



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

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 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 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](#)

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 Holdeo 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 Holdeo, 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.

Name of Fee	Amount	Due Date	Remarks
Yearly Minimum Purchase Amount	The then current fee, which is presently \$3,338.50 ¹	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 ²	Actual costs charged by third party vendor, plus up to fifteen percent (15%) of the cost for administration, which is presently \$100 - \$450 per month, after a one-time data import fee of up to \$500 ¹	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 data base 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>
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 ¹	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.

Name of Fee	Amount	Due Date	Remarks
Franchised Area Transfer Fee	Then current fee which is presently \$2,000 ¹	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 ¹	As incurred	Package include 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 ²	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 ¹	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.
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 ¹	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

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/REGISTRATION DATE	REGISTER
Chem-Dry	1119887	June 12, 1979, renewed June 13, 2019	Principal
	2793715	December 16, 2003 Renewed March 19, 2024	Principal
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

<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

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.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
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.
4. **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).
5. **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.
6. **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.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any

- 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).
- 11. 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.
- 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.
- 13. 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.
- 14. 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 \$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 Washington.
- 15. 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.

16. 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.

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).

18. 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.

~~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. The Special Risks to Consider About This Franchise section of the Cover Letter shall be revised to include the following risk factors:

“**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.

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.”

20. 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, Minimum Product Purchases and BMF Contribution.

Franchise Number:

21. 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.

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: _____

Date: _____

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 franchisee.

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.~~

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	<u>Exempt</u> Exempt
Florida	Effective
Hawaii	<u>Amendment pending</u> pending
Illinois	Exempt
Indiana	<u>Exempt</u> pending
Maryland	<u>Amendment pending</u> pending
Michigan	Effective
Minnesota	<u>Amendment pending</u> pending
New York	Exempt
North Dakota	<u>Amendment pending</u> pending
Rhode Island	<u>Amendment pending</u> pending
South Dakota	<u>April 29, 2025</u> pending
Virginia	<u>Amendment pending</u> pending
Washington	<u>Amendment pending</u> pending
Wisconsin	<u>Amendment pending</u> 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

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 that included the following Exhibits:

- | | |
|---|--|
| 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 _____

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