

Name of Fee	Amount	Due Date	Remarks
			plus all other loans and amounts accrued before termination.
Franchise Advanced Website	Then-current fee which is presently \$25 - \$100 monthly per site, depending on selected upgrades. ¹	10 th 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 2025 was 2.5%.

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 ⁽¹⁾	\$23,500	Part Lump Sum, Remainder by Monthly Note Installments	When you sign the Franchise Agreement and the Promissory Note	CDI
Initial Package ⁽¹⁾	\$44,000 - \$78,000	Lump Sum	When you sign the Franchise Agreement and the Equipment Agreement	CDI

<u>Provision</u>	<u>Section in Franchise Agreement and other agreements</u>	<u>Summary</u>
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. 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 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. 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
o. CDI’s 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), subject to applicable state law.

<u>Provision</u>	<u>Section in Franchise Agreement and other agreements</u>	<u>Summary</u>
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, subject to applicable state law .
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 Promissory Note	Except for certain claims, all disputes must be arbitrated in Ann Arbor, Michigan (subject to state law). In reliance on the Federal Arbitration Act, CDI maintains its right to enforce the arbitration provision, including the Michigan forum selection provision, in any dispute, notwithstanding any state law to the contrary.
v. Choice of forum	Section 17H	Litigation in Michigan (subject to state law)
w. Choice of law	Section 17G	Michigan 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 franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 226 franchisees (“Responding Franchise Owners”) that collectively operate 584 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 231 franchisees that operate 381 Chem-Dry Businesses, as they have not 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. [None of the excluded franchisees were open for a period of less than 12 months.](#)

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.

As noted above, Chem-Dry franchisees operating under our population-based model operate in Franchised Areas, which are determined based on the population and population density of their area. Thus, the Franchised Areas that Chem-Dry franchisees operate within are not uniform in size and Chem-Dry franchisees do face competition from other franchisees who operated within their Franchised Area. Chem-Dry franchisees that operate under our household-based model operate in protected territories. The below charts contain gross sales information for franchisees operating under both models.

Quartile	Number of Franchisees in Group	Average Gross Sales	Franchisees Who Exceeded Average	Highest	Lowest	Median
Top 25%	56	\$706,853	18	\$1,772,121	\$398,618	\$643,867
Top 50%	113	\$502,693	39	\$1,772,121	\$216,021	\$396,759
Top 75%	169	\$391,365	60	\$1,772,121	\$134,703	\$303,176
Bottom 25%	57	\$105,790	31	\$134,471	\$75,126	\$107,463
Bottom 50%	113	\$135,987	54	\$213,320	\$75,126	\$134,471
Bottom 75%	170	\$191,688	67	\$396,759	\$75,126	\$165,521

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 Promissory Note (the “Promissory Note”) for the balance of the Initial License Fee. The Promissory 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 Promissory 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

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. [No other franchisee or licensee is a third-party beneficiary of this 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) CDI HAS NO OBLIGATION TO MONITOR OR ENFORCE THE TERRITORIAL PROVISIONS OR ANY OTHER PROVISION OF THIS OR ANY OTHER FRANCHISE AGREEMENT WITH ANY OTHER FRANCHISEE FOR YOUR BENEFIT. YOU ACKNOWLEDGE AND AGREE THAT: (A) CDI'S DECISION WHETHER TO ENFORCE THE PROVISIONS OF ANY OTHER FRANCHISE AGREEMENT, INCLUDING THE TIMING AND MANNER OF SUCH ENFORCEMENT, IS WITHIN OUR SOLE AND ABSOLUTE DISCRETION; (B) YOU ARE NOT A THIRD-PARTY BENEFICIARY OF ANY OTHER FRANCHISE AGREEMENT AND HAVE NO RIGHT TO ENFORCE ANY PROVISION THEREOF; (C) YOU WAIVE ANY AND ALL CLAIMS AGAINST US ARISING FROM OR RELATING TO THE CONDUCT OF ANY OTHER FRANCHISEE; (D) OUR FAILURE OR DECISION NOT TO TAKE ACTION AGAINST ANY OTHER FRANCHISEE SHALL NOT CONSTITUTE A BREACH OF THIS AGREEMENT, WAIVER OF ANY PROVISION HEREOF, OR GIVE RISE TO ANY CLAIM, DEFENSE, OR SETOFF BY YOU; AND (E) WE HAVE NO OBLIGATION TO RESOLVE ANY DISPUTE BETWEEN YOU AND ANY OTHER FRANCHISEE.

(d) 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

Franchise Number:

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 \$136,52072,145, 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: _____

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.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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 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 Michigan 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: _____

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.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE

Franchise Number:

REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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.~~

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	Exempt
Florida	Effective
Hawaii	Pending
Illinois	Exempt
Indiana	Exempt
Maryland	Pending
Michigan	Effective
Minnesota	Pending
New York	Exempt
North Dakota	Pending
Rhode Island	April 13, 2026 Pending
South Dakota	April 6, 2026 Pending
Virginia	May 12, 2026 Pending
Washington	pending
Wisconsin	March 30, 2026 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