

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 \$62,995, 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: \_\_\_\_\_

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: \_\_\_\_\_

## ILLINOIS

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the Franchise Agreement.
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.
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.
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-Hance 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 \$62,995, 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.*).

- (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.

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.

**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. If you are a resident of the State of Maryland or will be opening your Chem-Dry Business in the State of Maryland, you should not fill out this Questionnaire.

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 \_\_\_\_\_