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Department of
Business Oversight

Certified Restoration DryCleaning Network LLC
a Michigan Limited Liability Company
2060 Coolidge Highway Berkley Michigan 48072
800 963 CRDN
www.restorationdrycleaning.com
www.crdn.com

FRANCHISE DISCLOSURE DOCUMENT

The franchise owner will provide restoration drycleaning services for clothing and textiles damaged in an insured casualty

The total investment necessary to begin operation of a Certified Restoration DryCleaning Network LLC franchised business is between \$45 550 and \$235 500 This includes the Initial Franchise Fee comprised of a Fixed Licensing Fee a Territory Fee and an Initial Package Fee a Fixed Annual Fee and a Royalty that must be paid to the franchisor and/or its affiliates The Fixed Licensing Fee is \$4 000 for a Payment Plan B franchisee and \$8 000 for a Payment Plan A franchisee The Territory Fee ranges from \$3 000 to approximately \$35 000 depending on the Payment Plan and the number of households in an awarded Territory The Initial Package Fee is \$13 000 for all franchisees You should consult Items 5 – 7 of this disclosure document for further information concerning the total investment required

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 us or an affiliate in connection with the proposed franchise sale **Note, however, that no government 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 Jessica McGrath at 2060 Coolidge Highway Berkley Michigan 48072 or by phone at 800 520 CRDN

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 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 DC 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 March 20, 2016

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit E for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION AND LITIGATION ONLY IN MICHIGAN. OUT OF STATE DISPUTE RESOLUTION INCLUDING ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN MICHIGAN THAN IN YOUR HOME STATE. YOUR STATE LAW MAY SUPERSEDE THIS PROVISION, AND IT MAY NOT BE ENFORCEABLE IN YOUR STATE. SEE SPECIAL STATE DISCLOSURES IN THE STATE ADDENDA TO THE FRANCHISE AGREEMENT AND DISCLOSURE DOCUMENT.

THE FRANCHISE AGREEMENT REQUIRES THAT MICHIGAN LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. YOUR STATE LAW MAY SUPERCEDE THIS PROVISION, AND IT MAY NOT BE ENFORCEABLE IN YOUR STATE. SEE SPECIAL STATE DISCLOSURES IN THE STATE ADDENDA TO THE FRANCHISE AGREEMENT AND DISCLOSURE DOCUMENT.

THE FRANCHISOR HAS MINIMUM SALES PERFORMANCE STANDARDS THAT YOU MUST MAINTAIN REGARDLESS OF THE REVENUE YOU RECEIVE FROM THE FRANCHISE. A ROYALTY FEE WILL BE CHARGED IN THE EVENT YOU DO NOT MAINTAIN SUCH MINIMUM SALES STANDARDS FOR TWO OR MORE CONSECUTIVE MONTHS. FAILURE TO PAY ANY APPLICABLE ROYALTY FEE CONSTITUTES GROUNDS FOR TERMINATION UNDER THE FRANCHISE AGREEMENT. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration California Hawaii Illinois, Indiana, Maryland Michigan Minnesota New York North Dakota Rhode Island, South Dakota Virginia Washington and Wisconsin

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws with the following effective dates

California	<u>Pending</u>
Hawaii	<u>Pending</u>
Illinois	<u>Pending</u>
Indiana	<u>Pending</u>
Maryland	<u>Pending</u>
Michigan	<u>Pending</u>
Minnesota	<u>Pending</u>
New York	<u>Pending</u>
North Dakota	<u>Pending</u>
Rhode Island	<u>Pending</u>
South Dakota	<u>Pending</u>
Virginia	<u>Pending</u>
Washington	<u>Pending</u>
Wisconsin	<u>Pending</u>

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