927-4496
Joanne Sandberg	Post Office Box 1329	Milton	WA	425-413-2828
Joanne Sandberg	Post Office Box 1329	Milton	WA	425-369-9751
Sandberg, Tod O.	P.O. <del>BOX-Box</del> 1327	Milton	WA	253-630-0585
Tod O. Sandberg	P.O. <del>BOX-Box</del> 1327	Milton	WA	360-352-1155
Sandberg, Joanne	PO <del>BOX-Box</del> 1327	Milton	WA	253-838-3870
Thomas Bly	PO Box 621	Mount Vernon	WA	360-428-1880
Thomas Bly	P O Box 621	Mount Vernon	WA	360-629-6429
Thomas Bly	PO BOX 621	Mt Vernon	WA	360-383-0100
Thomas Bly	PO BOX 621	Mt. Vernon	WA	360-428-1880
<del>Chakos, Gene and Colleen Chakos</del>	13314 Bitter Place	N. Seattle	WA	206-783-1003
<del>Chakos, Gene and Colleen Chakos</del>	13314 Bitter Place	N. Seattle	WA	206-783-1003
<del>Chakos, Gene and Colleen Chakos</del>	13314 Bitter Place	N. Seattle	WA	206-783-1003
Daniel Cospers	PO Box 636	Oak Harbor	WA	360-679-1507
Daniel Cospers	P.O. BOX 636	Oak Harbor	WA	360-679-1507
James Kilty	607 Cherrywood Drive SW	Olympia	WA	360-339-7577
Erasmus Garcia	P.O. BOX 77358	Seattle	WA	206-935-3285
Gene Chakos	10115 Greenwood Ave N Ste 100	Seattle	WA	206-783-1003
Jose Mella	2007 Northwood Avenue NE	Tacoma	WA	360-339-7577
Scott W. Johnson	PO BOX 39245	Tacoma	WA	253-572-2901
Jose Mella	2007 Northwood Avenue NE	Tacoma	WA	253-446-7071
Adam Blake	525 Ella Road	Spokane	WA	n/a
<b>WEST VIRGINIA</b>				
Jason Neighbors	145 Beal Road	Dilliner	PA	304-598-3691
<del>Francis, Cheryl &amp; Rusty Francis</del>	P.O. Box 1338	Winchester	VA	540-535-1200
<b>WISCONSIN</b>				
Randall Glaze	855 Jason Court	Brillion	WI	920-426-5757
Randall Glaze	855 Jason Ct	Brillion	WI	920-426-5757

## Franchise Number:

Randall Glaze	855 Jason Court	Brillion	WI	920-426-5757
Sean Barber	1808 Fort Howard Avenue	DePere	WI	920-343-6468
Bernard R. Bleuel	1977 Kane Lane	Green Bay	WI	920-680-8379
<a href="#">Bleuel</a> , Bernard R. <a href="#">Bleuel</a>	1977 Kane Lane	Green Bay	WI	920-680-8379
Kurt Schoenick	N2475 Sally Court	Greenville	WI	920-739-5757
Kurt Schoenick	N2475 Sally Court	Greenville	WI	920-739-5757
Kurt Schoenick	N2475 Sally Court	Greenville	WI	920-739-5757
Marcus Greiber	7294 Pond Road	Hartford	WI	262-457-2166
Marcus Greiber	Attn: Marcus Greiber	Hartford	WI	262-617-9784
Joshua Stephen Duggan	921 Applegate Road	Madison	WI	608-271-5900
Michael Neumaier	PO Box 620273	Middleton	WI	608-827-5454
David W. Plantz	P.O. BOX 146	Onalaska	WI	608-788-6000
Jamie Gauger	W2280 Crestview Lane	Sheboygan	WI	920-467-1600
Sean Sylvester	4310 Confier Ct.	Union Grove	WI	262-995-3249
Sean Sylvester	4310 Confier Ct. Unit 103	Union Grove	WI	262-995-3249
Sean Sylvester	4310 Confier Ct. Unit 103	Union Grove	WI	262-995-3249
Sean Sylvester	4310 Confier Ct. Unit 103	Union Grove	WI	262-995-3249
<b>WYOMING</b>				
Jon Paul	PO Box 61	Cody	WY	307-587-6242
Serena Schwartz	423 C Street	Rock Springs	WY	307-209-3444
Serena Schwartz	423 C Street	Rock Springs	WY	307-209-3444
Serena Schwartz	423 C Street	Rock Springs	WY	307-209-3444
Tyler Johnson	1111 Woodland Park Road	Sheridan	WY	307-672-8639
<b>CANADA</b>				
Sahil Gupta	3 Kingsland Place SE	Airdrie	AB	587-742-1379
Michael Graham	3806 18 St SW	Calgary	AB	403-249-7539
Michael Graham	3806 18 St SW	Calgary	AB	403-249-7539
Hugo Perez	124 Saddlebrook Circle NE	Calgary	AB	403-831-8452
Florin Mihai	148 Willowmere Way	Chestermere	AB	587-800-4676
Ken or Don Milne	121-11080 Ellerslie Rd SW	Edmonton	AB	587-855-5619
Mahesh Bariya	2307 82 St SW	Edmonton	AB	587-210-2125
Kory Reinbold	P.O. Box 1125	Red Deer	AB	403-346-2722
Darcy Ouellet	50 Rupert Crescent	Red Deer	AB	587-447-2833
Madjid Addouche	10386 Jackson Road	Maple Ridge	BC	877-795-9250
Kevin Roger Genereux	21555 Dewdney Trunk Rd Unit 4.	Maple Ridge	BC	778-655-8439
Avjot Bahia	10219 158 Street	Surrey	BC	778-833-0947
Darren Chalus	307 Archibald St	Winnipeg	MB	204-284-0399
Duncan McGenn	1664 Shore Road	Eastern Passage	NS	902-830-4680
Duncan McGenn	1664 Shore Road	Eastern Passage	NS	902-830-4680

## Franchise Number:

Esmaeel Kariminezhad	2-25 Hart Drive	Barrie	ON	705-721-8866
Richard & Chris McWhinnie	M116 110 Didsbury Road	Kanata	ON	613-820-6007
Carl Baker	32-700 Erinbrook Drive	Kitchener	ON	519-747-2334
Carl Baker	32-700 Erinbrook Drive	Kitchener	ON	519-747-2334
Carl Baker	32-700 Erinbrook Drive	Kitchener	ON	519-747-2334
Bradley MacKay	40 Needham Street	Lindsay	ON	705-878-8697
Bradley MacKay	40 Needham Street	Lindsay	ON	705-878-8697
Bradley MacKay	Attn: Bradley MacKay	Lindsay	ON	705-878-8697
Bradley MacKay	40 Needham Street	Lindsay	ON	705-878-8697
Timothy Amyotte	1524 Willow Way	Mississauga	ON	286-997-9114
Brenton Boodoosingh	6099 Eaglewood Drive	Niagara Falls	ON	289-805-3578
Brenton Boodoosingh	6099 Eaglewood Drive	Niagara Falls	ON	289-805-3578
Brenton Boodoosingh	6099 Eaglewood Drive	Niagara Falls	ON	289-805-3578
Ahmad Hamad El-Hamad	2857 Sherwood Heights	Oakville	ON	905-335-4394
Ahmad Hamad El-Hamad	2857 Sherwood Heights	Oakville	ON	905-335-4394
Ahmad Hamad El-Hamad	2857 Sherwood Heights	Oakville	ON	416-699-6616
Ahmad Hamad El-Hamad	2857 Sherwood Heights	Oakville	ON	613-228-1696
Ahmad Hamad El-Hamad	2857 Sherwood Heights	Oakville	ON	905-620-0522
Navneet Sharma	76 Birkdale Road	Scarborough	ON	647-919-7675
Lee Ann/James Zahavich	582 Falconbridge Road	Sudbury	ON	705-560-3670
Marek Jasionek and Beatrice Kowalewska	64 Beaumonde Heights Drive	Toronto	ON	416-916-0550
Esmaeel Kariminezhad	15525 Rue Oakwood #206	Pierrefonds	QC	514-613-3355
Frank McEniry	5284 Rue Jonergin	Saint-Hubert	QC	514-779-7000
Frank McEniry	5284 Rue Jonergin	Saint-Hubert	QC	514-779-7000
Ryan Baiton	30 Sommerfeld Dr	Regina	SK	306-757-1212
David Foster	1738 Saskatchewan Avenue	Saskatoon	SK	306-934-5995
Kyle Irvine	162 North Star Dr	Whitehorse	YT	867-332-1444

**EXHIBIT F****LIST OF FORMER FRANCHISEES**

Primary Contact	Street 1	City	State/Province	Bus Phone
John Gerrard	PO Box 4905	Gulf Shore	AL	256-339-4942
John Shaff	1642 McCulloch Blvd. North	Lake Havasu City	AZ	928-854-4576
John Brewer	3232 W. Philadelphia Lane	Tucson	AZ	520-744-9333
Wally Parachnowitsch	P. O. Box 1401	Vernon	BC	250-558-1993
<del>Real</del> , Juan Carlos <del>Real</del>	9520 W. Escondido Canyon Road	Agua Dulce	CA	800-724-5531
Ed Ramia	8132 Deering Ave.	Canoga Park	CA	818-885-5501
Jacob Lopez	14465 Avenue 18 1/2	Chowchilla	CA	559-871-6199
Guy and Heather Comer	464 West Lester Ave.	Clovis	CA	559-785-3107
James LaFontaine	3599 Halifax Way	CONCORD	CA	925-356-2300
Michele L. Dapello	6502 Peggy Circle	Huntington Beach	CA	714-842-8828
Rosie Reyes Mamaril	3943 Irvine Blvd.	Irvine	CA	844-233-6747
Shannon Hubbard	PO Box 32	Long Barn	CA	209-714-4145
Theresa Lynn Wolfley	8200 Jantzen Road	Modesto	CA	209-525-8348
Elmer Pineda	26526 Fir Ave	Moreno Valley	CA	714-865-1687
Eric Skala	231 E Alessandro Blvd. Ste A PMB 703	Riverside	CA	951-778-0548
<del>Rojas</del> , Jorge & Dolores <del>Rojas</del>	11665 Cebada Ct.	San Diego	CA	888-224-7321
Kelley Gallagher	27060 Crossglade Ave	Santa Clarita	CA	661-690-7477
Ronald and Pamela Regan	3703 Five Mile Dr.	Stockton	CA	209-957-8530
Darrin Bell	807 Davis Street	Vacaville	CA	530-758-2960
Fabian Penaloza	2021 Sperry Ave. #16A	Ventura	CA	805-658-7155
Brad Coghill	6345 Painter Ave. #B	Whittier	CA	562-698-1555
Glenn Hansen	1470 S Quebec Way #256	Denver	CO	303-745-9933
Kraig D. Baade	1942 S Quebec Street	Denver	CO	970-673-2108
Donald Kado	8955 Ridgeline Blvd. Ste 1800	Highlands Ranch	CO	303-791-3030
Mark L. Weinberger	181 Highland Ave.	Norwalk	CT	203-866-7699
Richard deBoer	350 Chapel Rd. Unit 9	South Windsor	CT	860-528-9220
Nicole S. Thsuma	957 E Altamonte Dr	Altamonte Springs	FL	407-728-2253
Christine M. Boger	15519 U.S. Hwy 441 N	Eustis	FL	352-350-7698
Robert Wayne Davis	2866 Via Piazza Loop	Fort Myers	FL	239-949-4559
Jason McLaverty	2400 South Ocean Dr.	Ft. Pierce	FL	772-621-7182
George Steven Pettigrew	3584 Prescott Loop	Lakeland	FL	813-993-4427
Clyde Miller	7035 San Jose Loop	New Port Richy	FL	770-886-9300
Daniel Muller	13127 Bromborough Drive	Orlando	FL	321-204-2931
Juliana Pulecio Velasquez	11940 Founders Street	Orlando	FL	321-666-1810
Tammy Samuel	906 Landmark Circle	Tierra Verde	FL	727-334-1777
Michelle Browne	3068 Wren Circle NW	Kennesaw	GA	770-425-6999
Frank Humphries	3181 Red Rose Dr.	Powder Springs	GA	470-264-5660
Matthew S. Winfrey	1217 E 18TH ST	Norwalk	IA	515-981-3034
Lynn Sharp	909 3rd St. S.	Nampa	ID	208-475-5100
Robert J. Lake	1436 Forest Ave.	Calumet City	IL	708-862-6565
Michael Peterman	124 E. Cerro Gordo Street	Decatur	IL	217-875-7570
Walter Shipman	2662 Bimini Lane	New Lenox	IL	708-423-1991

Thomas Matzuka	1820 Wallace Avenue	St. Charles	IL	630-562-3930
<del>Jacobsen</del> , Mark E. & Pamela M. <a href="#">Jacobsen</a>	8021 Mason Lane	Woodridge	IL	630-985-5663
Debra Shirley	742 Ash Street	Tipton	IN	765-675-7544
Mark P. Jameson	PO BOX 3401	Salina	KS	785-823-3222
Marcus Graham	188 Rosetta Dr.	Florence	KY	859-635-4672
Chad Wheeler	2106 W. Surrey Drive	Owensboro	KY	270-684-0969
Patrick Louviere	206 Morning Cypress Drive	Broussard	LA	337-427-8575
Randy Jett	102 Billy Lou Drive	Lafayette	LA	337-988-1004
David B. Swart	122 High Street	Pembroke	MA	781-826-7144
Michael Halliday, Jr	50 Franklin Street	Worcester	MA	508-379-4919
Scott Fitzgerald	3913 Longley Rd.	Abingdon	MD	410-593-0727
Andrew Wolfe	2066 Whitney Lane	Bel Air	MD	443-232-2525
George A. Melnichenko	303 Braeburn Glen Ct	Millersville	MD	410-987-3127
Jeffery L Jackson, Jr	13702 Modrad Way	Silver Spring	MD	240-414-8332
Jerri L. Schell	16114 Drayton Farm Dr.	Spencerville	MD	301-476-9013
Joseph & Elizabeth Weiss	6589 Jackson Road	Ann Arbor	MI	734-663-5497
Sean Thompson	6780 Brooklyn Road	NAPOLEON	MI	517-990-5548
Ted Kobylas	3130 South Sashabaw Road	Oxford	MI	248-330-6198
Dan Williams	2318 250th Street	Marshall	MN	507-532-4452
Tony Sharp	301 Anita Drive	Carl Junction	MO	417-222-3363
<del>Eidem</del> , Douglas L. <a href="#">Eidem</a>	810 Rabbit Run Rd	Jefferson City	MO	573-441-1065
Nathan Prodel	811 S 12th Ave	Ozark	MO	417-221-8883
Shirley Williams	201 East Price Street	Hendersonville	NC	828-697-0088
Krystle Brooks	P.O. Box 2012	Newport	NC	252-393-7580
Bruce Richard Baker	PO BOX 41453	Raleigh	NC	919-878-0288
Stanley B. Lineberry	324 Ben Eller Lane	Taylorsville	NC	828-268-3338
Scott Mauch	16212 Franklin St.	Omaha	NE	402-689-2509
David Jannone	296 Pittstown Road	Pittstown	NJ	908-735-4966
Isaac Maryasis	12 Village Road	Sea Bright	NJ	732-972-7887
<del>Rojas</del> , Jorge <a href="#">Rojas</a> , III	6129 Kachina St. NW	Albuquerque	NM	858-277-4245
John "Stu" Stewart	8201 Golf Course Rd. NW #D3 161	Albuquerque	NM	505-899-8199
James Berardi	2528 Balsam Ave	East Meadow	NY	516-551-9574
Paul McCormack	6260 Sunrise Hwy.	Massapequa	NY	516-541-2700
Ralph J. & Deborah Destefanis	1034 Erie St.	Utica	NY	315-699-1979
Russell H Bryant, JR	731 Kelley Lane	Sandusky	OH	419-626-4822
Jeffrey R. Taylor	P.O. <del>BOX</del> Box 472228	Tulsa	OK	918-333-4432
Theodore Wolski	2824 B Street	Forest Grove	OR	503-640-3199
Karen Colburn	3500 South River Rd.	Grants Pass	OR	541-479-8011
Rob Kelley	22021 SW Sherwood Blvd	Sherwood	OR	503-625-3101
Iretha Nalls	104 Country Court	Long Pond	PA	201-877-5598
Jason Zinobile	22575 Decorum Rd	Neelyton	PA	814-527-4722
Terry Hardan	809 Avenue Lajoie	Dorval	QC	514-636-7992
Allen Brasington	Attn: W. Allen Brasington	Camden	SC	803-828-0338
Robert Jettie	P.O. Box 22621	Hilton Head	SC	843-689-3456
Brad A. Smith	336 Barnevelder Dr	Lexington	SC	803-500-4707
Michael Ferris	129 Downbury Drive	Myrtle Beach	SC	843-999-5304

Michael Woods	925 Tiny Town Road	Clarksville	TN	931-551-2674
Joe Moore	518 Ellie Lee Drive	Smyrna	TN	615-242-2200
Ramirez III, John A.	305 Interstate 10 S	Beaumont	TX	409-866-5700
Adrian Tenorio	1087 Rio Brazos	Boerne	TX	210-741-9470
Hector R. Gonzalez	2993 Tehuacan Drive	Eagle Pass	TX	830-776-1228
Roger Beaman	2206 Savannah Drive	Mansfield	TX	817-460-7260
Glenn & Tracy Keelin	4901 Lancashire Rd	Midland	TX	432-315-3551
Robert LoFranco	140 Lt. John Decker Drive	San Marcos	TX	737-265-2266
Jeff Madrid	875 East Emerald	Sandy	UT	801-523-8878
John & Kristy Qualls	3224 Chateau View Circle	South Jordan	UT	801-255-6919
Fauntroy, Patrick	PO BOX 1106	Centreville	VA	703-323-1041
<a href="#">Agrios, Peter Agrios</a>	524 Longdale Crescent	Chesapeake	VA	757-874-5560
Pernell Cooke	110 Coliseum Crossing	Hampton	VA	757-685-5333
Carlos Ayala	10538 Rogues Road	Midland	VA	301-656-0123
Robert S. Kennedy	9665 Old Foxville Road	Warrenton	VA	703-330-0052
Joanne Sandberg	PO BOX 1327	Milton	WA	253-838-3870
Jose Espino Mella	2007 Northwood Avenue NE	Tacoma	WA	253-353-0508
Robert and Paula Leland	7050 Walnut Rd.	Eau Claire	WI	715-227-8070
Robert Leland	7050 Walnut Rd.	Eau Claire	WI	715-227-8070
John Williamson	324 Knollwood Drive	Hudson	WI	651-358-2226
Joshua Duggan	921 Applegate Road	Madison	WI	608-355-5050
<b>FRANCHISEES WHO LEFT THE SYSTEM AFTER SELLING/TRANSFERRING THEIR BUSINESS</b>				
Cheree Aubut	14531 NW 146 Ave.	Alachua	FL	352-328-8873 (cell)
Isaac & Olga Maryasis	12 Village Road	Sea Bright	NH	732-972-7887 (bus.)
Christa Wagner	4023 Button Bush Court	San Bernardino	CA	909-509-1333 (cell)
Joseph Weiss & Elizabeth Weiss (Weiss-Tracy, Inc.)	6589 Jackson Road	Ann Arbor	MI	734-646-9494 (cell)
Robert LoFranco	140 Lt. John Decker Drive	San Marcos	TX	737-293-6946
Don Kado	14650 E. Hampden Pl.	Aurora	CO	303-888-7879
Wallace Eugene & Brenda J. Power	1535 Spring Hills Dr.	Spring	TX	281-732-3700

\*Some franchisees terminated, transferred or ceased operating more than one franchise license

**EXHIBIT G**

**CONSOLIDATED FINANCIAL STATEMENTS**

# **BFG Holdco, Inc.**

## **Consolidated Financial Report** Years Ended December 31, 2024, 2023, and 2022

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



# **BFG Holdco, Inc.**

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Consolidated Financial Statements  
Years Ended December 31, 2024, 2023, and 2022

# BFG Holdco, Inc.

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## **Independent Auditor's Report**

Board of Directors  
BFG Holdco, Inc.

### ***Opinion***

We have audited the consolidated financial statements of BFG Holdco, Inc. and its subsidiaries (the Company), which comprise the consolidated balance sheet as of December 31, 2024, and the related statements of operations, stockholders' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying 2024 consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Other Matter***

The 2023 and 2022 consolidated financial statements of the Company were audited by other auditors, whose report dated March 22, 2024 expressed an unmodified opinion on those statements with emphasis of matters related to the restatement of 2022 financial statements to correct a misstatement and an impairment loss to goodwill during 2023. Neither of these emphasis of matters modified the predecessor auditor opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Company'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

*BDO USA, P.C.*

March 19, 2025

**BFG Holdco, Inc.**  
**Consolidated Balance Sheets**  
(dollars in thousands)

<i>December 31,</i>	<b>2024</b>	<b>2023</b>	<b>2022</b> (as restated)
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 1,242	\$ 3,701	\$ 1,372
Restricted cash	1,310	781	345
Accounts receivable, net	2,728	2,338	3,074
Inventory (Note 6)	8,673	5,683	4,393
Notes receivable, current portion net of allowance (Note 7)	578	639	1,661
Prepaid expenses and other current assets	454	625	346
<b>Total Current Assets</b>	<b>14,985</b>	<b>13,767</b>	<b>11,191</b>
<b>Right-of-Use Assets, Net</b>	<b>2,036</b>	<b>3,098</b>	<b>1,379</b>
<b>Property and Equipment, Net (Note 8)</b>	<b>1,675</b>	<b>2,220</b>	<b>1,701</b>
<b>Goodwill (Note 9)</b>	<b>-</b>	<b>10,519</b>	<b>56,056</b>
<b>Intangible Assets, Net (Note 9)</b>	<b>23,789</b>	<b>28,264</b>	<b>32,566</b>
<b>Other Assets</b>			
Notes receivable - net of current portion and allowance (Note 7)	793	1,336	2,747
Amounts due from related parties (Note 14)	27,182	24,688	23,843
Deferred commissions	649	871	1,155
Other noncurrent assets	347	216	331
<b>Total Assets</b>	<b>\$ 71,456</b>	<b>\$ 84,979</b>	<b>\$ 130,969</b>
<b>Liabilities and Stockholders' Equity</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 812	\$ 203	\$ 855
Operating lease obligation, current portion (Note 10)	1,087	1,002	1,145
Deferred revenue, current portion	1,945	1,305	2,050
Accrued and other current liabilities:			
Accrued compensation	580	1,201	1,256
Other accrued liabilities	1,147	2,251	1,678
<b>Total Current Liabilities</b>	<b>5,571</b>	<b>5,962</b>	<b>6,984</b>
<b>Operating Lease Obligation, net of current portion (Note 10)</b>	<b>1,087</b>	<b>2,166</b>	<b>425</b>
<b>Other Long-Term Liabilities</b>			
Deferred revenue, net of current portion	1,900	3,202	4,864
Deferred tax liabilities (Note 11)	3,623	3,266	3,001
<b>Total Liabilities</b>	<b>12,181</b>	<b>14,596</b>	<b>15,274</b>
<b>Stockholders' Equity</b>	<b>59,275</b>	<b>70,383</b>	<b>115,695</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 71,456</b>	<b>\$ 84,979</b>	<b>\$ 130,969</b>

*See notes to consolidated financial statements.*

**BFG Holdco, Inc.**  
**Consolidated Statements of Operations**  
(dollars in thousands)

<i>Year ended December 31,</i>	<b>2024</b>	<b>2023</b>	<b>2022</b> (as restated)
<b>Net Revenue</b>	\$ 29,538	\$ 31,072	\$ 33,483
<b>Cost of Revenue</b>	<b>10,816</b>	<b>9,613</b>	<b>9,055</b>
<b>Gross Profit</b>	<b>18,722</b>	<b>21,459</b>	<b>24,428</b>
<b>Operating Expenses, before impairment</b>	<b>19,569</b>	<b>20,604</b>	<b>27,789</b>
<b>Impairment of Goodwill</b>	<b>10,519</b>	<b>45,537</b>	<b>1,266</b>
<b>Impairment of Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>4,952</b>
<b>Operating Loss</b>	<b>(11,366)</b>	<b>(44,682)</b>	<b>(9,579)</b>
<b>Non-Operating Income</b>			
Interest income	336	496	1,112
Other income	404	386	268
<b>Total Non-Operating Income</b>	<b>740</b>	<b>882</b>	<b>1,380</b>
<b>Loss, before income taxes</b>	<b>(10,626)</b>	<b>(43,800)</b>	<b>(8,199)</b>
<b>Income Tax Expense (Recovery)</b> (Note 11)	<b>482</b>	<b>477</b>	<b>(1,869)</b>
<b>Consolidated Net Loss</b>	<b>\$ (11,108)</b>	<b>\$ (44,277)</b>	<b>\$ (6,330)</b>

*See notes to consolidated financial statements.*

## BFG Holdco, Inc.

### Consolidated Statements of Stockholders' Equity (dollars in thousands)

		Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total
<b>Balance, January 1, 2022</b>	\$	5	\$	114,238	\$ 7,782	\$ 122,025
Consolidated net loss		-		-	(6,330)	(6,330)
<b>Balance, December 31, 2022 (as restated)</b>		5		114,238	1,452	115,695
Cumulative effect of change in accounting principle (Note 4)		-		-	(1,035)	(1,035)
Consolidated net loss		-		-	(44,277)	(44,277)
<b>Balance, December 31, 2023</b>		5		114,238	(43,860)	70,383
Consolidated net loss		-		-	(11,108)	(11,108)
<b>Balance, December 31, 2024</b>	\$	5	\$	114,238	\$ (54,968)	\$ 59,275

*See notes to consolidated financial statements.*

# BFG Holdco, Inc.

## Consolidated Statements of Cash Flows (dollars in thousands)

<i>Year ended December 31,</i>	<b>2024</b>	<b>2023</b>	<b>2022</b> (as restated)
<b>Cash Flows from Operating Activities</b>			
Consolidated net loss	\$ (11,108)	\$ (44,277)	\$ (6,330)
Adjustments to reconcile consolidated net loss to net cash (used in) provided by operating activities:			
Depreciation	505	591	490
Amortization of intangible assets	4,380	4,380	5,169
Credit (recovery) loss	(296)	627	6,949
Loss on disposal of property and equipment	781	-	-
Impairment of goodwill	10,519	45,537	1,266
Impairment of intangible assets	-	-	4,952
Deferred income taxes	357	265	(2,595)
Noncash lease expense	67	(121)	(44)
Changes in operating assets and liabilities that provide (use) cash:			
Accounts receivable	(459)	1	(3,560)
Inventory	(2,619)	(1,289)	(1,523)
Notes receivable	970	1,506	3,607
Prepaid expenses and other assets	40	(166)	473
Deferred commissions	223	284	(92)
Related party	(2,864)	(845)	(7,126)
Accounts payable	609	(652)	(191)
Accrued and other current liabilities	(1,284)	518	(534)
Deferred revenue	(1,104)	(2,407)	(2,282)
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(1,283)</b>	<b>3,952</b>	<b>(1,371)</b>
<b>Cash Flows from Investing Activities</b>			
Purchases of property and equipment	(593)	(1,109)	(581)
Payments made for patents and trade names	(54)	(78)	(170)
<b>Net Cash Used in Investing Activities</b>	<b>(647)</b>	<b>(1,187)</b>	<b>(751)</b>
<b>Net (Decrease) Increase in Cash</b>	<b>(1,930)</b>	<b>2,765</b>	<b>(2,122)</b>
Cash, beginning of year	4,482	1,717	3,839
<b>Cash, end of year</b>	<b>\$ 2,552</b>	<b>\$ 4,482</b>	<b>\$ 1,717</b>
<b>Classification of Cash</b>			
Cash	\$ 1,242	\$ 3,701	\$ 1,372
Restricted cash	1,310	781	345
<b>Total Cash</b>	<b>\$ 2,552</b>	<b>\$ 4,482</b>	<b>\$ 1,717</b>
<b>Supplemental Cash Flow Information</b>			
Cash paid for taxes	\$ 139	\$ 185	\$ 161
<b>Significant Non-Cash Transactions</b>			
Leases entered into	\$ -	\$ 2,731	\$ -

*See notes to consolidated financial statements.*

# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

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### 1. Nature of Business

BFG Holdco, Inc., with its wholly owned subsidiaries, Chem-Dry, Inc. (Chem-Dry); NHance, Inc. (NHance); Delta Disaster Services, LLC d/b/a Delta Restoration Services (DRS); Delta Development Group, LLC (DDG); and Delta Asset Management, LLC (DAM) (together with DRS and DDG, Delta) (collectively, the Company), is a wholly owned subsidiary of Belfor USA Group, Inc. BFG Holdco, Inc. was formerly known as HRI Holdings, Inc. until February 13, 2023, when its name was changed to BFG Holdco, Inc. Chem-Dry, Inc. was formerly known as Harris Research, Inc. until February 13, 2023, when its name was changed to Chem-Dry, Inc.

A summary of the Company's operations, which are headquartered in Nashville, Tennessee, is as follows:

- *Chem-Dry* - Markets and services Chem-Dry carpet and upholstery cleaning franchises and provides training, equipment, solutions, and products to its franchisees throughout the United States of America and Canada.
- *Devere International, Inc. (Devere)*, a wholly owned subsidiary of BFG Holdco, Inc. - Sells area franchise rights for specific geographic locations throughout the world (excluding the United States of America) and provides training, equipment, and cleaning supplies to the respective area franchisees.
- *Chem-Dry Corporate Services (CDCS)*, a division of BFG Holdco, Inc. - Secures commercial and insurance work for franchisees in the United States and Canada.
- *N-Hance* - Markets and services N-Hance wood cleaning, coating, protection, and renewal franchises, including providing training, equipment, and solutions and products to franchise owners in the United States and Canada.

The Company had the following active franchises throughout the world:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Chem-Dry carpet upholstery cleaning franchises	<b>1,057</b>	<b>1,240</b>	<b>1,388</b>
Chem-Dry Canada franchises	<b>42</b>	<b>44</b>	<b>49</b>
Devere area franchise rights	<b>22</b>	<b>22</b>	<b>46</b>
N-Hance wood renewal franchises	<b>255</b>	<b>296</b>	<b>317</b>

On November 21, 2024, the Company sold its TruckMount manufacturing inventory to a third party in exchange for \$764. Of the \$764 purchase price the Company received \$152 in 2024 and will receive the remaining \$612 during 2025.

### 2. Significant Accounting Policies

#### *Basis of Accounting*

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and include the results of the Company for the years ended December 31, 2024, 2023, and 2022.

# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

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### *Principles of Consolidation*

The accompanying consolidated financial statements reflect the consolidated financial position, operations, stockholders' equity, and cash flows of BFG Holdco, Inc. and its subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

### *Revenue and Cost Recognition*

Revenue is recognized when control of the promised goods or services is transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Sales-based taxes are excluded from revenue. Goods and services may be transferred to customers either at a point in time or over time, as discussed below. Of the \$29,538 of revenue recognized from contracts with customers for the year ended December 31, 2024, revenue recognized over time amounted to \$10,454, while the remainder was recognized at a point in time. Of the \$31,072 of revenue recognized from contracts with customers for the year ended December 31, 2023, revenue recognized over time amounted to \$11,642, while the remainder was recognized at a point in time. Of the \$33,483 of revenue recognized from contracts with customers for the year ended December 31, 2022, revenue recognized over time amounted to \$13,455, while the remainder was recognized at a point in time.

### *Nature of Promises to Transfer*

The Company's revenue streams are described below:

#### Franchise Rights, Royalties, Monthly Franchise Fees, and Other Support Fees

The Company sells individual franchises that grant the right to service customers within a defined territory using the franchise name. The initial term of franchise agreements is typically 5 to 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid. Additionally, the Company sells master franchises rights in foreign countries with an initial term of typically ten years, with an option to renew for a fee or transfer the right. The Company has performance obligations to provide franchisees with the franchise rights to service customers, as well as provide customized software, for which a technology fee is charged. Initial franchise fees for each agreement are allocated to each individual franchise and recognized over the term of the respective franchise agreement from the date the agreement is entered. Renewal fees are recognized over the renewal term for the respective franchise from the start of the renewal period. Transfer fees are recognized at the time the transfer occurs. Royalty income and monthly franchise fee income is recognized over the term of the respective franchise agreement as the underlying sales occur. The Company also provides other services for a fee, as outlined in the franchise agreement. The Company has concluded these represent separate single performance obligations. Therefore, revenue is recognized when the support services are performed.

#### Merchandise Revenue

The Company recognizes revenue from the sale of products, net of sales taxes, when the customer takes ownership of the products sold and assumes the risk of loss. The customer takes ownership and assumes risk of loss at the point of shipping for products other than equipment. Equipment is typically shipped "FOB Destination," and, as such, ownership and risk of loss remain with the Company until the equipment is delivered.

# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

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### Corporate Services

This includes services in connection with securing residential, commercial, and insurance work for franchisees through CDCS through national account relationships in the United States and Canada. Revenue is recognized at the point in time the franchisee completes the work. The Company is the agent in this relationship and recognizes revenue on a net basis.

### *Significant Payment Terms*

Each contract dictates the timing of billing and payments. Initial franchise, renewal, and transfer fees are due and typically paid when a franchise agreement is entered into and are nonrefundable. Royalties, technology fees, and other support fees are paid on a monthly basis based upon amounts defined within the franchise agreement. Franchise fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing deferred revenue contract liabilities. Refer to the Notes Receivable section for information about financing provided to franchisees. Amounts that are expected to be recognized as revenue within one year are classified as current deferred revenue in the consolidated balance sheet.

Merchandise revenue billings occur upon shipment and are either prepaid or are typically due within 30 days. For corporate services revenue, billing is handled by either the national account or the Company (CDCS) and occurs when the services have been performed. Payment for goods and services performed by the Company is typically in the form of a prepayment or due within 30 days after an invoice is sent to the customer. The Company does not offer discounts if the customer pays some or all of an invoiced amount prior to the due date.

### *Determining and Allocating the Transaction Price*

The transaction price of a contract is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer. Transaction prices do not include amounts collected on behalf of third parties (e.g., sales taxes). For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in underlying contracts and that the agreements will not be canceled, renewed, or modified.

Most of the Company's contracts with customers have fixed transaction prices that are denominated in U.S. dollars and payable in cash; The Company's franchise agreements with franchisees have transaction prices that contain fixed and/or variable components. Variable consideration includes royalty revenue, as the transaction price is based on the franchisee's sales. The variable consideration is recognized based on the actual amounts incurred each month.

### *Costs to Obtain a Franchise Agreement*

The Company typically incurs commission expenses or third-party broker and referral fees to obtain franchise agreements with franchisees. These charges are related to franchise fee revenue, which is recognized over time. As a result, these charges are capitalized as deferred expenses and are expensed over the term of the respective franchise agreement. For the years ended December 31, 2024, 2023, and 2022, the amounts expensed related to costs to obtain a franchise agreement were approximately \$206, \$232, and \$237, respectively.

# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

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### ***Restricted Cash***

Restricted cash represents amounts received from franchisees that are restricted for certain advertising activities.

### ***Accounts Receivable***

Trade accounts receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. The Company collectively evaluates trade receivables to determine the allowance for credit losses. The Company calculates the allowance using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Company considers unemployment and consumer spending data when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received.

### ***Notes Receivable***

Notes receivable are issued upon the sale of a franchise or area franchise rights; in conjunction with the sale of equipment; or, in some cases, to refinance a franchise's overall obligations. Notes receivable are reported at original issue amount plus accrued interest, less principal repaid. Interest is recognized according to the terms of the specific notes. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the notes receivable. The Company collectively evaluates notes receivable to determine the allowance for credit losses. The Company calculates the allowance using an expected loss model that considers the Company's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Company considers unemployment and consumer spending data when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Notes are considered delinquent if the repayment terms are not met. As of December 31, 2024, \$128 of notes receivable were considered past due.

### ***Fair Value of Financial Instruments***

Financial instruments consist of accounts receivable, notes receivable, accounts payable, and debt. The carrying amount of accounts receivable, accounts payable, and debt approximates fair value due to either the short maturity or the existence of variable interest rates that approximate prevailing market rates. The fair value of notes receivable is determined as the present value of future contractual cash flows discounted at an interest rate that reflects the risks inherent in those cash flows. The discount rates range from 4.0% to 12.0% and approximate rates currently observed in publicly traded debt markets for debt of similar terms to individuals with comparable credit risk. As of December 31, 2024, 2023, and 2022 the carrying value of notes receivable approximates fair value.

# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

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### *Inventory*

Inventory is stated at the lower of cost or net realizable value, with cost determined on the first-in, first-out (FIFO) method.

### *Property and Equipment*

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

### *Goodwill*

The recorded amounts of goodwill from prior business combinations are based on management's best estimates of the fair values of assets acquired and liabilities assumed at the date of acquisition. Goodwill is not amortized but rather is assessed at least on an annual basis for impairment.

During 2024, management determined that the carrying amount of the Company exceeded fair value, which was estimated based on the present value of expected future cash inflows. Accordingly, a goodwill impairment loss of \$10,519 was recognized in 2024, which is included within operating expenses on the consolidated statement of operations. The impairment loss is attributable in part to deteriorating economic conditions impacting the Company and elimination of the TruckMount manufacturing; furthermore, strategic shifts undertaken by management to improve the overall health of the business, including ongoing efforts to reduce the overall size of its franchise network in order to resolve a host of franchisee-related matters of noncompliance, adversely impacted expected future cash inflows as well.

During 2023, management determined that the carrying amount of the Company exceeded fair value, which was estimated based on the present value of expected future cash inflows. Accordingly, a goodwill impairment loss of \$45,537 was recognized in 2023, which is included within operating expenses on the consolidated statement of operations. The impairment loss is attributable in part to deteriorating economic conditions impacting the Company, including rising interest rates and the overall cost of accessible debt necessary to fuel investment; furthermore, strategic shifts undertaken by management to improve the overall health of the business, including ongoing efforts to reduce the overall size of its franchise network in order to resolve a host of franchisee-related matters of noncompliance, adversely impacted expected future cash inflows as well. The remaining goodwill was determined not to be impaired, as the carrying value of the remaining company exceeded the fair value.

During 2022, Delta ceased operations, and, as a result, management determined that the carrying amount of Delta exceeded fair value, which was estimated based on the present value of expected future cash inflows. Accordingly, a goodwill impairment loss of \$1,266 was recognized in 2022, specifically related to Delta ceasing operations, which is included within operating expenses on the consolidated statement of operations.

### *Intangible Assets*

Intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to

# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

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amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable.

During 2022, the Company determined that, based on estimated future cash flows, the carrying amount of the Delta trade name and franchise agreements exceeded their fair value; accordingly, impairment losses in the amount of \$787 and \$4,165, respectively, were recognized and included in operating expenses. No impairment charge was recognized in 2024 or 2023.

### ***Right-of-Use Assets and Lease Liabilities***

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has a single recognition and measurement approach for all leases, except for short-term leases. The Company recognizes lease liabilities to make lease payments and right-of-use (ROU) assets at lease inception, as follows:

- ***ROU Assets*** - The Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.
- ***Lease Liabilities*** - At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Company has elected to combine lease and non-lease components. In calculating the present value of lease payments, the Company elected to use the Prime Rate at the lease commencement date for property leases. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

### ***Other Accrued Liabilities***

Other accrued liabilities are composed of invoice accruals, tax accruals, credit card payables, and other miscellaneous accrued liabilities.

# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

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### *Advertising Expense*

Advertising expense is charged to income during the year in which it is incurred. Advertising expense for the years ended December 31, 2024, 2023, and 2022 was \$2,680, \$3,027, and \$3,806, respectively.

### *Income Taxes*

The Company joins in filing a consolidated federal income tax return with its parent. Current and deferred tax obligations or benefits are allocated to members of the consolidated group as if each were a separate taxpayer.

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. A valuation allowance is recognized if, based on the weight of the available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. No valuation allowance was recorded at December 31, 2024, 2023, or 2022.

The Company classifies interest and penalties associated with tax liabilities as income taxes in the accompanying financial statements.

### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

### *Subsequent Events*

The consolidated financial statements and related disclosures include evaluation of events up through and including March 19, 2025, which is the date the consolidated financial statements were available to be issued.

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# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

### 3. Prior Period Adjustment

The financial statements for 2022 have been restated to correct an error relating to unidentified impairment of the Delta trade name and franchise agreement intangible assets made in 2022. Retained earnings at the beginning of 2023 have been adjusted for the effects of the restatement on 2022. The following financial statement line items for fiscal year 2022 were affected by the change.

#### *Statement of Operations*

*Year ended December 31, 2022*

	As Previously Reported	As Restated	Effect of Change
<b>Net Revenue</b>	\$ 33,483	\$ 33,483	\$ -
<b>Cost of Revenue</b>	9,055	9,055	-
<b>Gross Profit</b>	24,428	24,428	-
<b>Operating Expenses, before impairment</b>	29,842	27,789	(2,053)
<b>Impairment of Goodwill</b>	-	1,266	1,266
<b>Impairment of Intangible Assets</b>	-	4,952	4,952
<b>Operating Loss</b>	(5,414)	(9,579)	(4,165)
<b>Total Non-Operating Income</b>	1,380	1,380	-
<b>Loss, before income taxes</b>	(4,034)	(8,199)	(4,165)
<b>Less: income tax recovery</b>	(810)	(1,869)	(1,059)
<b>Net Loss</b>	\$ (3,224)	\$ (6,330)	\$ (3,106)

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**BFG Holdco, Inc.**  
**Notes to Consolidated Financial Statements**  
(dollars in thousands)

**Balance Sheet**

*December 31, 2022*

	As Previously Reported	As Restated	Effect of Change
<b>Total Current Assets</b>	\$ 11,191	\$ 11,191	\$ -
<b>Right-of-Use Assets, Net</b>	1,379	1,379	-
<b>Property and Equipment, Net</b>	1,701	1,701	-
<b>Goodwill</b>	56,056	56,056	-
<b>Intangible Assets, Net</b>	36,731	32,566	(4,165)
<b>Other Assets</b>	28,076	28,076	-
<b>Total Assets</b>	\$ 135,134	\$ 130,969	\$ (4,165)
<b>Current Liabilities</b>	\$ 6,984	\$ 6,984	\$ -
<b>Operating Lease Obligation, net of current portion</b>	425	425	-
<b>Deferred Revenue, net of current portion</b>	4,864	4,864	-
<b>Deferred Tax Liabilities</b>	4,060	3,001	(1,059)
<b>Total Liabilities</b>	16,333	15,274	(1,059)
<b>Stockholders' Equity</b>	118,801	115,695	(3,106)
<b>Total Stockholders' Equity</b>	118,801	115,695	(3,106)
<b>Total Liabilities and Stockholders' Equity</b>	\$ 135,134	\$ 130,969	\$ (4,165)

As a result of the prior period adjustment, retained earnings as of December 31, 2022 decreased from \$4,558, as originally reported, to \$1,452.

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# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

### 4. Adoption of New Accounting Pronouncement

As of January 1, 2023, the Company adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. The ASU includes changes to the accounting and measurement of financial assets, including the Company's accounts receivable and notes receivable. The amendments in this ASU reflect an entity's current estimate of all expected credit losses using reasonable and supportable forecasts. The Company adopted the ASU using the modified retrospective method as of January 1, 2023. As a result of the accounting change, retained earnings as of January 1, 2023 decreased from \$1,452 to \$417.

The following financial statement line items for fiscal years 2023 were affected by the change in accounting principle.

#### *Statement of Operations*

*Year ended December 31, 2023*

	As Computed Under Previous Standard	As Reported Under New Standard	Effect of Change
Net Revenue	\$ 31,072	\$ 31,072	\$ -
Cost of Revenue	9,613	9,613	-
Gross Profit	21,459	21,459	-
Operating Expenses, before impairment	19,371	20,604	1,233
Impairment of Goodwill	45,537	45,537	-
Operating Loss	(43,449)	(44,682)	(1,233)
Non-Operating Income	882	882	-
Loss, before income taxes	(42,567)	(43,800)	(1,233)
Less: income tax expense	477	477	-
Consolidated Net Loss	\$ (43,044)	\$ (44,277)	\$ (1,233)

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**BFG Holdco, Inc.**  
**Notes to Consolidated Financial Statements**  
(dollars in thousands)

**Balance Sheet**

*December 31, 2023*

	As Computed Under Previous Standard	As Reported Under New Standard	Effect of Change
<b>Current Assets</b>			
Cash	\$ 3,701	\$ 3,701	\$ -
Restricted cash	781	781	-
Accounts receivable, net	2,841	2,338	(503)
Inventory	5,683	5,683	-
Notes receivable, current portion net of allowance	875	639	(236)
Prepaid expenses and other current assets	625	625	-
<b>Total Current Assets</b>	<b>14,506</b>	<b>13,767</b>	<b>(739)</b>
<b>Right-of-Use Assets, Net</b>	<b>3,098</b>	<b>3,098</b>	<b>-</b>
<b>Property and Equipment, Net</b>	<b>2,220</b>	<b>2,220</b>	<b>-</b>
<b>Goodwill</b>	<b>10,519</b>	<b>10,519</b>	<b>-</b>
<b>Intangible Assets, Net</b>	<b>28,264</b>	<b>28,264</b>	<b>-</b>
<b>Other Assets</b>			
Notes receivable, net of current portion and allowance	1,830	1,336	(494)
Amounts due from related parties	24,688	24,688	-
Deferred commissions	871	871	-
Other non-current assets	216	216	-
<b>Total Assets</b>	<b>\$ 86,212</b>	<b>\$ 84,979</b>	<b>\$ (1,233)</b>
<b>Total Liabilities</b>	<b>\$ 14,596</b>	<b>\$ 14,596</b>	<b>\$ -</b>
<b>Stockholders' Equity</b>	<b>71,616</b>	<b>70,383</b>	<b>(1,233)</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 86,212</b>	<b>\$ 84,979</b>	<b>\$ (1,233)</b>

## BFG Holdco, Inc.

### Notes to Consolidated Financial Statements (dollars in thousands)

#### 5. Accounts Receivable

The following is the detail of accounts receivable:

<i>December 31,</i>	<b>2024</b>		<b>2023</b>		<b>2022</b>	
Trade receivables	\$	2,627	\$	2,880	\$	5,231
Other		979		431		432
Less: allowance for credit losses		878		973		4,589
<b>Net Accounts Receivable</b>	<b>\$</b>	<b>2,728</b>	<b>\$</b>	<b>2,338</b>	<b>\$</b>	<b>3,074</b>

The activity in the allowance for credit losses is as follows:

	<b>2024</b>		<b>2023*</b>	
<b>Balance, January 1,</b>	<b>\$</b>	<b>973</b>	<b>\$</b>	<b>2,990</b>
Additions charged to expense		508		634
Deductions (write-offs)		(603)		(2,651)
<b>Balance, December 31,</b>	<b>\$</b>	<b>878</b>	<b>\$</b>	<b>973</b>

\* As disclosed in Note 4, the Company adopted ASU 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments* in 2023.

#### 6. Inventory

Inventory consists of equipment, cleaning supplies, chemicals, and mixed cleaning solutions. Inventory, net of reserve, consists of the following:

<i>December 31,</i>	<b>2024</b>		<b>2023</b>		<b>2022</b>	
Raw materials	\$	900	\$	1,797	\$	2,000
Finished goods		7,773		3,886		2,393
<b>Total</b>	<b>\$</b>	<b>8,673</b>	<b>\$</b>	<b>5,683</b>	<b>\$</b>	<b>4,393</b>

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## BFG Holdco, Inc.

### Notes to Consolidated Financial Statements (dollars in thousands)

#### 7. Notes Receivable

Notes receivable are as follows:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Amounts due from the sale of franchises and area franchise rights and refinanced obligations, due in monthly payments, with imputed interest from 4.0% to 12.0%, collateralized by the franchise, equipment, and personal guarantees	\$ 2,428	\$ 3,070	\$ 5,478
Amounts due from the sale of equipment to franchises, due in monthly payments, with imputed interest between 8.5% and 10.5%, collateralized by the equipment	157	20	41
<b>Total Gross Notes Receivable</b>	<b>2,585</b>	<b>3,090</b>	<b>5,519</b>
Less: allowance for credit losses	(1,214)	(1,115)	(1,112)
Less: current portion	578	1,027	1,972
<b>Long-Term Portion</b>	<b>\$ 793</b>	<b>\$ 948</b>	<b>\$ 2,435</b>

The activity in the allowance for credit losses is as follows:

	<b>2024</b>	<b>2023*</b>
<b>Balance, January 1,</b>	<b>\$ 1,115</b>	<b>\$ 1,746</b>
Additions charged to expense	358	292
Deductions (write-offs)	(259)	(923)
<b>Balance, December 31,</b>	<b>\$ 1,214</b>	<b>\$ 1,115</b>

\* As disclosed in Note 4, the Company adopted ASU 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments* in 2023.

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## BFG Holdco, Inc.

### Notes to Consolidated Financial Statements (dollars in thousands)

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#### 8. Property and Equipment

Property and equipment are summarized as follows:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>	Depreciable Life (Years)
Machinery and equipment	\$ 861	\$ 844	\$ 762	5-7
Vehicles	276	222	102	6
Furniture and Fixtures	191	191	126	7
Office and computer equipment	1,823	1,442	1,253	3-7
Leasehold Improvements	445	441	431	1-5
Construction in progress	488	1,005	362	-
<b>Total Cost</b>	<b>4,084</b>	<b>4,145</b>	<b>3,036</b>	
Less: accumulated depreciation	2,409	1,925	1,335	
<b>Net Property and Equipment</b>	<b>\$ 1,675</b>	<b>\$ 2,220</b>	<b>\$ 1,701</b>	

*The remainder of this page intentionally left blank.*

## BFG Holdco, Inc.

### Notes to Consolidated Financial Statements (dollars in thousands)

#### 9. Intangible Assets and Goodwill

Intangible assets and goodwill of the Company are summarized as follows:

*December 31,*

	2024		2023		2022 (as restated)	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<b>Amortized Intangible Assets</b>						
Franchise agreements	\$ 32,215	\$ 13,629	\$ 32,215	\$ 11,151	\$ 32,215	\$ 8,684
Patented technology	7,685	5,994	7,600	4,886	7,650	3,801
Trade names	7,400	4,125	7,400	3,375	7,503	2,655
Internal software	1,700	1,700	1,818	1,766	1,818	1,745
Patents and trademarks	384	147	514	105	297	32
<b>Total Amortized Intangible Assets</b>	<b>\$ 49,384</b>	<b>\$ 25,595</b>	<b>\$ 49,547</b>	<b>\$ 21,283</b>	<b>\$ 49,483</b>	<b>\$ 16,917</b>
<b>Goodwill</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,519</b>	<b>\$ -</b>	<b>\$ 56,056</b>	<b>\$ -</b>

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# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

Amortization expense for intangible assets totaled \$4,380, \$4,380, and \$5,169 for the years ended December 31, 2024, 2023, and 2022, respectively.

Estimated amortization expense for intangible assets is as follows:

*Year ending December 31,*

2025	\$	4,354
2026		3,808
2027		3,261
2028		2,990
2029		2,722
Thereafter		6,654
<b>Total</b>	<b>\$</b>	<b>23,789</b>

### 10. Leases

The Company is obligated under operating leases primarily for facilities, expiring at various dates through December 2026, taking into consideration lease renewal options and termination provisions. The right-of-use asset and related lease liability have been calculated using discount rates ranging from 3.25% to 8.50%. The weighted-average remaining lease term at December 31, 2024 is 23 months. The weighted-average discount rate used at December 31, 2024 is 7.95%. Some of the leases require the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense (presented in operating expenses) under these leases was approximately \$1,267, \$1,051, and \$1,103 for the years ended December 31, 2024, 2023, and 2022, respectively. Total cash paid for operating leases, excluding any variable payments, was \$1,187 for the year ended December 31, 2024.

Future minimum annual commitments under these operating leases are as follows:

*Year ending December 31,*

2025	\$	1,213
2026		1,127
<b>Total</b>		<b>2,340</b>
Less: amount representing interest		166
<b>Present Value of Net Minimum Lease Payments</b>		<b>2,174</b>
Less: current obligations		1,087
<b>Long-Term Obligations Under Operating leases</b>	<b>\$</b>	<b>1,087</b>

The Company subleases certain facilities. As of December 31, 2024, there are \$138 of sublease rentals to be received in future periods through 2026. Rental income (included in operating expense) under the sublease was \$403, \$385, and \$268 for the years ended December 31, 2024, 2023, and 2022, respectively.

# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

### 11. Income Taxes

The components of the income tax provision included in the consolidated statement of operations are all attributable to continuing operations and are detailed as follows:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>	<b>2022</b> (as restated)
Current income tax expense	\$ 126	\$ 212	\$ 726
Deferred income tax expense (recovery)	356	265	(2,595)
<b>Total Income Tax Expense (Recovery)</b>	<b>\$ 482</b>	<b>\$ 477</b>	<b>\$ (1,869)</b>

A reconciliation of the provision for income taxes to income taxes computed by applying the statutory United States federal rate to income before taxes is as follows:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>	<b>2022</b> (as restated)
<b>Provision for Income Taxes</b>			
Income tax recovery, computed at 21% of pretax income	\$ (2,220)	\$ (9,416)	\$ (830)
Permanent differences	2,215	9,568	-
State income tax expense (recovery)	95	168	(42)
Return to provision	315	-	-
Other	77	157	(997)
<b>Total Provision for Income Taxes</b>	<b>\$ 482</b>	<b>\$ 477</b>	<b>\$ (1,869)</b>

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## BFG Holdco, Inc.

### Notes to Consolidated Financial Statements (dollars in thousands)

The details of the net deferred tax assets (liabilities) are as follows:

<i>December 31,</i>	2024	2023	2022 (as restated)
<b>Deferred Tax Assets</b>			
Allowance for credit losses	\$ 500	\$ 531	\$ 941
Deferred revenue	895	1,259	1,759
Notes receivable	-	52	156
Interest limitation carryforward	813	1,029	872
Accrued liabilities	75	210	231
Lease liability	528	806	399
R&D capitalization	318	255	-
Inventory capitalization	-	494	-
Other	118	125	882
<b>Gross Deferred Tax Assets</b>	<b>3,247</b>	<b>4,761</b>	<b>5,240</b>
<b>Deferred Tax Liabilities</b>			
Intangibles	(5,613)	(6,836)	(7,493)
Inventory capitalization	(522)	-	-
Property and equipment	(138)	(244)	(309)
Prepaid expenses	(109)	(159)	(88)
Right-of-use asset	(488)	(788)	(351)
<b>Gross Deferred Tax Liabilities</b>	<b>(6,870)</b>	<b>(8,027)</b>	<b>(8,241)</b>
<b>Net Deferred Tax Assets (Liabilities)</b>	<b>\$ (3,623)</b>	<b>\$ (3,266)</b>	<b>\$ (3,001)</b>

## 12. Common Stock

Common stock consists of 5,000 authorized shares of \$1 par value stock. As of December 31, 2024, 2023, and 2022, there were 5,000 shares issued and outstanding.

## 13. Contingencies

The Company is party to an agreement with an unrelated financial institution where the Company guarantees a portion of the losses resulting from equipment-related financing arrangements made between the financial institution and certain of the Company's franchisees. In the event of a default by a franchisee, the Company guarantees the financial institution's losses, including proceeds received from the sale of collateralized equipment as follows: 30% on equipment and between 30% and 100% on non-equipment. As of December 31, 2024, 2023, and 2022 the financial institution provided cumulative aggregate financing arrangements for certain of the Company's franchisees totaling approximately \$8,170, \$8,170, and \$8,140 with open financed amounts totaling approximately \$147, \$849, and \$1,774, respectively. Payments made under this guarantee during the years ended December 31, 2024, 2023, and 2022 were approximately \$3, \$0, and \$178, respectively, and the Company has recorded the estimated present value of this contingent liability as of December 31, 2024, 2023, and 2022 of approximately \$10, \$13, and \$68, respectively, which is included in accrued liabilities in the accompanying consolidated balance sheet.

# BFG Holdco, Inc.

## Notes to Consolidated Financial Statements (dollars in thousands)

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### 14. Related Party Transactions

The following is a description of transactions between the Company and related parties:

#### *Amounts Due from Related Parties*

At December 31, 2024, 2023, and 2022, the Company had accounts receivable from Belfor USA Group, Inc. totaling \$27,667, \$24,688, and \$23,843, respectively, which relates to amounts advanced for working capital purposes and amounts due for expenses incurred by the Company on behalf of related parties.

#### *Guarantee*

The Company has guaranteed balances outstanding on the term loan and line of credit issued to Belfor Holdings, Inc. and other entities related through common ownership. In the event of a default by the affiliates, the Company could be obligated to repay the full amount outstanding on these loans. As of December 31, 2024, the affiliates' outstanding borrowings under the loans and the maximum potential future obligation under this guarantee totaled approximately \$1,410 and \$1,740, respectively. The term loan is payable through November 2030, and the line of credit expires in November 2028. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from the affiliate; however, the Company does not hold specific recourse or collateral rights in connection with the guarantee.

#### *Guarantee of Performance*

The Company is listed as the guarantor of performance within the franchise disclosure documents of various franchisors within Belfor Franchise Group, LLC. In the event the Company is required to make payments under this guarantee, the Company could seek to recover those amounts from the affiliate; however, the Company does not hold specific recourse or collateral rights in connection with the guarantee.

### 15. Retirement Plans

The Company sponsors a 401(k) plan for substantially all employees. The plan provides for the Company to make a required matching contribution. The Company may also make additional discretionary contributions to the plan. Contributions to the plan totaled \$181, \$212 and \$244 for the years ended December 31, 2024, 2023, and 2022 respectively.

## GUARANTEE OF PERFORMANCE

For value received, BFG Holdco, Inc., a Delaware corporation (the "Guarantor"), located at 3310 West End Avenue, Suite 620, Nashville, TN 37203, absolutely and unconditionally guarantees to assume the duties and obligations of Chem-Dry, Inc., NHance, Inc., 1-800 Water Damage International, LLC, Hoodz International, LLC, Ductz International, LLC, Patch Boys International, LLC, Plumberz International, LLC, Packoutz International, LLC, Safer Home Services International, LLC, Cool Binz International, LLC, Redbox+ International, LLC and JunkCo+ International, LLC, under their franchise registrations in each state where the franchises are registered, and under its Franchise Agreement identified in their Franchise Disclosure Documents issued March 28, 2025 (individually, each, a "Franchisor"), and as the Franchise Agreements may be entered into with all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever occurs first. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding, notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor Executes this guarantee at Nashville, Tennessee, on March 28, 2025.

Guarantor:

BFG Holdco, Inc.



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Janette Sims  
Chief Financial Officer

**BFG HoldCo Inc**  
**Consolidating Balance Sheet**  
**June 30, 2025**

**Consolidated**

**CURRENT ASSETS**

Cash & Equivalents	\$	2,060,885
Accounts Receivable, Net		1,330,893
Current Portion - LT AR, Net		660,110
Inventory		8,854,384
Prepays & Other Current Assets		664,440

**TOTAL CURRENT ASSETS** **13,570,711**

Property & Equipment, net		2,932,395
Long Term A/R		184,336
Goodwill		-
Intangibles, Net		21,618,904
Other Long Term Assets		31,099,618

**TOTAL ASSETS** **\$ 69,405,964**

**CURRENT LIABILITIES**

Accounts Payable	\$	722,001
Accrued Liabilities		544,538
Accrued Payroll		797,203
Sales Taxes		94,557
Income Tax Payable		512,953
Deferred Income		562,665
Other Current Liabilities		1,642,563

**TOTAL CURRENT LIABILITIES** **4,876,481**

**LONG TERM LIABILITIES**

Deferred Revenue LT		1,899,778
Deferred Taxes		3,622,916

**TOTAL LIABILITIES** **10,399,175**

**STOCKHOLDERS EQUITY**

**59,006,789**

**TOTAL LIABILITIES & EQUITY** **\$ 69,405,964**

**HRI Holdings, Inc. and Subsidiaries**  
**Consolidating Income Statement**  
**YTD as of June 30, 2025**

	<u>Consolidated</u>
<b>Revenue</b>	
<b>Total Revenue</b>	<b>\$ 15,283,165</b>
<b>Cost of Goods Sold</b>	
<b>Total COGS</b>	<b>6,738,284</b>
<b>Total Gross Profit</b>	<b>8,544,880</b>
SG & A	5,868,423
<b>Operating EBITDA</b>	<b>2,676,458</b>
Impairment and Other expenses	206,429
<b>EBITDA</b>	<b>2,470,029</b>
Depreciation	465,342
Amortization	2,177,793
<b>Operating Profit (Loss)</b>	<b>(173,106)</b>
Interest Expense	71,984
Earning Before Taxes	<b>(245,089)</b>
Income Taxes	22,237
<b>Net Income (Loss)</b>	<b>\$ (267,326)</b>

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

**BFG HoldCo Inc**  
**Consolidating Balance Sheet**  
**September 30, 2025**

**Consolidated**

**CURRENT ASSETS**

Cash & Equivalents	2,468,902
Accounts Receivable, Net	1,231,648
Current Portion - LT AR, Net	675,043
Inventory	9,200,544
Prepays & Other Current Assets	834,029

**TOTAL CURRENT ASSETS** **14,410,167**

Property & Equipment, net	2,641,120
Long Term A/R	(56,580)
Goodwill	-
Intangibles, Net	20,537,161
Other Long Term Assets	32,110,902

**TOTAL ASSETS** **69,642,769**

**CURRENT LIABILITIES**

Accounts Payable	1,084,480
Accrued Liabilities	596,821
Accrued Payroll	848,456
Sales Taxes	91,431
Income Tax Payable	512,953
Deferred Income	256,260
Other Current Liabilities	1,367,719

**TOTAL CURRENT LIABILITIES** **4,758,119**

**LONG TERM LIABILITIES**

Deferred Revenue LT	1,899,778
Deferred Taxes	3,622,916

**TOTAL LIABILITIES** **10,280,814**

**STOCKHOLDERS EQUITY**

**59,361,956**

**TOTAL LIABILITIES & EQUITY** **69,642,769**

**HRI Holdings, Inc. and Subsidiaries**  
**Consolidating Income Statement**  
**YTD as of September 30, 2025**

	<u>Consolidated</u>
<b>Revenue</b>	
<b>Total Revenue</b>	<b>2,610,329</b>
<b>Cost of Goods Sold</b>	
<b>Total COGS</b>	<b>1,070,649</b>
<b>Total Gross Profit</b>	<u><b>1,491,861</b></u>
SG & A	979,833
<b>Operating EBITDA</b>	<b>512,028</b>
Impairment and Other expenses	283,848
<b>EBITDA</b>	<u><b>228,180</b></u>
Depreciation	257,678
Amortization	362,878
<b>Operating Profit (Loss)</b>	<u><b>(392,376)</b></u>
Interest Expense	12,553
Earning Before Taxes	<u><b>(404,929)</b></u>
Income Taxes	5,678
<b>Net Income (Loss)</b>	<u><u><b>(410,607)</b></u></u>

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

**EXHIBIT H**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**STATE ADDENDA TO THE DISCLOSURE DOCUMENT**

**ADDITIONAL STATE DISCLOSURES**  
**TO FRANCHISE DISCLOSURE DOCUMENT**

**CALIFORNIA**

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

See the cover page of the Disclosure Document for our URL address. A. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AND COMPLAINTS CONCERNING THE CONTENT OF OUR WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT [www.DBO.CA.GOV](http://www.DBO.CA.GOV).

1. The following statement is added to Item 3:

Neither Franchisor nor any other person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

2. The following statements are added to Item 17:

California Business & Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec.101 et seq.)

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur at Nashville, Tennessee or Salt Lake City, Utah with the costs being borne equally by the parties.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of the State of California.

The Franchise Agreement requires you to sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

The Franchise Agreement requires application of the laws of the State of Tennessee. This provision may not be enforceable under California law.

3. The following statement is added to Item 19:

The financial performance figures do not reflect the cost of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Chem-Dry Business. Franchisees or former franchisees, listed in the franchise disclosure document, may be one source of this information.

**HAWAII**

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY

BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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

**ILLINOIS**

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Illinois:

**19.1.** Illinois law governs the Franchise Agreement.

**20.2.** In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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

**22.4.** Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

**MARYLAND**

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Maryland. This also applies to non-residents of Maryland who will operate [an N-Hancea Chem-Dry](#) franchise in the State of Maryland.

1. Item 5 is amended to provide that:
  - a. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. We have secured a surety bond in the amount of \$136,520, which is on file with the Commissioner.
2. Item 17 is amended to provide that:
  - a. The general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
  - b. The Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
  - c. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
  - d. The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

~~3.~~—You may request and we will provide, within a reasonable amount of time, an accounting of the advertising fund, including a summary of revenue and disbursements. Any such accounting will be strictly confidential.

~~3.~~—

~~43.~~ 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.

**MINNESOTA**

Minnesota statute §80C14 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of jurisdiction.

Minnesota statute §80C14 provides: It shall be deemed unfair and inequitable for any person to:

- (A) Terminate or cancel a franchise without first giving written notice setting forth all the reasons for the termination or cancellation to the Franchisee at least 90 days in advance of termination or cancellation, and the recipient of a notice fails to correct the reasons stated for cancellation or termination within 60 days within receipt of the notice, except that the notice shall be effective immediately upon receipt where the alleged grounds are:
  - (i) Voluntary abandonment of the franchise relationship by the Franchisee;
  - (ii) The conviction of the Franchisee of an offense directly related to the business conducted pursuant to the franchise; or
  - (iii) Failure to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the Franchisor's trade name, Trademark, service mark, logotype or other commercial symbol after the Franchisee has received written notice to cure of at least 24 hours in advance thereof;
- (B) Terminate or cancel a franchise except for good cause. "Good cause" shall be failure by the Franchisee substantially to comply with reasonable requirements imposed upon him by the franchise including, but not limited to:
  - (i) The bankruptcy or insolvency of the Franchisee;
  - (ii) Assignment for the benefit of creditors or similar disposition of the assets of the franchise business;
  - (iii) Voluntary abandonment of the franchise business;
  - (iv) Conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or
  - (v) Any act by, or conduct of, the Franchisee which materially impairs the goodwill associated with the Franchisor's Trademark, trade name, service mark, logotype or other commercial symbol.
- (C) Unless the failure to renew the franchise is for good cause as defined in clause

(B), Franchisor may not fail to renew a franchise unless (i) the Franchisee has been given written notice of the intention not to renew at least 180 days in advance thereof and (ii) has been given an opportunity to operate the franchise over a sufficient period of time to enable the franchisee to recover the fair market value of the franchise as a going concern measured from the date of the failure to renew. No franchisor may refuse to renew a franchise if the refusal is for the purpose of converting the franchisee's business premises to an operation that will be owned by the franchisor for its own account.

A franchisor may not unreasonably withhold consent to an assignment, transfer, or sale of the franchise where the assignee meets the present qualifications and standards required of other franchisees.

The FTC Cover page shall be revised to include the following risk factor:

“**Turnover Rate.** During the last 3 years, a high percentage of franchised outlets (more than 40%) were terminated, not renewed, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.”

Item 13 is modified as follows: The Minnesota Department of Commerce requires that a Franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the Trademark infringes Trademark rights of the third party. The Company does not indemnify against the consequences of the Franchisee's use of the Company's Trademark except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, the Franchisee must provide notice to the Company of any such claim within 10 days and tender the defense of the claim to the Company. If the Company accepts the tender of defense, the Company has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

Item 17 is amended to provide that you shall not be required to assent to a general release, and that liquidated damages are generally not permitted under Minnesota law.

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

**NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**SPECIAL RISK FACTOR.** Information comparing franchisors is available. Call the state administrators listed in Exhibit I or your public library for sources of information. Registration of this franchise by New York State does not mean that the State recommends it or has verified the information in this Franchise Disclosure Document. If you learn that anything in this Franchise Disclosure Document is untrue, contact the Federal Trade Commission and the appropriate State or provincial authority. The franchisor may, if it chooses, negotiate with you about the items covered in the Franchise Disclosure Document. However, the franchisor cannot use the negotiating process to prevail upon a prospective franchisee to accept terms which are less favorable than those set forth in this Franchise Disclosure Document.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee [you] to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor [our] approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled

1. **“Termination by franchisee (you)”**:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

## **NORTH DAKOTA**

The following statements are added to Item 17:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void.

Arbitration proceedings may take place at a location mutually agreed between the parties that is not remote from your Territory.

You are not required to release any claims you might have against us under the North Dakota Franchise Investment Law.

Covenants not to compete upon termination or expiration of the franchise agreements are generally not enforceable in the State of North Dakota, except in certain instances as provided by law.

## **RHODE ISLAND**

The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.

## VIRGINIA

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Virginia:

1. The following is added to the Special Risks to Consider:

**Spousal Liability.** Your spouse may be asked to sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

2. The following is added to Item 17(h):

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia Act"), it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement and/or the Development Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

3. The proposed agreements described in Item 22, including all agreements that a franchisee must sign, are accurately presented in this Disclosure Document.

## WASHINGTON

The following statements are added to the Disclosure Document:

~~In the event of a conflict of laws, to the extent required by the Act, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 will prevail.~~

~~RCW 19.100.180, may supersede the Franchise Agreement in your relationship with the franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement and your relationship with us, including the areas of termination and renewal of your franchise.~~

~~In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.~~

~~A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed according to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitation period for claims under the Act, rights or remedies under the Act, such as rights to jury trial might not be enforceable.~~

~~To the extent required by the Act, transfer fees are collectible to the extent they reflect our reasonable estimated or actual costs in effecting a transfer.~~

~~Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.~~

~~RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~

~~Franchisees who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington State.~~

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

## WISCONSIN

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Wisconsin.

1. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.
2. The following applies to Franchise Agreements in the State of Wisconsin:
  - (a) The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 (the Act), shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
  - (b) The Act's requirements that Franchisor must provide franchisee at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. This notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that franchisee has 60 days in which to cure any claimed deficiency. If the deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, franchisee will have 10 days to cure the deficiency.

**EXHIBIT I**  
**TO THE DISCLOSURE DOCUMENT**  
**FRANCHISEE DISCLOSURE QUESTIONNAIRE**

As you know, Chem-Dry, Inc. and you are preparing to enter into a Franchise Agreement for the operation of a Chem-Dry franchise. Please review each of the following questions carefully and provide honest responses to each question. Please do not sign this Questionnaire if the franchisee is a [Hawaii](#), [Maryland](#) or [Washington](#) resident or if the franchised business will be located in the State of [Hawaii](#), [Maryland](#) or [Washington](#).

1. Have you received and personally reviewed the Chem-Dry, Inc. Franchise Disclosure Document and each exhibit we provided to you? Yes \_\_\_\_\_ No \_\_\_\_\_
2. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it? Yes \_\_\_\_\_ No \_\_\_\_\_
3. Have you discussed operating a Chem-Dry franchise with an attorney, accountant or other professional advisor? Yes \_\_\_\_\_ No \_\_\_\_\_
4. Do you understand the success or failure of your franchise will depend on many factors including your skills and abilities, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace? Yes \_\_\_\_\_ No \_\_\_\_\_
5. Has any employee or other person speaking on behalf of Chem-Dry, Inc. made any statement or promise regarding the amount of money you may earn in operating the Chem-Dry franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes \_\_\_\_\_ No \_\_\_\_\_
6. Has any employee or other person speaking on behalf of Chem-Dry, Inc. made any statement or promise concerning the total amount of revenue the Chem-Dry franchise will generate that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes \_\_\_\_\_ No \_\_\_\_\_
7. Has any employee or other person speaking on behalf of Chem-Dry, Inc. made any statement or promise regarding the costs involved in operating the Chem-Dry franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document?  
Yes \_\_\_\_\_ No \_\_\_\_\_
8. Has any employee or other person speaking on behalf of Chem-Dry, Inc. made any statement or promise concerning the actual, average or projected profits or earnings or the likelihood of success that you should or might expect to achieve from operating a Chem-dry franchise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes \_\_\_\_\_ No \_\_\_\_\_
9. Has any employee or other person speaking on behalf of Chem-Dry, Inc. made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Yes \_\_\_\_\_ No \_\_\_\_\_

10. If you have answered “Yes” to any of the questions 7 through 11, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of the foregoing questions, please leave the following lines blank.

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By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

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.

Maryland sales/Maryland residents:- The representations, acknowledgements and affirmations in this Exhibit are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Act

Washington sales/Washington residents:— This Franchisee Disclosure Questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

\_\_\_\_\_  
FRANCHISE APPLICANT

\_\_\_\_\_, 20\_\_

## STATE EFFECTIVE DATES

The following states require that the 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 Dates stated below:

State	Effective Date
California	<del>Exempt</del> Exempt
Florida	Effective
Hawaii	<del>Amendment pending</del> pending
Illinois	Exempt
Indiana	<del>Exempt</del> pending
Maryland	<del>Amendment pending</del> pending
Michigan	Effective
Minnesota	<del>Amendment pending</del> pending
New York	Exempt
North Dakota	<del>Amendment pending</del> pending
Rhode Island	<del>Amendment pending</del> pending
South Dakota	<del>April 29, 2025</del> pending
Virginia	<del>Amendment pending</del> pending
Washington	<del>Amendment pending</del> pending
Wisconsin	<del>Amendment pending</del> pending

Other state 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 Chem-Dry, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Chem-Dry, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The issuance date of this Franchise Disclosure Document is March 28, 2025, as amended June 30, 2025, as amended October 21~~September 30, 2025.~~

Chem-Dry, Inc. authorizes the respective state agents identified on Exhibit A to receive service of process for it in the particular states.

I received a Disclosure Document from Chem-Dry, Inc. dated as of March 28, 2025, as amended June 30, 2025, as amended September 30~~October 21, 2025~~ that included the following Exhibits:

- A. List of Agents/State Agencies
- B. Franchise Agreement and Other Agreements
- C. Business Note
- D. Table of Contents of Operating Manual
- E. List of Franchisees
- F. List of Former Franchisees
- G. Financial Statements with Guaranty of Performance
- H. State Addenda to the FDD
- I. Franchisee Disclosure Questionnaire

<hr/> Date Received	<hr/> Signature	<hr/> Printed Name
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<hr/> Date Received	<hr/> Signature	<hr/> Printed Name
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If an entity - Name of entity: \_\_\_\_\_

\_\_\_\_\_

Date

Signature of Officer

Printed Name and Title

**Franchise Sellers Located at:** 3310 West End Avenue, Suite 620, Nashville, TN 37203; Telephone: (800) 841-6583.  
Please check the salesperson/people that you worked with:

Douglas Smith       D'Wayne Tanner       Carrie Henegar  
 Dre Carter       Other \_\_\_\_\_

**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 Chem-Dry, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Chem-Dry, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

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- |   |  |
|---|--|
| A. List of Agents/State Agencies            | F. List of Former Franchisees                        |
| B. Franchise Agreement and Other Agreements | G. Financial Statements with Guaranty of Performance |
| C. Business Note                            | H. State Addenda to the FDD                          |
| D. Table of Contents of Operating Manual    | I. Franchisee Disclosure Questionnaire               |
| E. List of Franchisees                      |  |

_____	_____	_____
Date Received	Signature	Printed Name

_____	_____	_____
Date Received	Signature	Printed Name

If an entity - Name of entity: \_\_\_\_\_

_____	_____	_____
Date	Signature of Officer	Printed Name and Title

**Franchise Sellers Located at:** 3310 West End Avenue, Suite 620, Nashville, TN 37203; Telephone: (800) 841-6583.  
Please check the salesperson/people that you worked with:

Douglas Smith       D'Wayne Tanner       Carrie Henegar  
 Dre Carter       -Other \_\_\_\_\_