

## FRANCHISE DISCLOSURE DOCUMENT



ManageMowed Franchising, LLC  
A Washington Limited Liability Company  
144 Railroad Avenue  
Suite 101  
Edmonds, WA 98020  
866-623-9749  
www.managemowedfranchising.com

We offer franchises for commercial landscape management businesses that provide recurring landscape maintenance services to customers including lawn, bed, tree and shrub care services and snow removal services through work provided by independent landscapers and vendors (each a “ManageMowed business”).

The total investment necessary to begin operation of a ManageMowed business under a ManageMowed Franchise Agreement (“Franchise Agreement”) is \$114,800 to \$245,800. This includes \$82,800 to \$87,800 that must be paid to us or our affiliates.

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 governmental agency has verified the information contained in this disclosure 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 Peter Roberts at 866-623-9749 or [peter.r@managemowed.com](mailto:peter.r@managemowed.com).

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.

The issuance date of this Franchise Disclosure Document is March 14, 2024

## 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:

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	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 Exhibit F.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only ManageMowed business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a ManageMowed franchisee?</b>	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 D.

Your state also may have laws that require special disclosures or amendments 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 risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by litigation only in the jurisdiction where the franchisor has its principal place of business, which currently is Edmonds, Washington. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Washington than in your own state.
2. **Spousal Liability.** Your spouse must 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.
3. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

## TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES .....	1
ITEM 2 BUSINESS EXPERIENCE .....	2
ITEM 3 LITIGATION.....	3
ITEM 4 BANKRUPTCY .....	3
ITEM 5 INITIAL FEES .....	3
ITEM 6 OTHER FEES.....	4
ITEM 7 ESTIMATED INITIAL INVESTMENT .....	9
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	12
ITEM 9 FRANCHISEE'S OBLIGATIONS.....	15
ITEM 10 FINANCING.....	16
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING ....	17
ITEM 12 TERRITORY .....	25
ITEM 13 TRADEMARKS.....	27
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION .....	28
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....	30
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....	30
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION .....	31
ITEM 18 PUBLIC FIGURES.....	34
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS .....	34
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION.....	36
ITEM 21 FINANCIAL STATEMENTS .....	39
ITEM 22 CONTRACTS .....	39
ITEM 23 RECEIPTS.....	40
ADDITIONAL STATE REQUIRED DISCLOSURES .....	41

### EXHIBITS

- A. Franchise Agreement
- B. Manual Table of Contents
- C. Financial Statements
- D. List of State Administrators and Agents for Service of Process in Certain States
- E. State Required Agreement Addenda
- F. Lists of Current and Certain Former Franchisees
- G. Vehicle Lease Agreement
- H. Development Incentive Program Addendum
- I. Franchisee Disclosure Questionnaire
- J. State Effective Dates
- K. Receipts

## **ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

This disclosure document describes ManageMowed business franchises. In this disclosure document, “we,” “us,” “our” and “MMF” mean ManageMowed Franchising, LLC, the franchisor, and “you” or “your” means the purchaser of the franchise. If the purchaser of the franchise is a corporation, partnership, or limited liability company, “you” means both the purchaser and the persons who own the franchised ManageMowed business entity.

### **The Franchisor**

ManageMowed Franchising, LLC is a Washington limited liability company formed on January 1, 2019. We do business under our corporate name, ManageMowed and the name Greenpoint Landscape Management. We do not conduct business under any other name. Our principal place of business is 144 Railroad Avenue, Suite 101, Edmonds, Washington 98020. Our agents for service of process are listed in Exhibit D. We began offering franchises for ManageMowed businesses in January 2019. We do not operate any ManageMowed businesses; however, as of December 31, 2023, our affiliate, Greenpoint Landscaping LLC operated two ManageMowed businesses (“Company-Owned Businesses”) and there were 21 franchised ManageMowed businesses in operation. We have never offered franchises in any other line of business.

### **Our Parent, Affiliates and Predecessors**

We do not have any predecessors or a parent company. Our affiliate, Greenpoint Landscaping LLC, is a Washington limited liability company organized in October 2006 that shares our principal business address. Greenpoint Landscaping, LLC operates our Company-Owned Businesses, has not offered franchises in any line of business, and does not provide any services to our franchisees.

### **The ManageMowed Franchise**

Greenpoint Landscaping, LLC opened the first ManageMowed business (formerly known as Greenpoint Landscape Management) in October 2006. ManageMowed businesses offer commercial customers recurring landscape maintenance services such as lawn, bed, tree and shrub care maintenance and snow removal. ManageMowed businesses must retain the services of independent, third-party, professional, well trained, fully vetted and insured landscaping vendors (“**Vendors**”); operate under a standardized system for customer acquisition; and use customized software. ManageMowed account managers wear branded uniforms and drive specified vehicles with our signature ManageMowed wraps. Our Vendors also wear branded safety vests and display branded magnetic decals on their vehicles.

ManageMowed businesses operate according to a distinctive format, appearance, and set specifications and operating procedures (“System”). The distinguishing characteristics of the System include our brand standards; policies and procedures for the selection of Vendors and services to be offered; pricing guidelines; employee qualifications and training; customer sales and service programs; community involvement activities; information technology and point of sale systems; assistance with advertising, promotion, public relations and social media programs; and copyrights and copyrighted materials (the “Proprietary Materials”), all of which we may change, improve, and further develop from time to time. Our mandatory and recommended standards, policies and procedures are represented in our confidential and proprietary operations manual (the “Manual”), which we will make available to you during the term of your Franchise Agreement. We have the right to change the Manual and the elements of the System at any time without consultation with you.

If you are awarded a franchise, you will sign our Franchise Agreement under which you will receive a license to utilize our System and our service marks “ManageMowed” and our logo, as well as related

trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"). We and our affiliates may modify the Proprietary Marks from time to time.

You may operate your ManageMowed business from a home office. If you elect to utilize commercial office space, you can expect to enter into a lease for a 100 to 200 square foot office or co-working space. We anticipate that you will lease office space rather than purchase real estate.

Company-Owned and franchised ManageMowed businesses receive a protected territory ("Territory") around their office location in which we will not operate or permit another franchisee to operate a ManageMowed business. Typically, ManageMowed Territories contain at least 4,000 commercial properties. We will determine the number of designated commercial properties in each Territory with reference to information provided by a third-party data compilation and demographic information service provider that we select. Please see Item 12 for additional information regarding your territorial rights.

We may grant conversion franchises to owners of existing commercial landscaping businesses that are not operated under a third party's name or mark. If you convert your existing commercial landscaping business to a ManageMowed business, you will need to convert to our operating System and divest yourself of your equipment immediately. You will not be permitted to provide any commercial or residential landscape maintenance services directly and you must adopt our approach to landscape management using Vendors to perform the landscape maintenance services.

### **Industry-Specific Laws**

We are not aware of any laws applicable to a ManageMowed business that would not apply to commercial landscaping businesses generally. You will be required to comply with all federal, state and local laws and regulations that generally apply to commercial landscaping businesses and to your contractual relationships with your independent third party Vendors. You must obtain any permits and licenses required by the jurisdiction in which you operate your ManageMowed business. In some jurisdictions, you may need to obtain a general contractors license. It is your responsibility to investigate, satisfy and stay current on all local, state, and federal laws and regulations since they vary from place to place and can change over time. You should consult with your attorney concerning these and other laws and ordinances that may affect your operations.

### **Market and Competition**

The market for commercial landscaping services is highly competitive, generally mature and well developed. The general market for ManageMowed includes commercial properties who are seeking recurring landscaping services. You will compete with national, regional and local company owned and franchised landscaping businesses and independent commercial landscaping businesses. However, our approach to the market differentiates our services. You may also compete with other company-owned, affiliate-owned or franchisee-owned ManageMowed businesses. Some of our competitors have longer operating histories, larger and better financial resources, and better name recognition than ManageMowed. Some may be privately held or publicly held entities.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Co-Founder – Peter Roberts**

Mr. Roberts has served as our Co-Founder in Edmonds, Washington since we were formed in January 2019. He, along with Mr. Jakobsen, co-founded the ManageMowed concept and has served as the Co-Founder of our affiliate, Greenpoint Landscaping, LLC, in Edmonds, Washington since October 2006.

**Co-Founder – James Jakobsen**

Mr. Jakobsen has served as our Co-Founder in Edmonds, Washington since we were formed in January 2019. He, along with Mr. Roberts, co-founded the ManageMowed concept and has served as the Co-Founder of our affiliate, Greenpoint Landscaping, LLC, in Edmonds, Washington since October 2006.

**Senior Account Manager – Matthew Cook**

Mr. Cook has served as our Senior Account Manager in Edmonds, Washington since June 2018. From February 2018 to June 2018, he was a laborer for Plumb Landscapes in Seattle, Washington. From April 2017 to November 2018, he served as our Account Manager in Edmonds, Washington.

**Lead Generation Supervisor and Sales Support Specialist – Zachary Dynes**

Mr. Dynes has served as our Lead Generation Supervisor and Sales Support Specialist in Edmonds, Washington since October 2022. From January 2019 to September 2022, he served as our National Account Executive. He has served in a similar role for our affiliate, Greenpoint Landscaping, LLC, in Edmonds, Washington since March 2014.

**Manager of Onboarding and Training - Cassandra Richins**

Ms. Richins has served as our Manager of Onboarding and Training in Edmonds, Washington since November 2022. From October 2020 to October 2022, she served as our Franchise Support Specialist in Edmonds, Washington. From June 2018 to March 2020, she was a Branch Manager for Hertz Rental Car in Seattle, Washington.

**Business Development – Amila (Noah) Samarasinghe**

Mr. Samarasinghe has served as our Business Development in Edmonds, Washington since August 2023. He served as an Account Executive for C.H. Robinson in Minneapolis, Minnesota from July 2022 to February 2023. Mr. Samarasinghe was a Food Prep and Dishwasher for Centennial Dining Hall at the University of Minnesota in Minneapolis, Minnesota from February 2019 to August 2019. From May 2011 to August 2019, he was a Sales Intern for Frontier Marketing in Minneapolis, Minnesota.

**ITEM 3  
LITIGATION**

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**

**Initial Franchise Fee**

When you sign the Franchise Agreement, you must pay us an initial franchise fee in a lump sum in the amount of \$49,500 for a Territory that includes a minimum of 4,000 commercial properties (“**Initial Franchise Fee**”). We will not allocate more than 6,000 commercial properties to a Territory. We will reduce the Initial Franchise Fee by \$10,000 for your second Franchise Agreement if you sign that agreement simultaneously with your first Franchise Agreement.

We have no obligation to refund the Initial Franchise Fee under any circumstances; however, if you are developing your first ManageMowed business and we terminate the Franchise Agreement based on the failure of your Managing Owner (as defined in Item 15) or his or her replacement to attend and successfully complete the ManageMowed training program to our satisfaction, we may refund up to 50% of the Initial Franchise Fee, less our reasonable expenses incurred in assisting you and any training or other costs we have incurred in recruiting you as a franchisee and you will sign a general release (which is subject to state law) of all claims against us.

**Transfer Training Fee**

If you acquire your ManageMowed business through a transfer, your personnel will be required to attend the ManageMowed training program and you must pay a transfer training fee in the amount of \$5,000.

**Technology Setup Fees**

Prior to opening, you must pay us \$500 in technology set up fees that we will use to set up your Microsoft Office, Dialpad, serviceminder, and Quickbooks accounts.

\* \* \* \* \*

Unless otherwise specified above, all fees referenced in this Item 5 are non-refundable. These fees are typically uniform for all new franchisees in the System; however, in certain circumstances, we may reduce or waive a fee.

**Franchisee Referral Fees**

If an existing ManageMowed franchisee meets our eligibility requirements and refers a new prospective franchisee to us that ultimately signs a Franchise Agreement with us agreeing to develop, open and operate at least one ManageMowed business, we may pay the referring franchisee up to \$10,000 when the new franchisee opens their first ManageMowed business.

**ITEM 6  
OTHER FEES**

Type of Fee <sup>1</sup>	Amount	Date Due	Remarks
<b>Royalty</b>	During each calendar year: 8% of first \$750,000 of Gross Sales  7% of Gross Sales at or above \$750,000.01  The rate reverts to 8% at the start of the next calendar year.	Weekly	See Note 2 for the definition of "Gross Sales". See Note 3 for an explanation of our electronic funds transfer process.
<b>Brand Fund Contribution</b>	2% of Gross Sales, up to \$10,000 per year	Weekly	We have the right to alter the amount of the Brand Fund contribution, however, your aggregate marketing contributions to the Brand Fund and a cooperative marketing program (" <b>Cooperative</b> ") (currently 0% of

Type of Fee <sup>1</sup>	Amount	Date Due	Remarks
			Gross Sales) along with your Local Marketing expenditures (currently 2% of Gross Sales) will not exceed 5% of Gross Sales. Please see Item 11 for further details.
<b>Local Marketing Expenditures</b>	Currently, at least 2% of annual Gross Sales	Ongoing	You must report your Local Marketing expenditures to us on a quarterly basis. If you don't spend the required amount on an annual basis, then we may require to spend such amount on local marketing or contribute such amount to the Brand Fund. Please see Item 11 for further details.
<b>Call Center / Lead Generation (MGen)</b>	\$65 per hour Monthly Recurring Package Option – Minimum of 10 hours for \$650	Upon receipt of invoice	You must use our call center and lead generation group to assist with your sales efforts for 40 hours per month for the first 3 months, then 20 hours per month for the remaining 9 months of your Market Introduction Program (300 hours total). Thereafter, you have the option to continue to use our call center. See Note 4 for an explanation of our Development Incentive Program, which provides for a \$5,000 Call Center Credit for Veterans and First Responders.
<b>Cooperative Contributions</b>	Currently, 0% of Gross Sales	Weekly	We have the right to establish cooperative marketing programs ("Cooperatives") in your region to which you will contribute up to 2% of Gross Sales, which amount will result in a corresponding 1% reduction in your Local Marketing obligation. Please see Item 11 for further details. The voting power in any Cooperative for our Company-Owned Businesses will be the same as the voting power of our franchised businesses.
<b>Collection Costs and Expenses</b>	Amount incurred	Upon demand	You must pay our collection costs and expenses, which include collection agency fees, costs incurred in creating reports demonstrating Gross Sales, attorney's fees, and related expenses we incur in enforcing the terms of the Franchise Agreement.

<b>Type of Fee<sup>1</sup></b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
<b>Convention Registration</b>	Up to \$1,500 per attendee	As incurred	Your Managing Owner must attend our annual convention, regional meetings and conferences.
<b>Customer Complaints</b>	Our reasonable costs and expenses	Upon demand	You must reimburse us for our reasonable costs and expenses incurred in resolving customer complaints.
<b>Early Termination Damages</b>	Amount of the average weekly Royalty Fees and Brand Fund contributions that you owed for the 52-week period prior to termination, multiplied by the lesser of 104 weeks or the number of weeks remaining in the term of the Franchise Agreement.	Within 30 days following the termination	Payable if you default on your obligations and we terminate the Franchise Agreement prior to the expiration of the initial term of the Franchise Agreement.
<b>Enforcement Expenses</b>	Reasonable cost of our attorneys' fees and expenses	Upon demand	Payable if we obtain injunctive or other relief for the enforcement of any term of the Franchise Agreement.
<b>Indemnification</b>	Will vary under circumstances	As incurred	You must reimburse us if we incur any expense, including attorneys' fees and other costs, or are held liable for claims arising out of the operation of your ManageMowed business.
<b>Interest</b>	1.5% per month or the maximum rate permitted by applicable law, whichever is less.	With payment of overdue amount	We calculate interest from the date the payment was due until paid in full.
<b>Management Fee</b>	Reasonable fee for our management of the business	Upon demand	Payable if your Managing Owner dies or becomes incapacitated and we elect to take over operation of the Franchised Business until you transfer the Franchised Business.
<b>Public Offering</b>	Up to \$10,000 or such greater amount as is necessary to reimburse us and our outside advisors for our expenses	With submission of offering materials for our review	Payable if you intend to offer securities to investors. This is in addition to the regular transfer fee. You also must reimburse us on an annual basis for our costs associated with providing information for your annual reports.
<b>Reimbursement for Examination or Audit</b>	Actual cost of audit, including travel, lodging, wages and reasonable accounting and legal costs	Upon demand	Payable only if an examination or audit reveals an understatement of the Gross Sales of the Franchised Business by you of 2% or more.

Type of Fee <sup>1</sup>	Amount	Date Due	Remarks
			This is in addition to applicable interest and late fees.
<b>Reimbursement of our Expenses</b>	Amount we pay on your behalf	Upon demand	Payable only if we pay, or become obligated to pay, monies on your behalf by consent or otherwise under the Franchise Agreement including amounts we pay to obtain insurance for your ManageMowed business on your behalf if you fail to maintain the required insurance policies.
<b>Software and Technology License Fees</b>	\$250 for all software programs utilized in the operation of your ManageMowed business except your operating CRM \$350 for the CRM Software License Fees	10 <sup>th</sup> day of the month	We currently pass these monthly fees through to the vendors. If we develop or designate additional technology systems or software programs that we require you to use, we and our suppliers may charge reasonable installation and license fees.
<b>Successor (Renewal) Franchise Fee</b>	25% of our then-current Initial Franchise Fee	Upon execution of a successor franchise agreement	If you choose to and are approved to continue operating your ManageMowed business for a successor term you must sign our then current form of successor franchise agreement.
<b>Supplier Evaluation</b>	Reasonable costs of evaluation	Upon demand	Payable whether or not we approve the supplier. Please see item 8 for additional details.
<b>Taxes</b>	Amount imposed on us	Upon demand	You must reimburse us for any taxes, fees or assessments imposed on us for acting as a franchisor or licensing the Proprietary Marks to you.
<b>Training – Additional Programs</b>	Reasonable fees	Upon demand	We have the right to charge you reasonable training fees for additional training programs that we administer during the term of your Franchise Agreement.
<b>Training – Replacement Personnel and Re-Training</b>	\$5,000 per person	Upon demand	If you need to re-train or send a replacement Managing Owner, Account Manager, Training Director, Assistant Account Manager, Trainers or managerial staff to our training program. Please see Item 11 for a description of these roles and additional details on our training program.

<b>Type of Fee<sup>1</sup></b>	<b>Amount</b>	<b>Date Due</b>	<b>Remarks</b>
<b>Training – On Site</b>	\$500 per representative per day and travel expenses	Upon demand	Payable if we send a representative to your office to provide training for your staff.
<b>Training – At ManageMowed HQ</b>	Currently \$500 per day	Upon demand	Payable for ongoing and remedial training at our headquarters or another ManageMowed business office.
<b>Transfer Fee</b>	25% of our then current Initial Franchise Fee or greater amount that is necessary to reimburse us for our costs to review the transfer application, plus any third party-broker or consultant fees due in connection with the transfer	Upon demand	Payable if you propose to sell or transfer your ManageMowed business, the Franchise Agreement or an ownership interest. See Note 5.
<b>Quality Assurance Programs</b>	Our out-of-pocket costs	As incurred	You must pay costs that we incur to third parties to carry out quality assurance programs at your Business.

**NOTES TO CHART:**

- (1) Unless otherwise noted, all of the fees or charges described in this Item derive from the Franchise Agreement. Unless otherwise noted, all fees are non-refundable, payable to us, and uniformly imposed on all franchisees receiving this offering.
- (2) “Gross Sales” means the aggregate amount of all revenues generated from the sale of all services, products, merchandise and all other income of every kind related to your ManageMowed business (including the proceeds from business interruption insurance), whether for cash or credit (and regardless of collection in the case of credit). You may not reduce Gross Sales by the amount of any discounts provided to employees, family members and other businesses that you control. The following are not included in Gross Sales: (1) the amount of any credits, allowances and adjustments; (2) the amount of any sales taxes or other taxes that you collect from customers and pay directly to the appropriate taxing authority; (3) proceeds from insurance with respect to property damage or liability; (4) proceeds from any civil forfeiture, condemnation or seizure by governmental entities; (5) the value of tips and/or gifts paid to your staff or Vendors; and (6) uncollectable amounts subject to the limitation that uncollectable amounts cannot exceed 0.5% of Gross Sales for any fiscal year and subsequent collections of charged off amounts must be included in Gross Sales when collected. We reserve the right to modify our policies consistent with commercial landscaping management industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from “Gross Sales” as circumstances, business practices, and technology change.
- (3) You must designate an account at a commercial bank of your choice (“Account”) for the payment of amounts due to us and/or our affiliates, including but not limited to weekly Royalty Fees and Brand Fund contributions. You must furnish us and the bank with authorizations as necessary to permit us to make withdrawals from the Account by electronic funds transfer. Each Wednesday we will transfer from the Account an amount equal to the Royalty Fees and Brand Fund contributions due from you based on the Gross Sales of your ManageMowed business for the preceding week, as well as any other fees due to us and/or our affiliates. We will obtain payment by electronic debit to your account each week. Our accounting week currently begins on Sunday and ends on Saturday of each week.

- (4) In order to encourage the development and operation of franchised ManageMowed businesses by Veterans of the United States military and First Responders, we will offer eligible franchisees a \$5,000 credit (“Call Center Credit”) toward the use of our call center / lead generation group after the Market Introduction Period is complete for their first ManageMowed Business. To be eligible for the Call Center Credit, the franchisee must be a business entity that is at least 51% owned, operated and controlled on a daily basis by one or more Veterans or one or more First Responders. A “Veteran” means a person who has provided a DD Form 214 or other adequate documentation demonstrating honorable discharge from the United States military. A “First Responder” means a person who currently works for a law enforcement agency, a fire department, or an emergency medical service or ambulatory care provider. If eligible, you will sign a Development Incentive Program Addendum to the Franchise Agreement, a copy of which is attached as Exhibit H. If, prior to the first anniversary of the opening date of your ManageMowed business, (1) you wish to transfer the business, or (2) we terminate the Franchise Agreement, you must pay us the \$5,000 that we provided as the Call Center Credit.
- (5) We will waive the transfer fee if the transfer is to a transferee who (1) has been a franchisee of another ManageMowed business for at least three years who is in good standing with us; (2) has managed a ManageMowed business for at least three years; (3) will own less than a 20% ownership interest in you, provided that after the transfer the Continuity Group (as defined in Item 15) retains at least a 51% ownership interest in you. We will not charge a transfer fee if you transfer the agreement to a corporation or limited liability wholly owned by you.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Nature of Expenditure</b>	<b>Amount Low Estimate<sup>1</sup></b>	<b>Amount High Estimate<sup>1</sup></b>	<b>Payment Method<sup>1</sup></b>	<b>When Due</b>	<b>Payment To</b>
Initial Franchise Fee <sup>2</sup>	\$49,500	\$49,500	Lump sum	At signing of Franchise Agreement	Us
Vehicles and Vehicle Wraps <sup>3</sup>	\$3,000	\$4,000	As incurred	Before opening	Suppliers
Office Furniture <sup>4</sup>	\$0	\$1,000	As incurred	Before opening	Suppliers
Computers, Software and Telecommunication <sup>5</sup>	\$1,000	\$3,000	As incurred	Before opening	Suppliers
Training and Pre-Opening Labor and Expenses <sup>6</sup>	\$3,500	\$7,000	As incurred	Before opening	Suppliers
Transfer Training Fee <sup>7</sup>	\$0	\$5,000	As incurred	Upon transfer	Us
Opening Supplies <sup>8</sup>	\$3,000	\$4,000	As incurred	Before opening	Suppliers
Market Introduction <sup>9</sup>	\$32,800	\$32,800	As incurred	Before opening	Us
Vendor Payment Cashflow Fund <sup>10</sup>	\$10,000	\$15,000	As incurred	As needed	Vendors
Account Manager Compensation <sup>11</sup>	\$0	\$70,000	As incurred	As accrued	Account Manager
Professional Fees <sup>12</sup>	\$1,000	\$3,500	As arranged	Before opening	Suppliers

Nature of Expenditure	Amount Low Estimate <sup>1</sup>	Amount High Estimate <sup>1</sup>	Payment Method <sup>1</sup>	When Due	Payment To
Licenses and Permits <sup>13</sup>	\$500	\$1,000	As arranged	Before opening	Suppliers
Additional Funds (3 Months) <sup>14</sup>	\$10,500	\$50,000	As incurred	After opening	Various
Total <sup>15</sup>	\$114,800	\$245,800			

#### NOTES

- (1) Amount and Method of Payment. Costs paid to us are not refundable, except as specifically described below. Whether any costs paid to third parties are refundable will vary based on the practice in the area where your ManageMowed business is located. We do not provide any direct or indirect financing for the Initial Franchise Fee or other fees and costs paid to us or to third parties, except for our Vehicle Lease Program, which is described in more detail in Item 10. If you meet the credit requirements determined by third party vendors, you may be able to obtain financing. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of the financial institutions from which you request a loan. We do not determine the terms and conditions of any financing and we do not provide any guarantees for any financing provided to you by third parties.
- (2) Initial Franchise Fee. The manner in which the Initial Franchise Fee is paid is explained in detail in Item 5. If you simultaneously sign two Franchise Agreements for your first and second ManageMowed Businesses, Item 5 explains the reduced Initial Franchise Fee you will pay for your second business.
- (3) Vehicles and Vehicle Wraps. These figures represent an estimate of three months of leasing and brand wrapping for one new white Toyota Rav4, Honda CRV, Ford Escape, or similar vehicle approved by us for your Account Manager. You will need to lease and wrap additional vehicles if you hire additional Account Managers as your ManageMowed business grows. You also will need to purchase door magnets for vehicles used by your Vendors. You will have the option to lease a vehicle from us through our Vehicle Lease Program, which is described in more detail in Item 10.
- (4) Office Furniture. These figures represent an estimate of leasing or purchasing furniture needed for an office and the operation of a ManageMowed business. If you rent an office in a co-working space, you will not need to purchase furniture. If you rent an unfurnished office space, the type and number of pieces of furniture you require will be based, to some extent, on the size of office you select, the type of furniture you select and other factors and will generally include a safe, desks, chairs and other office furniture; lamps; filing and other storage cabinets, etc.
- (5) Computers and Telecommunications. You must purchase or lease the computer and technology systems, such as an office computer, computer related equipment, software, communications devices, high speed internet service, printers, telephone, voice messaging, retrieval, and transmission systems, and audio/visual equipment and software systems that we specify. The type and number of computers and other hardware, software and telecommunications equipment may vary depending on your location.
- (6) Training and Pre-Opening Labor and Expenses. In addition to incurring the costs of salaries for your staff, you will incur their costs for travel and other expenses to attend the ManageMowed training program. Your training costs will vary, depending upon your point of origin, time of year of travel, method of travel, class of accommodation, and living expenses (food, transportation, etc.). These estimates cover the cost of any transportation, accommodation and meals incurred during the training period for two people. The lower estimate in this range covers moderately priced travel expenses, while the higher estimate covers higher priced booking of flights, rental car, and

accommodations. Estimates vary based on the travel and accommodations chosen by you and may be higher than what is estimated here. The higher estimate reflects the increased expenses if your Managing Owner does not operate your ManageMowed business on a full time basis and you hire an Assistant Account Manager or Account Manager to help run your ManageMowed business.

- (7) Transfer Training Fee. If you acquire your ManageMowed business through a transfer, your personnel will be required to attend the ManageMowed training program and you must pay a transfer training fee in the amount of \$5,000.
- (8) Opening Supplies. This estimate covers the inventory and supplies including office supplies and a Branded Apparel and Materials Package, which includes business cards, polo shirts, masks, a puff jacket, a rain jacket, vendor hoodies, vendor vests, vendor magnets, vendor long sleeve shirts, vendor beanies and vendor hats, necessary for the opening of the Franchised Business.
- (9) Market Introduction. This estimate covers the costs of the twelve month Market Introduction Program. See Item 11 for more information.
- (10) Vendor Payment Cashflow Fund. This estimate covers the cash you will need on hand when you start operating your ManageMowed business to pay your Vendors prior to receipt of invoice payments from your clients.
- (11) Account Manager Compensation. You will not incur these expenses if your Managing Owner operates your ManageMowed business on a full time basis. If your Managing Owner does not operate your ManageMowed business on a full time basis, this estimate covers the annual salary of an Account Manager or Assistant Account Manager, which can range from \$30,000 to \$70,000 per year. We estimate that the salary for an Assistant Account Manager will be significantly less than or approximately half the amount of the salary of an Account Manager.
- (12) Professional Fees. These fees are representative of the costs for engagement of professionals for the start-up of a ManageMowed business including attorneys and accountants for review of this franchise opportunity and any contracts that you will enter into as a part of developing the Franchised Business. It is best to ask your professional advisors for a fee schedule prior to engaging them to perform any services on your behalf.
- (13) Licenses and Permits. You will be required for the development of your business to acquire the necessary permits, bonds, utilities, merchant accounts and licenses and to make any deposits required to operate your ManageMowed business. Utility deposits may be required for first time customers and a credit check may be conducted by the issuing company before beginning services. These costs will vary and are due to the type of services required for the facility and the municipality from which it is being contracted. We recommend that you check the requirements in your local area. You are responsible for obtaining and maintaining all required permits and licenses necessary to operate your ManageMowed business. You may be required to obtain a general contractors license in certain areas. You will need to check with your advisors regarding these requirements.
- (14) Additional Funds (Three Months). This is an estimate of the additional working capital you may need to operate your ManageMowed business during the first three months of operation and is net of any revenue you receive during this period. The estimate includes such items as initial payroll taxes, Royalty Fees, Brand Fund contributions, professional and accounting fees, additional advertising, insurance, health insurance and workers' compensation, rent, repairs and maintenance, bank charges (including interest), miscellaneous supplies and equipment, initial staff and Vendor recruiting expenses, state tax and license fees, depreciation and amortization, deposits and prepaid expenses (if applicable) and other unforeseen miscellaneous items. You will incur additional operating expenses in connection with the ongoing operation of your ManageMowed business.

- (15) Your Estimated Initial Investment. This estimate is based upon our affiliate's experience in developing and operating our ManageMowed businesses. The estimated initial investment is based on your election to operate a home-based business. If you elect to utilize commercial office or co-working space of 100 square feet to 200 square feet, you should budget \$600 to \$1,000 per month to rent a facility. You are responsible for the costs of developing your ManageMowed business even if it is substantially higher than our estimate.

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

### **System Standards**

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate your ManageMowed business in strict conformance with our System standards, including the methods, standards, and specifications we prescribe from time to time in the Manual or otherwise in writing. The System standards may relate to any aspect of the operation of a ManageMowed business.

### **Suppliers**

You must offer for sale all services and products that we designate as required items. You will at all times maintain a complete inventory of approved items and supplies necessary for operating your ManageMowed business and providing services to customers. You may also offer for sale any optional services and products that we have approved in writing for sale in a ManageMowed business; however, you may not offer or sell any unapproved services or products without our prior written consent. For example, you may not offer residential landscape management or landscaping services without our prior written consent. You must provide services only using the methods that we have approved. You must discontinue selling or offering for sale any services or products which we, in our sole discretion, disapprove in writing at any time. Within 30 days after receipt of written notice from us, you must begin selling any newly approved services and products and cease selling any services and products that are no longer approved.

You must purchase your products, supplies, equipment, furnishings, promotional items, information technology services, credit card processing services, and other products and services that you purchase for operation of or sale in your ManageMowed business in accordance with our specifications and quality standards and, if applicable, only from suppliers we have designated or approved (which may include us or our affiliates). We may designate certain suppliers as the source for particular services or products ("**Designated Suppliers**"), which may be us or one of our affiliates. Although we do not have any of these programs in place as of the issuance date of this disclosure document, we and our affiliates reserve the right to earn a profit on products and services sold to you and other ManageMowed franchisees, and may receive rebates or other consideration from unaffiliated suppliers with respect to their sales of services or products to you or other ManageMowed franchisees, whether or not the product or service is presently mentioned in this Item.

If we require you to use an approved supplier for a particular item, but you wish to purchase the item from a supplier that we have not approved, you may submit a written request for approval of the supplier, unless it is an item for which we have designated a particular vendor as the source for the particular product or service. We will provide our standards and specifications to you or to the proposed supplier, subject to the supplier's execution of a confidentiality agreement in a form acceptable to us. We have the right to inspect the proposed supplier's facilities and to require delivery of product samples either to us or to an independent laboratory designated by us for testing. You may be required to pay a fee, which will not exceed our reasonable costs incurred in evaluating the supplier, regardless of whether or not we approve the supplier. You may not purchase, sell, or offer for sale any services or products of the proposed supplier until you receive our written approval of the proposed supplier. We generally will give you written notice of approval or disapproval of the proposed supplier within 30 days after receiving your request and completion

of evaluation and testing, if required. You may not sell or offer for sale any services or products of the proposed supplier until you receive our written approval.

We have the right to revoke approval of particular suppliers if we determine that the suppliers or their services or products no longer meet our standards. Upon receipt of written notice of revocation, you must stop buying from the disapproved supplier. In addition, if we revoke our approval of the products because they fail to meet our standards, you may be required not to use your remaining inventory of those products.

Currently, we are a designated supplier of outbound call center options for ManageMowed Businesses. In 2023, we sold the Branded Apparel and Materials Package to our franchisees; however, these items are now purchased from a supplier. We do not have any current plans to sell any additional items to our franchisees. During our fiscal year ended December 31, 2023, we earned \$36,205 from the sale of these products and services to our franchisees, which is 4.8% of our total 2023 revenues of \$752,487.48.

Several of our officers own an interest in our company but none of our owners, officers, or directors own an interest in any other suppliers of services or products to our franchisees. In our last fiscal year ended December 31, 2023, we and our affiliates did not receive any rebates or payments from approved suppliers on account of franchisee purchases or leases of required and approved items from those suppliers.

There currently are no purchasing or distribution cooperatives. We and our affiliates may negotiate purchase arrangements with suppliers (including price terms) for the benefit of our franchisees and our affiliates for the items and services that you may obtain only from approved suppliers. In doing so, we and our affiliates seek to promote the overall interests of the System. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular services or products or use of particular suppliers.

### **Technology Systems**

For each ManageMowed business, you must purchase, install, and use certain brands, types, makes, and/or models of communications, computer and technology systems, such as an office computer, computer tablets for each Account Manager, computer related equipment, communications devices, high speed internet service, printers, telephone, voice messaging, retrieval, and transmission systems, and audio/visual equipment and software systems that we specify in writing from time to time. Please see Item 11 for further information on our technology system requirements. We may require you to use one or more designated telephone vendors. We also may designate, and own, the telephone numbers for your ManageMowed business.

### **Telephone Service and Call Center**

We require you to use our designated telephone vendor, Dialpad, for your ManageMowed Business. We also designate, and will own, the telephone numbers for your ManageMowed Business. You must sign a power of attorney with respect to your telephone service and telephone numbers as set forth in the Manual. We have set up an outbound call center that you must use during the Market Introduction Program and you have the option to use the call center thereafter. You will pay a reasonable fee for the use of the call center (see Item 6).

### **Advertising Materials**

We may sell certain advertising materials, merchandise and premium items to you that are developed by the Brand Fund and the earnings from such sales will be deposited in the Brand Fund.

## **Insurance**

Before undertaking any activities in connection with your franchise, you must obtain and maintain insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of your ManageMowed business, which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by your Franchise Agreement and the Manual. You also may need to incur additional insurance if required by a particular client. This insurance must protect you, us, and our affiliates, officers, directors, shareholders and employees against all claims for personal injury, death, or property damage, or any loss, liability or expense arising from the operation of your ManageMowed business.

All insurance policies must be written by a carrier with an industry rating of A+ by A.M. Best and Company, Inc. (or any similar criteria that we periodically specify). Liability policies must name us and our affiliates as an additional insured, and must provide us with 30 days' prior written notice of termination, expiration or cancellation of the policy. You must provide us with certificates of insurance evidencing the proper types and at least the minimum amounts of coverage that we require.

Currently we require the following insurance:

<b>TYPE OF INSURANCE POLICY</b>	<b>COVERAGE REQUIREMENTS</b>
Commercial General Liability	Each occurrence – \$1,000,000 General Aggregate Limit - \$2,000,000
Products/Completed Operations	Aggregate Limit - \$2,000,000
Personal and Advertising Injury	Limit - \$1,000,000
Fire Damage Legal Liability Limit	Any one fire - \$100,000
Business Personal Property* (replacement cost basis including business interruption coverage)	Value
Tenant Improvements*	Value
Business Income	100% or Actual Loss Sustained
Automobile Liability (Liability and Hired and Non-owned Auto)	Combined Single Limit - \$1,000,000 – Symbol 1 and or 7, 8 and 9
Workers Compensation*	Statutory (\$1,000,000 each accident / \$1,000,000 each employee / \$1,000,000 each policy limit
Employers Liability bodily injury*	\$1,000,000 each accident / \$1,000,000 each employee / \$1,000,000 each policy limit
Employment Practices*	\$1,000,000 each claim / \$1,000,000 aggregate limit / Retroactive Date
Umbrella Policy	\$1,000,000 each occurrence / \$1,000,000 aggregate

\*If you operate your ManageMowed business from a home office, your homeowners insurance may provide some of this coverage. You will not need to obtain workers compensation, employers liability or employment practices coverage until you hire an employee.

We have the right to increase the amounts of coverage required and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, new risks, changes in the law or standards of liability, higher damage awards or other relevant changes in circumstances.

All public liability and property damage policies must contain a waiver by the insurance company of subrogation rights against us and our affiliates, successors and assigns. If you fail to maintain the required coverage, we have the right (but no obligation) to obtain insurance on your behalf. If we do so, you must reimburse us for the cost of insurance, plus a reasonable fee for our services.

\* \* \*

We estimate that you will purchase 6 – 25% of the products and services that are necessary to establish your ManageMowed business from approved suppliers that are subject to our standards and specifications. After you open your ManageMowed business, we estimate that you will purchase 0 – 1% of the products and services that are necessary to operate your ManageMowed business from approved suppliers that are subject to our standards and specifications.

**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 Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	3.2 – 3.4	5, 7, 8, 11 and 12
b. Pre-opening purchases/leases	3.3-3.6 and 11	5, 7, 8 and 12
c. Site development and other pre-opening requirements	3	5, 6, 7, 8, 11 and 12
d. Initial and ongoing training	6	6, 7 and 11
e. Opening	3.6	11
f. Fees	3, 4, 6.3, 6.4, 8.4, 8.14.2, 10.3, 16.4, 16.7 and 18.4	5, 6 and 7
g. Compliance with standards and policies/Operating Manual	7, 8 and 10	11 and 14
h. Trademarks and proprietary information	13	13 and 14
i. Restrictions on products/ services offered	8.2, 8.3 and 8.6	8 and 16
j. Warranty and customer service requirements	8.14 and 8.3	Not Applicable
k. Territorial development and sales quotas	2.3	1 and 12
l. Ongoing product/service purchases	8.2	6, 7 and 8
m. Maintenance, appearance and remodeling requirements	8.9 and 9.3	11
n. Insurance	11	7 and 8
o. Advertising	10	6 and 11
p. Indemnification	21	Not Applicable
q. Owner's participation/ management/staffing	6, 8.15-8.16,14 and Exhibit B	11 and 15
r. Records and reports	12	6

Obligation	Section in Franchise Agreement	Disclosure Document Item
s. Inspections and audits	8.9.2, 8.10 and 12.4	6 and 11
t. Transfer	16	17
u. Renewal	18	17
v. Post-termination obligations	20	17
w. Non-competition covenants	15	17
x. Dispute resolution	26	17
y. Other – Personal Guarantee	Exhibit C	15

## ITEM 10 FINANCING

We provide a vehicle lease program for our franchisees where you may lease a vehicle that we acquire from Enterprise Fleet Management, Inc. for use in your ManageMowed business (“Vehicle Lease Program”). You will enter into a Vehicle Lease Agreement with us, a copy of which is attached as Exhibit G. You will be required to make a down payment in the amount of \$1,500 when you sign the Vehicle Lease Agreement, a payment in the amount of \$385 when you take possession of the leased vehicle, and a monthly payment in the amount of \$650. We will withdraw the monthly payments on the first day of each month from your Account from which the Royalty Fees and Brand Fund contributions are paid. You will also be required to pay any fines, tickets, or penalties incurred during the term of the Vehicle Lease Agreement that are charged to us and these payments will be deducted from the Account with the next month’s monthly lease payment. If you pass through a toll that is charged to us, we will bill you for the toll amount plus a \$1 to \$2 fee per citation. You must maintain automobile liability insurance on the leased vehicle which names us as an additional insured and loss payee on the policy. If there is a total loss of the vehicle due to theft or damage, there may be a gap between the amount due upon early termination and the proceeds of your insurance settlement and you will be responsible for that gap amount.

The term of the Vehicle Lease Agreement is 24 months from the date you take possession of the leased vehicle. We may terminate your Vehicle Lease Agreement upon default, you must return the vehicle, and we will have the right to any remedies available under applicable law. You will not have the option to purchase the leased vehicle at the end of the lease term. If the estimate of the residual value of the leased vehicle specified at the start of lease term is less than the actual value at the end of the lease term, you must pay for the difference up to three times the monthly payment.

We do not require a personal guaranty of the Vehicle Lease Agreement. Any dispute relating to the Vehicle Lease Agreement must be settled by binding arbitration administered by the American Arbitration Association applying Washington law. Any default of the Vehicle Lease Agreement will result in a default of your Franchise Agreement.

Other than the Vehicle Lease Program described above, we do not offer direct or indirect financing to franchisees. We will not guarantee your promissory note, lease, or other obligation.

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

**Except as listed below, ManageMowed Franchising, LLC is not required to provide you with any assistance.**

**Our Obligations Prior to Opening:**

Before your ManageMowed business opens, we will:

1. Review and consent to the proposed location of your Franchised Business prior to opening. The location of the Franchised Business can be located in a residence. (Franchise Agreement, Section 3.2.1)
2. Provide written specifications for equipment, opening inventory, vehicles, vehicle wraps and magnetic signage, interior and exterior signage. We don't supply, deliver or install these items but will provide you with the list of approved suppliers. (Franchise Agreement, Sections 3.2.2 and 5.1)
3. Provide the Manual on loan for the term of the Agreement. (Franchise Agreement, Sections 5.2 and 7) The table of contents for the Manual appears in Exhibit B of this disclosure document. As of the issuance date of this disclosure document, the Manual contains 336 pages.
4. Provide a training program for your Managing Owner, Account Manager, Training Director, and Assistant Account Manager. See below under "Training." (Franchise Agreement, Sections 5.3 and 6)
5. Provide pre-opening and opening supervision and assistance, as we deem advisable. (Franchise Agreement, Section 5.4)
6. Provide a recommended marketing plan template and approved marketing materials for use during the Market Introduction Period, as described below under "Advertising." (Franchise Agreement, Section 10.2)

**Continuing Obligations**

After your ManageMowed business opens, we will:

1. Establish and administer System Account Programs (see Item 16). (Franchise Agreement, Section 2.3.4)
2. Administer the Brand Fund and make available to you for purchase any advertising and promotional materials that we may produce independently from the Brand Fund (Franchise Agreement, Sections 5.6 and 10.4)
3. Provide advice and written materials concerning techniques of managing and operating a ManageMowed business. (Franchise Agreement, Section 5.7)
4. We will name approved suppliers and Designated Suppliers as we deem appropriate and review suppliers that you nominate. (Franchise Agreement, Sections 5.5 and 8.4)

**Opening your ManageMowed Business**

It typically takes 30 days from the signing of the Franchise Agreement to hire and train your staff and open your ManageMowed business. The actual time will vary depending on the availability of financing and the time you need to obtain the necessary permits and licenses. Neither of these factors is within our

control. You must open your ManageMowed business by providing landscape management services to commercial customers located within your Territory within 90 days after signing the Franchise Agreement or we will have the right to terminate the Franchise Agreement. (Franchise Agreement, Section 3.1)

You are solely responsible for locating and choosing a site from which to operate the Franchised Business, however, we must consent to the proposed location of the Franchised Business prior to opening. The location of the Franchised Business can be located in a residence. (Franchise Agreement, Section 3.2.1) You assume all cost, liability, and expense for furnishing and equipping your office. You do not need to obtain our approval of your office layout or design. You must obtain all required construction and occupancy licenses, permits and approvals if you elect to use commercial office space. We will provide specifications for equipment, vehicles, vehicle wraps and magnetic signage, and interior and exterior signage. You must purchase or lease approved brands, types or models of these items only from suppliers designated or approved by us, which may include us or our affiliates. You will not make any material alteration to these items without our prior express written approval. You agree to identify your vehicles and any commercial office space with only the signs, logos and display materials that we have approved. You must ensure that your Vendors use branded vehicle magnets and the equipment that we specify when they are providing services to customers of the Franchised Business. (Franchise Agreement, Section 3.2)

Substantial modifications to existing equipment and improvements to modernize and conform to the image of the System for new ManageMowed businesses shall be required at our request (but not more often than once every five years during the term of your Franchise Agreement). You must complete the required modifications within 90 days after receipt of our written notice. (Franchise Agreement, Section 9.3)

### **Computer System and POS System Requirements**

You must acquire and install in your ManageMowed business, at your own expense, the computer and technology systems that we specify in writing from time to time. (Franchise Agreement, Section 8.18) Our specifications may evolve over time and, in some cases, required items may only be available through us and/or designated suppliers. We currently require franchisees to purchase at least one laptop or desktop computer for each Account Manager and one tablet for each Assistant Account Manager. You must purchase and install all required software including Microsoft Office 365, Dialpad, serviceminder, and QuickBooks. Your computers must have at least 8 GB RAM and a 500 GB internal hard drive. You will also need a printer, fax, scanner system, and high-speed Internet connectivity. The computer system collects transaction data used to generate pertinent information, including customer data. You must transmit data to us on a monthly basis no later than the 20<sup>th</sup> day of the month and give us independent access to your systems (and provide us with any usernames and passwords necessary for that purpose). There are no contractual limitations on our ability to access the information and data contained in your systems. We and our affiliates have the right to retain the information and to use it internally without restriction. You will be assigned a ManageMowed email account that you must use for all business communications.

We may develop or have developed for us, or designate, software programs in the future that you must use in connection with your computer systems. You must install all such software, including any updates, supplements, modifications, or enhancements that we require. We and our suppliers may charge a reasonable software license fee for any software that you are required to use.

The estimated computer and technology system costs are \$500 to \$2000. We recommend, but do not require, that you purchase a maintenance agreement for both hardware and software in order to reduce downtime and costs associated with repairs. We estimate that the cost of an annual support contract for your systems will be approximately \$300 to \$500 per year for your ManageMowed business. You must pay all amounts charged by any supplier or licensor of the systems and programs you use, including charges for use, maintenance, support and/or update of these systems or programs. We also have the right to share it with other franchisees, our investors, lenders, and suppliers. You must promptly update and upgrade your computer hardware and software systems as we require, at your expense, however we will not require upgrades more often than once a year. There is no contractual limitation on the cost of this obligation. We and our affiliates have no obligation to provide any ongoing maintenance, repairs, upgrades or updates to

your computer and technology systems. You will need to discuss these obligations with any supplier that sells you components of your technology and computer systems.

You must honor all credit, charge, courtesy or cash cards or other credit devices that we specify. You must comply with the then-current Payment Card Industry Data Security Standards (PCI/DSS), as those standards may be revised by the PCI Security Standards Council, LLC (see [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)) or successor organization. (Franchise Agreement, Section 8.19)

## **Training**

### **ManageMowed Training Program**

For your first ManageMowed business developed by you and/or your affiliates, at least 15 days before opening, your Managing Owner, Account Manager (which may be the Managing Owner), Training Director (if the Managing Owner or Account Manager will not serve in a training capacity), and your Assistant Account Manager must attend and successfully complete the ManageMowed training program to our satisfaction. We encourage you to bring additional staff to attend initial training at no charge when space is available. The training program consists of web-based pre-training modules and a three week pre-training workbook that your personnel can complete at home, which are designed to familiarize you with ManageMowed and its affiliates, its history, culture and service and product offering to consumers, and then one week of classroom and one week of on-the-job training at our offices in Edmonds, Washington or another training facility that we choose.

Upon successful completion of the online pre-training modules, including the three week pre-training workbook, your personnel can attend the next regularly scheduled training program without charge. Your trainees will be required to present evidence of attendance and successful completion of the pre-training modules and pre-training workbook prior to attending the initial training program. We may terminate the Franchise Agreement if your Managing Owner fails to attend or successfully complete the training program to our satisfaction.

We do not charge a tuition fee for the training program for your first ManageMowed business; however, you must pay all expenses of your trainees. Your expenses will include the cost of travel, lodging, meals, and the wages of your employees. We will certify any supervisory employee of yours who successfully completes the training program to our satisfaction as a "Trainer." We will not permit you to open your ManageMowed business until your Managing Owner, Account Manager, Training Director, and Assistant Account Manager have been certified as Trainers after successfully completing the training program to our satisfaction. (Franchise Agreement, Section 6.1)

### **TRAINING PROGRAM**

Subject	Hours of Classroom Training	Hours of Field Training	Location
Market Introduction Plan	2	0	Online Your Home/Office
General Manager Recruitment	1	0	Online Your Home/Office
Third Party Software Training	4	0	Online Your Home/Office
ManageMowed Business Model, History, Culture Commercial Landscaping Maintenance Technical Review	2	1	Our office Edmonds, WA/ Online/Your Home/Office

Subject	Hours of Classroom Training	Hours of Field Training	Location
Marketing and Promotion	2	1	Our office Edmonds, WA/ Online/Your Home/Office
Sales Management	12	16	Our office Edmonds, WA
Vendor Management	5	4	Our office Edmonds, WA
Training Your Team	1	1	Our office Edmonds, WA/ Online/Your Home/Office
Client Service and Quality Control	8	8	Our office Edmonds, WA
Office Administration	1	2	Our office Edmonds, WA Online/Your Home/Office
Software	8	4	Our office Edmonds, WA Online/Your Home/Office
General Management	2	2	Our office Edmonds, WA Online/Your Home/Office
Financial Management	2	1	Our office Edmonds, WA Online/Your Home/Office
<b>Total Hours</b>	<b>50</b>	<b>40</b>	

We will schedule initial training as needed for new franchisees, to be completed at least 15 days before opening your ManageMowed business. The program is offered only in English. Our trainers include the following:

Name	Title	Years of Training Experience With Us	Years of Training Experience with Other Brands
James Jakobsen	Co-Founder	25	0
Peter Roberts	Co-Founder	25	0
Zachary Dynes	Lead Generation Supervisor and Sales Support Specialist	9	0
Cassandra Richins	Manager of Onboarding and Training	3	0

The instructional materials may include handouts, the Manual, quizzes, and checklists, as well as online learning materials.

#### Train the Trainer Program

Prior to opening your ManageMowed business, you must appoint a Training Director who will train your managers and staff. The Training Director must be approved by us and must successfully complete our training programs and any ongoing training requirements that we specify. Periodically, you must conduct required training programs for your employees, including those training programs that will enable your employees to become certified for the position(s) for which they were hired. Your Trainers must fully train your employees within 30 days of being hired. Your Trainers, under the direction of your Training

Director, also will offer the ManageMowed training program to your replacement Managing Owner, Account Manager and additional managerial staff before they assume a managerial role. We will evaluate all managers trained by you and determine whether to certify them as Trainers. You will be responsible for all costs that you incur in training your employees. If you need to send your replacement Managing Owner, Account Manager, Training Director, Assistant Account Manager, Trainers, or managerial staff to our training program, you must pay a training fee in the amount of \$5,000 per person (we may waive this fee if we have availability in a previously scheduled training program). If we elect to send our representative to your office to provide training for your staff, you must pay a training fee in the amount of \$500 per representative, per day, and all travel, living and other expenses incurred by our representative.

If you already operate a ManageMowed business, the training of your Managing Owner, Account Manager, Training Director, and Assistant Account Manager will be your responsibility. You must confirm to us in writing that you have trained these individuals, except for any persons who have previously completed our training program to our satisfaction. The content and administration of your training program must be at least equal to those of our training program and must be approved in advance by us. We have the right to review your training program periodically to ensure its quality and to verify that your managers are being trained in a timely and satisfactory manner.

If your training program does not meet our standards, and you do not cure the situation in a timely manner, we may require your Managing Owner, Account Manager, Training Director, and Assistant Account Manager to attend our training program at your expense (including payment of the \$5,000 per person training fees), until such time as the deficiencies in your program have been corrected to our satisfaction. (Franchise Agreement, Section 6.3)

#### In-Market Training

During the first 30 days following the opening of your ManageMowed business, subject to our availability, we will send a representative to your ManageMowed business to provide additional training for up to five days. You will not be required to pay any additional costs for any of the travel or living expenses incurred by our representative while they provide the in-market training. (Franchise Agreement, Section 6.2)

#### Additional Training Programs

We may require you or your employees to attend and pass additional training programs at your expense. These additional training programs may include classroom training, web-based training and programs offered by third parties.

We may hold an annual convention, regional meetings, and conferences for our franchisees that your Managing Owner must attend.

We will advise and consult with you periodically in connection with the operation of your ManageMowed business. We may provide these services through visits by our representatives to your office, the distribution of printed, filmed or electronic information, meetings or seminars, telephone communications, e-mail communications or other communications. We will periodically inspect your ManageMowed business operations to provide assistance and ensure compliance with the System. At your request, we may provide special assistance for you for which you will be required to pay our per diem training fees and charges that we may establish from time to time. (Franchise Agreement, Section 6.4)

### Advertising

#### Market Introduction Program

You must advertise and promote the Franchised Business for the first twelve months following the opening of the Franchised Business ("Market Introduction Period"). We will provide to you a recommended marketing plan template for the Market Introduction Period ("Market Introduction Plan") and approved

marketing materials for the Franchised Business (“Market Introduction Materials”). You may modify the Market Introduction Plan and Market Introduction Materials to meet your local market needs. You must submit your Market Introduction Plan to us for our review and approval, including total expenditures, at least 15 days prior to implementation. You may not begin implementing the Market Introduction Plan without our written approval. You must spend at least \$32,800 during the Market Introduction Period. If you fail to spend the required amount during the Market Introduction Period, you must spend the balance for Local Marketing as described below. (Franchise Agreement, Section 10.2)

### Marketing Contributions and Expenditures

You must make contributions to the Brand Fund, make Local Marketing expenditures and contribute to a Cooperative if a Cooperative has been established in the Designated Market Area (“DMA”) in which your Territory is located. We have the right to periodically re-allocate and/or increase the amount you contribute to the Brand Fund and any Cooperative and the amount you spend for Local Marketing effective upon 90 days’ prior notice; however, we will not increase your total marketing contributions and expenditures above 5% of Gross Sales. (Franchise Agreement, Section 10.3)

### Brand Fund

We have established the Brand Fund for the enhancement, promotion and protection of the System and the Proprietary Marks. You must contribute 2% of your Gross Sales weekly to the Brand Fund; however, you will not be required to contribute more than \$10,000 for each ManageMowed business / Territory that you operate per year to the Brand Fund. ManageMowed businesses operated by us and our affiliates also will contribute to the Brand Fund at the lowest rate specified for comparable franchisees. We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Fund, with final discretion over the strategic direction, creative concepts, materials and endorsements used, and the geographic, market and media placement and allocation. You must participate in all advertising, marketing, promotions, research, and public relations programs instituted by the Brand Fund.

Among the programs, concepts, and expenditures for which we may utilize the Brand Fund monies are: (1) creative development and production of print ads, commercials, radio spots, point of purchase materials, direct mail pieces, door hangers, free standing inserts, brochures, logo wear, labeling, video, audio, and written materials and electronic media, and other advertising and promotional materials; (2) media placement and buying, including all associated expenses and fees; (3) administering regional and multi-regional marketing and advertising programs; (4) market research and customer satisfaction surveys, including the use of secret shoppers; (5) the creative development of, and actual production associated with, premium items, giveaways, promotions, sweepstakes, contests, public relation events, and charitable or nonprofit events; (6) creative development of signage, posters, and individual ManageMowed business décor items including wall graphics; (7) recognition and awards events and programs including periodic national and regional conventions and meetings; (8) design, establishment, and maintenance of websites, extranets, intranets, search rankings, social media profiles, mobile application and other online and mobile presence; (9) retention and payment of personalities engaged as spokespersons, celebrity endorsements, advertising and promotional agencies, endorsement contracts, and other outside advisors including retainer and management fees; (10) sponsorship of sporting, charitable, or similar events; (11) review of locally produced marketing materials; (12) list acquisition and development; (13) association dues; (14) affinity program development; (15) development of third party facilities for the customization of local advertising; and (16) public relations and community involvement activities and programs.

We may sell certain advertising materials, merchandise and premium items to you that are developed by the Brand Fund and the earnings from such sales will be deposited in the Brand Fund. The Brand Fund also may be used to pay our reasonable salaries and expenses of our and our affiliates’ employees who work on advertising, marketing, public relations materials, programs, activities or promotions prepared, planned or undertaken on behalf of the Brand Fund and professional fees and administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration and activities of the Brand Fund (including accounting fees, legal fees, and interest on

monies borrowed by the Brand Fund). We will not use the Brand Fund for anything whose sole purpose is the marketing of franchises, however, the System website, public relations activities, community involvement activities and other activities supported by the Brand Fund may contain information about franchising opportunities.

We do not have an advertising council composed of franchisees to advise us on advertising policies. However, we may seek the advice of ManageMowed franchisees by formal or informal means with respect to the creative concepts and media used for programs financed by the Brand Fund. However, we retain final authority on all programs financed by the Brand Fund. We have the right to change or dissolve the Brand Fund at any time.

We will prepare an annual, unaudited statement of Brand Fund collections and expenses within 60 days after our fiscal year end and will provide a copy of the statement to all franchisees. If there are unspent funds in the Brand Fund at the end of any given fiscal year, those unspent funds will carry over to the next fiscal year. We retain the final authority on all programs financed by the Brand Fund. We have the right to change or dissolve the Brand Fund at any time. If we disband the Brand Fund, we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to contributors in proportion to their respective Brand Fund contributions during the preceding 12 month period. During our last fiscal year, which ended on December 31, 2023, we spent Brand Fund contributions in the following approximate amounts: 87.12% on content creation and production of materials (60.38% for internal salaries), 6.43% on digital and social marketing design and placement, and 6.45% on franchisee marketing strategy and support.

The Brand Fund (including any earnings on unspent funds) will be used to maximize general public recognition, acceptance, and patronage of ManageMowed businesses. We are not obligated to make Brand Fund expenditures for you which are equivalent or proportional to your contributions, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Fund. We are not required to spend any amount on advertising in your Territory. The Brand Fund is not a trust and we have no fiduciary obligation in collecting payments, maintaining the bank account, bookkeeping, or disbursement of monies from the Brand Fund. (Franchise Agreement, Section 10.4)

#### Local Marketing

You must develop, on an annual basis, a Marketing Plan that we have approved for you, your Business, and your market area. You must comply with all requirements regarding the Marketing Plan, including the use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, search engine optimization activities, and compliance with all promotional recommendations. You must spend for advertising and marketing in your Territory (“Local Marketing”) at least 2% of your annual Gross Sales. You must begin conducting Local Marketing after the expiration of the Market Introduction Period. Within 30 days after the end of each quarter, you agree to send to us, in the manner we prescribe, an accounting of your Local Marketing expenditures during the preceding quarter. If you fail to expend on an annual basis, the required amount, then you must contribute to the Brand Fund any amounts that you should have expended to reach the Local Marketing requirement within 30 days after the close of our fiscal year. (Franchise Agreement, Section 10.5)

#### Joint Marketing Programs and Cooperatives

We have the right to establish: (1) co-marketing programs in which we and our franchisees join with suppliers or other third parties to cross-promote goods and services; (2) joint marketing efforts in which multiple franchised and affiliate-owned ManageMowed businesses contribute to a specific ad or event; and/or (3) local or regional Cooperatives that pool funds of franchised and affiliate-owned ManageMowed businesses on an ongoing basis to jointly promote the Proprietary Marks and the ManageMowed businesses of the members. You must participate in each applicable joint marketing program and comply with the rules of the program. The following provisions apply to Cooperatives:

- We have the right to designate any geographic area or set of common characteristics for purposes of establishing a Cooperative. If a Cooperative is applicable to your ManageMowed business, you must become a member and begin contributing. You will not have to contribute to more than one Cooperative for the same ManageMowed business at the same time. We (or our affiliates, as the case may be) will become a member of any Cooperative that is applicable to a ManageMowed business owned by us or our affiliates. The members of the Cooperative will be responsible for administering the Cooperative.
- Each Cooperative will adopt a cooperative agreement governing the organization and operation of the Cooperative, subject to our approval. If the members of the Cooperative do not sign an agreement within a reasonable time, you agree to sign our recommended form of Cooperative Agreement. We reserve the right to change the form of organization, governing documents, and manner of operation of any Cooperative. No changes in the bylaws or other governing documents of a Cooperative may be made without our prior written consent. The governing documents of a Cooperative will be available for your review.
- Each Cooperative will be organized for the exclusive purpose of developing, administering, and executing advertising programs for the members of the Cooperative. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior approval as described below.
- You and each other member of the Cooperative must contribute weekly to the Cooperative up to 1% of the Gross Sales of the Franchised Business which amount will result in a corresponding reduction in your Local Marketing obligation. We reserve the right to increase your Cooperative contribution by an additional 1% of the Gross Sales of the Franchised Business and this additional amount will not reduce your Local Marketing obligation. The Cooperative will be required to prepare annual financial statements for review by its members.
- We may grant any franchisee an exemption for any length of time from the requirement of membership in a Cooperative, and/or from the obligation to contribute (including a reduction, deferral or waiver of the contribution), upon written request stating reasons that we deem sufficient to support the exemption. Our decision concerning any request for exemption will be final. If we grant an exemption to a franchisee, the franchisee will be required to spend on Local Marketing the amount the franchisee otherwise would have been required to contribute to the Cooperative. (Franchise Agreement, Section 10.6)

#### Approval Requirement

All advertising and promotion by you and by any Cooperative must be in the type of media and format that we approve, must be conducted in a dignified manner, and must conform to our standards and requirements. You or the Cooperative must submit written samples of all proposed advertising and promotional plans and materials for our approval at least 10 business days before their intended use, unless the plans and materials were prepared by us or have been approved by us within the last 12 months. (Franchise Agreement, Section 10.7)

#### Electronic Marketing and Electronic Communications

We will host and maintain an independent webpage for your ManageMowed business at an Internet address that we specify. We will provide and maintain this webpage using a standard template. You will use an e-mail address that we assign to you for official ManageMowed business if we assign such an address to you (or to one or more of your employees), and you must use that e-mail address (and pay all fees associated with maintaining additional e-mail addresses if you request and we assign more than one e-mail address to you) in the manner and for the purposes that we reasonably require in the Manual or otherwise in writing. Unless we have agreed to it in writing, you may not use, register, maintain, or sponsor any URL, social networking platform, blog, messaging system, email account, username, text address,

mobile application, or other electronic, mobile or internet presence that uses or displays any of the Proprietary Marks (or any derivative thereof) or that promotes any services or products of your ManageMowed business. The use of any electronic medium constitutes advertising and promotion subject to our approval as described above. You may not transmit or cause any other party to transmit advertisements or solicitations by broadcast media, telephone, e-mail, text message, instant message, social network, VoIP, streaming media, or other electronic media without first obtaining our written consent as to: (1) the content of the advertisements or solicitations; and (2) the type of media intended to be used. All telephone answering messages, email auto-signatures, and other identifiers of your ManageMowed business must be in the form we prescribe. If we approve the use of an electronic medium, our approval will be conditioned on your compliance with any standards and procedures we issue with respect to that type of electronic medium, including the use of any disclaimers, warnings, and other statements that we may prescribe. (Franchise Agreement, Section 10.8)

### Pricing Activities

You have the right to set the prices for products and services that you will offer to customers. To the extent permitted by applicable law, we have the right to establish maximum and/or minimum prices that you may charge for all products and services that you sell. (Franchise Agreement, Section 8.20)

## **ITEM 12 TERRITORY**

### Office Location

You are solely responsible for locating and choosing a site from which to operate the Franchised Business, however, we must consent to the proposed location of the Franchised Business prior to opening. The location of the Franchised Business can be located in a residence. You may not relocate your office without our prior written consent, which may be withheld by us in our reasonable business discretion. You do not receive the right under the Franchise Agreement to develop or operate more than one ManageMowed business.

### Territory

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

During the term of your Franchise Agreement, and provided you are not in material uncured default of the Franchise Agreement, we and our affiliates will not operate, or license others to operate, another ManageMowed business that provides commercial landscaping services to customers located within your Territory. Typically, the Territory will be comprised of contiguous zip code regions based on a population of a minimum of 4,000 commercial properties. A commercial property is a property that we consider to be an opportunity and may have more than one business located on the parcel. We will not permit a Territory to contain more than 6,000 commercial properties. We currently use demographics reports from CoStar to determine the number of commercial properties per Territory. We will not provide you with a list of commercial properties used in the creation of your Territory. You may only operate your ManageMowed business in your Territory and may not perform any services for properties located outside your Territory.

We reserve the rights to: (1) distribute products and supplies identified by the Proprietary Marks in the Territory through any method or channel of distribution other than through the operation of a commercial landscape management business; (2) distribute products and supplies identified by the Proprietary Marks through other channels of distribution, including the internet, wholesale, mail order and catalog; (3) operate, and license others to operate, during the term of the Franchise Agreement, landscape management businesses identified in whole or in part by the Proprietary Marks at any location outside of the Territory; (4) operate, and license others to operate, after the Franchise Agreement terminates or expires, landscape management businesses identified in whole or in part by the Proprietary Marks at any location, including

locations inside the Territory; (5) operate, and license others to operate, at any location, including locations inside the Territory, during or after the term of the Franchise Agreement, any type of landscape management business identified in whole or in part by the Proprietary Marks other than a commercial landscape management business including, but not limited to, residential landscape management businesses; (6) develop and own other franchise systems for the same or similar services and products using trade names and trademarks other than the Proprietary Marks; (7) purchase, be purchased by, merge or combine with, businesses that directly compete with ManageMowed businesses; and (8) service System Account Program customers in the Territory if you elect not to service their accounts. We and our affiliates do not currently operate or franchise or have any plans to operate or franchise a business under a different trademark that will sell goods or services similar to those offered by ManageMowed businesses.

Minimum Performance Requirements

Your rights in the Territory are dependent upon your compliance with the terms of the Franchise Agreement and our standards as set forth in the Manual. Your ManageMowed business must meet the following minimum performance requirements each year or we may place you in default of the Franchise Agreement and/or require you to attend additional training programs:

<u>Operating Year*</u>	<u>Gross Sales</u>
Completion of Operating Year 1	\$75,000
Completion of Operating Year 2	\$150,000
Completion of Operating Year 3	\$250,000
Completion of Operating Year 4 and thereafter	\$350,000

\* Your Operating Year is calculated as each anniversary of the Effective Date of your Franchise Agreement. We will review your performance at the end of each Operating Year.

If you fail to satisfy the minimum performance requirements, and fail to cure any deficiencies (if we grant you an opportunity to cure such a default) at the end of any Operating Year, we may take any one or more of the following actions: (1) reduce the size of your Territory, with a corresponding reduction in the minimum performance requirements; and/or (2) permit other ManageMowed business franchisees, or us or our affiliates, to directly solicit customers inside your Territory; and/or (3) establish, or license or franchise others to establish, ManageMowed businesses in your Territory; and/or (4) terminate your Franchise Agreement.

Activities Outside of the Territory

You may not perform services or sell products related to the Franchised Business outside of your Territory without our prior written consent. You may not solicit or advertise to customers outside of the Territory without our permission. "Solicit" includes, but is not limited to, solicitation in person, by telephone, by mail, through the Internet, social media, email or other electronic means, and by distribution of brochures, business cards or other materials or any other advertising. If any solicitation of customers within the Territory is in media (e.g. newspaper, radio, television, or social media) that will or may reach persons outside of your Territory, you are required to notify us in advance and obtain our written consent. If you receive a request for services or products from outside the Territory, you are required to refer that request to the Company-Owned or franchised ManageMowed Business that operates in the applicable territory (or to us, if we have not assigned the applicable territory to a ManageMowed Business). However, under certain limited circumstances, you may process a request from outside of the Territory if the requested service is permitted under our policies or otherwise approved by us in writing.

If we permit you to advertise, solicit, service or sell in areas outside of your Territory that are not serviced by another ManageMowed Business, you will be required to comply with all of the conditions and other requirements that we may from time to time specify in the Manual or otherwise in writing with respect to such activities. We may at any time condition your continued out-of-Territory sales and services on your

agreement to purchase the franchise rights for the territory in which the sales and services are being performed. At any time upon our demand or upon notice from us that the territory in question has been assigned to another ManageMowed Business, you must immediately cease all activities in that territory and comply with our procedures for the transition of customer accounts for that territory.

Under our current policies, if you sign a Franchise Agreement for a new Territory and another ManageMowed business is servicing accounts for clients in that Territory, then you may purchase any of those accounts prior to opening your ManageMowed business by paying that ManageMowed business 30% of the annualized revenue of each purchased account. If you elect not to purchase an account and if the ManageMowed business that is servicing that account wishes to continue servicing such account, then that ManageMowed business must pay you 15% of the annualized revenue of each retained account when you sign your Franchise Agreement.

Under no circumstances will we be liable to you for violations by other franchised ManageMowed Businesses of our policies on out-of-Territory sales and services.

Advertising and promotional materials created, placed, and/or distributed by us, other franchisees operating under the System, or other entities authorized by us, may appear in media distributed in, or may be directed to prospective customers located within, the Territory, including on the System website or any related online site.

You may not offer products or services through any channel of distribution other than those we have expressly approved. We do not have an obligation to reserve contiguous territories for you. You do not receive an option, right of first refusal or similar rights to acquire additional franchises within your Territory or contiguous territories. You do not receive any rights to acquire additional franchises under the Franchise Agreement.

### ITEM 13 TRADEMARKS

We grant you a non-exclusive license to use the Proprietary Marks during the term of the Franchise Agreement. We may also authorize you to use other current or future Proprietary Marks to operate your Business. By Proprietary Marks, we mean trade names, trademarks, service marks and logos we use to identify ManageMowed businesses and the products sold in them. The following trademarks are registered with the United States Patent and Trademark Office (“USPTO”) on the Principal Register, and all required affidavits have been filed:

Mark	Registration Date	Registration Number
	August 13, 2019	5836408
	November 30, 2021	6575687
MANAGEMOWED	November 30, 2021	6576613

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the principal mark, nor any pending infringement, opposition, or cancellation proceedings or material litigation involving the Proprietary Marks.

We are not aware of any infringing uses that could materially affect your use of the Proprietary Marks. There are no agreements that limit our rights to use or license the use of the Proprietary Marks and we are not aware of any superior rights that could affect your use of the Proprietary Marks.

You must notify us of any unauthorized use of the Proprietary Marks. You must also notify us of any challenge to the validity of, or the right to use, any of the Proprietary Marks. We have the right to control any administrative proceeding or litigation that involves the Proprietary Marks. This right includes the right to settle any of those disputes. We may, but are not required to, try to stop other people from using the Proprietary Marks.

We will defend you against any infringement claims that arise from your use of the Proprietary Marks or the Proprietary Materials (as defined in Item 14) at our expense, including the cost of any judgment or settlement, if your use of the Proprietary Marks and the Proprietary Materials complied with the Franchise Agreement, but at your expense if your use of the Proprietary Marks and the Proprietary Materials did not comply with the Franchise Agreement. You must assist us in any action we take to protect the Proprietary Marks. Unless this action results from your inappropriate use of the Proprietary Marks, we will reimburse you for your out-of-pocket costs in assisting us.

You must follow our rules when you use the Proprietary Marks. You may not use any of the Proprietary Marks as part of your corporate name, Internet domain name, or e-mail address, or with modifying words, designs or symbols without our prior written authorization. You may not use the Proprietary Marks for the sale of an unauthorized product or service or in any other manner not authorized by the Franchise Agreement.

We can modify the Proprietary Marks and/or substitute different marks for use in identifying our businesses and the System. You must promptly implement any modification or substitution at your own cost and expense. We will have no obligation or liability to you as a result of the modification or substitution.

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

### **Patents**

No patents are material to the operation of your ManageMowed business.

### **Copyrights**

We and our affiliates claim copyright protection for certain proprietary materials (the "Proprietary Materials"), which include, but are not limited to, the Manual, advertisements, promotional materials, labels, posters, coupons, gift certificates, customer contracts, vehicle wraps, signs, World Wide Web and other internet sites, and office designs, plans and specifications. Neither we nor our affiliates have registered the copyrights in any of the Proprietary Materials but we are not required to do so. You can use the Proprietary Materials only for the purpose of developing and operating your ManageMowed business. You must notify us of any unauthorized use of the Proprietary Materials. You must also notify us of any challenge to the validity of, or the right to use, any of the Proprietary Materials. We have the right to control any administrative proceeding or litigation that involves the Proprietary Materials. This right includes the right to settle any of those disputes. We may, but are not required to, try to stop other people from using the Proprietary Materials.

There are no currently effective determinations of the United States Copyright Office or any court involving our Proprietary Materials, nor any pending infringement, proceedings or material litigation involving the Proprietary Materials. We are not aware of any infringing uses that could materially affect your use of the Proprietary Materials. There are no agreements that limit our rights to use or license the use of the Proprietary Materials and we are not aware of any superior rights that could affect your use of the Proprietary Materials.

If you prepare any adaptation, translation or work derived from the Proprietary Materials, including, but not limited to, advertisements, promotional materials, labels, posters, or websites, whether or not such adaptation was authorized by us, you agree that such material will be our property and you will assign all your right, title and interest therein to us (or to a third party designated by us). You agree to execute any documents, in recordable form, which we deem necessary to reflect or perfect such ownership. You must submit all such adaptation, translation or derivative works to us for approval prior to use. We reserve the right to modify or require you to discontinue use of any of the Proprietary Materials and/or to substitute different copyrighted materials. When required by us, you must promptly discontinue use of designated Proprietary Materials or implement any modification or substitution at your own cost and expense. We will have no obligation or liability to you as a result of such modification or substitution.

### **The Manual and Confidential Information**

We will provide you with electronic access to the Manual, which contains information and knowledge that is unique, necessary and material to the System. The Manual contains detailed standards, specifications, instructions, requirements, methods and procedures for the management and operation of ManageMowed businesses. The Manual also may relate to the selection, method, purchase, storage, packaging, and sale of all products and services offered at the ManageMowed businesses; management and employee training; marketing, advertising and sales promotions; computer systems, vehicles, graphics, signs; employee and Vendor dress attire and appearance standards; and accounting, bookkeeping, records retention and other business systems, procedures and operations. You must at all times operate your ManageMowed business in strict conformity with the Manual; maintain the Manual at your office; not reproduce the Manual or any part of it; and treat the Manual as confidential and proprietary, and disclose the contents of the Manual only to your employees who have signed a confidentiality agreement and who have a demonstrated need to know the information contained in the Manual.

At our request, you must require your employees, landlord, contractors, and any other person to whom you wish to disclose any of our confidential information to agree in writing not to disclose that information to others or to use it for their own benefit. We must approve these agreements.

### **Innovations**

All products, services, concepts, methods, techniques, and/or new information relevant to your operation of your ManageMowed Business (together, "Innovations"), whether or not constituting protectable intellectual property, that you or your employees create, or that are created on your behalf, must be promptly disclosed to us. All such Innovations will be deemed to be our sole and exclusive property and works made-for-hire for us. You and each of your owners agree to: (1) sign the assignment and/or other documents we request in order to implement this in order to evidence our ownership; (2) cause your employees and contractors to sign such assignment documents as we may request for this purpose; and (3) assist us in securing intellectual property rights in such Innovations.

### **Data and Privacy**

We claim ownership of the data you obtain during the operation of your ManageMowed business. This includes all databases (whether in print or electronic form) including names, addresses, email addresses, phone numbers, birth dates, transaction data, demographic data, behavioral data, customer service history, correspondence and other data and all other data that you create and/or collect in connection with the System, or in connection with your operation of your ManageMowed business (including, but not limited to, transaction data). We reserve the right to use or transfer these records as we deem appropriate and to provide the information to our affiliates. Furthermore, we reserve the right to contact customers of your ManageMowed business, as well as your employees, suppliers and other service providers, for purposes of quality control, market research and for other business reasons as we deem appropriate. In connection with any use of data in your ManageMowed business, you agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information and our standards and policies pertaining to these privacy laws.

**ITEM 15**  
**OBLIGATION TO PARTICIPATE IN THE**  
**ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You must designate one of your owners as your Managing Owner who will be the person with whom we communicate and who will have the authority to bind you with respect to all financial, operational, and legal matters related to the Franchised Business and the Franchise Agreement. The Managing Owner may also serve as your Account Manager, your Training Director, and/or your Multi-Unit Manager (as defined below). You must designate a replacement within 30 days after your Managing Owner leaves his or her position.

If you or your affiliates own or control more than one ManageMowed business and your Managing Owner devotes less than full time to supervising the operation of the businesses, you must designate and retain an individual to serve as your Multi-Unit Manager who will devote full time and best efforts to supervising the operation of your ManageMowed businesses. You must obtain our approval before designating anyone to serve as a Multi-Unit Manager. You must designate a replacement within 30 days after your Multi-Unit Manager leaves his or her position.

You also must identify an individual who will serve as your Training Director (which may be the Managing Owner) who will be responsible for supervising your Trainers and overseeing the Train the Trainer program in your ManageMowed business.

You must designate one Account Manager (which may be the Managing Owner) that we have approved who will supervise the day-to-day operation of your ManageMowed business. The Account Manager must work for your ManageMowed business on a full-time basis for at least 35 hours per week. You must designate a replacement within 30 days after your Account Manager leaves his or her position.

We do not require your Multi-Unit Owner, Training Director or Account Manager to have an equity ownership interest in your company.

Your Managing Owner, Multi-Unit Manager, Training Director and Account Manager must successfully complete the ManageMowed training program (see Item 11). We may require that these employees, among others, sign an agreement with you not to compete with ManageMowed businesses for a period of two years after their employment with you. We may also require that you have them sign an agreement not to reveal confidential information they obtain in the course of their employment with you. These agreements must be in a form we approve and specifically identify us as a third party beneficiary with the independent right to enforce the agreement. See Items 14 and 17 for further information.

If the franchisee is a corporation or limited liability company, all holders of a legal or beneficial interest of 10% or more in your entity and their spouses, if applicable, must personally guarantee all of the company's obligations under the Franchise Agreement. The personal guarantee includes a commitment to be bound personally by the confidentiality and non-competition provisions of the Franchise Agreement.

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

Your ManageMowed business must offer all services and products that we designate as required items. You will at all times maintain a complete inventory of approved items and supplies necessary for operating the Franchised Business and providing services to customers. You may also offer for sale any optional services and products that we have approved in writing for sale in a ManageMowed business; however, you may not work on projects that are not on our approved enhancement list of services or offer or sell any unapproved services or products without our prior written consent. For example, you may not offer residential landscape management or landscaping services without our prior written consent. You must provide services only using the methods that we have approved. You must discontinue selling or offering for sale any services or products which we, in our sole discretion, disapprove in writing at any time.

If you would like to use or offer services, products, supplies, and/or equipment that we have not approved, you agree to first submit to us a written request for approval and you shall refrain from offering or using these items until you have received our written approval. We have the right to require you to use only certain brands and to prohibit you from using other brands. We may from time to time modify the list of approved brands and you shall not reorder any brand that is no longer approved.

We may negotiate national or regional account arrangements with customers (“System Account Programs”), including rates and services to be performed, which are intended to enhance the potential value of the System as a whole and benefit us, you, and other ManageMowed businesses. Accordingly, we reserve the right to enter into agreements to provide services to customers as part of a System Account Program at locations which include locations within your Territory. You may have the opportunity to participate in a System Account Program and to service customers in your Territory in accordance with the pricing and other terms negotiated by us. You must have been operating your ManageMowed business for at least six months to be eligible to participate in a System Account Program, and your participation will be at our sole discretion. The details of any System Account Program that we establish will be set forth in the Manual. If you wish to participate in a System Account Program, you may be required to sign a System Account Program Participation Agreement in order to be listed as a participating ManageMowed business. If you are not eligible for or elect not to participate in a System Account Program, we or another System franchisee may perform the service in your Territory. In the case of an agreement under which the customer will pay a fixed amount for services at all locations listed in the agreement, we may allocate the fixed amount among the ManageMowed Businesses performing the services.

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

**THE FRANCHISE RELATIONSHIP**

The tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	2.2	15 years (or 90 days following the date that you sign the Franchise Agreement if you fail to develop and open your ManageMowed business).
b. Renewal or extension of the term	18.1	Provided we are still franchising and you are in substantial compliance with the Franchise Agreement, you have an option to sign a successor franchise agreement with a five-year term.
c. Requirements for you to renew or extend	18.2-18.4	Request a business review 25 – 30 months before the end of the term; be in good standing; provide written notice of intent to renew; be in compliance with other agreements with us; agree to renovate and modernize the ManageMowed; meet our qualification and training requirements for new franchisees; sign successor franchise agreement, sign general release (subject to state law) and pay successor franchise fee. The successor franchise

Provision	Section in Franchise Agreement	Summary
		agreement may contain terms that are materially different from your expiring Franchise Agreement, such as different fee requirements, but will not include an Initial Franchise Fee.
d. Termination by you	Not Applicable	Subject to state law, you have no right to terminate the Franchise Agreement.
e. Termination by us without cause	Not Applicable	We have no right to terminate the Franchise Agreement without cause.
f. Termination by us with cause	19	We may terminate the Franchise Agreement upon default.
g. "Cause" defined - defaults which can be cured	19.3 and 19.4	You have five days to cure non-payment of fees or non-submission of reports; 24 hours to cure unsafe products/practices; and 30 days to cure other defaults, except for those described in h. below.
h. "Cause" defined – non-curable defaults	19.1 and 19.2	Non-curable defaults: insolvency, bankruptcy; failure to complete training; failure to timely identify a site and open your ManageMowed business; abandonment; default on material indebtedness; commission of felony; threat to public safety; unapproved transfers; operating Competing Business (see q. below); disclosure of trade secrets; filing false reports; violation of the Patriot Act or Foreign Corrupt Practices Act; other governmental action against you, repeated defaults even if cured; default of any other agreements between you or your affiliates and us or our affiliates; and others.
i. Your obligations on termination/ non-renewal	20	Obligations include ceasing to operate the ManageMowed business, provide customer contracts to us to continue servicing the customer relationships; de-identifying the business; paying amounts due, cease using the Proprietary Marks, transfer customer data to us, transfer phone numbers, return of all of our materials (also see o. and r. below), and for termination, pay our early termination damages.
j. Assignment of contract by us	16.1	There are no restrictions on our right to assign.

Provision	Section in Franchise Agreement	Summary
k. "Transfer" by you – definition	16.2 and 16.5	Restrictions apply to transfer of any direct or indirect interest in the Agreement, in your business entity (if you are a corporation or other entity), or in substantially all of the assets of your ManageMowed business.
l. Our approval of transfer by you	16.2	We have the right to approve all transfers.
m. Conditions for our approval of transfer	16.4	Transferee qualified; accrued fees paid; no default exists; sales price reasonable; transferee signs new franchise agreement; (for FA: training arranged and transfer training fee paid); you sign release (subject to state law) and pay transfer fee.
n. Our right of first refusal to acquire your business	16.3	We have the right to match any offer.
o. Our option to purchase your business	20.2	Upon expiration or termination of the Franchise Agreement, we can take assignment of your lease and purchase your business assets.
p. Your death or disability	16.6	Executor or personal representative must request our consent to assign your interest to approved party within three months and the interest must be transferred within six months. If the deceased or incapacitated person is the Managing Owner, we have the right to manage operation of the ManageMowed business until the transfer is completed. If we exercise this right, we can charge a reasonable management fee for our services.
q. Non-competition covenants during the term of the franchise	15.2	No diverting customers to a Competing Business; no involvement in "Competing Business" defined as any business that offers residential or commercial landscape management services, landscaping services such as lawn, bed, tree and shrub care, and/or snow removal services (subject to state law).
r. Non-competition covenants after the franchise is terminated or expires	15.2	No involvement with Competing Business for two years (1) within your Territory plus the area formed by extending the boundary of your Territory by ten miles in any direction; or (2) within the territory assigned to any then-existing ManageMowed business, plus the area formed by extending the boundaries of that

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
		territory ten miles in all directions (subject to state law).
s. Modification of the agreement	25	No modification generally without signed agreement, but we may modify the System and the Manual.
t. Integration/merger clause	25	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises outside of the disclosure document or the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	26.1	Subject to state law, either party may submit a claim arising out of the Agreement to non-binding mediation; however, the parties will not be required to pursue mediation of any claim as a prerequisite to commencing legal proceedings.
v. Choice of forum	26.3	Subject to state law, all claims must be filed in the jurisdiction where we have our principal place of business, which is currently Seattle, Washington.
w. Choice of law	26.2	Subject to state law, Washington law applies.

**ITEM 18  
PUBLIC FIGURES**

We do not use any public figures to promote our franchises.

**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.

**2023 AVERAGE GROSS SALES AND CERTAIN EXPENSES  
OF FRANCHISED MANAGEMOWED BUSINESSES**

The following financial performance representation presents the Average Gross Sales and Certain Expenses for 17 franchised ManageMowed businesses that were in operation for the full 2023 calendar year. There were 21 franchised ManageMowed businesses in operation at the end of 2023. This financial performance representation excludes the performance of four franchised ManageMowed businesses that opened in 2023 and four franchised ManageMowed businesses that closed during 2023. The table also

demonstrates the results by the number of years the franchised ManageMowed businesses have been in operation.

	<b>Systemwide</b>	<b>In Operation Between 3 and 4 Years<sup>1</sup></b>	<b>In Operation Between 2 And 3 Years</b>	<b>In Operation Between 1 And 2 Years</b>
No. of Businesses	17	3	9	5
Average Gross Sales <sup>2</sup>	\$259,447	\$725,175	\$286,463	\$118,138
Expenses <sup>3</sup>				
Vendors <sup>4</sup>	53%	54%	51%	57%
Employees <sup>5</sup>	15%	15%	11%	28%
Insurance	1%	1%	1%	3%
Local Advertising <sup>6</sup>	1%	1%	1%	1%
Royalty	8%	8%	8%	8%
Brand Fund	2%	2%	2%	2%
Software/Office <sup>7</sup>	2%	1%	2%	3%
Range of Gross Sales	\$32,045 - \$1,023,128	\$605,310 - \$953,603	\$38,997 - \$958,869	\$32,045 - \$367,679
Median Gross Sales	\$181,526	\$616,661	\$59,081	\$181,526
No. and % of Businesses in each Category that Exceeded Average Gross Sales	7 / 41%	1 / 33%	4 / 44%	1 / 20%

#### **NOTES**

1. There are no franchised ManageMowed businesses that have been in operation for more than four years.
2. "Gross Sales" means the aggregate amount of all revenues generated from the sale of all services, products, merchandise and all other income of every kind related to each ManageMowed business (including the proceeds from business interruption insurance), whether for cash or credit (and regardless of collection in the case of credit), except Gross Sales does not include: (1) the amount of any credits, allowances and adjustments; (2) the amount of any sales taxes or other taxes collected from customers and paid directly to the appropriate taxing authority; (3) proceeds from insurance with respect to property damage or liability; (4) proceeds from any civil forfeiture, condemnation or seizure by governmental entities; (5) the value of tips and/or gifts paid to staff or Vendors; and (6) uncollectable amounts (up to 0.5% of Gross Sales only).
3. Of the 17 Franchised Businesses represented in this financial performance representation, two franchisees each operated two Franchised Businesses and reported their expenses to us on a consolidated basis for both of their Franchised Businesses. For purposes of this financial performance representation, we allocated 50% of the reported expenses to each Franchised Business operated by a franchisee.
4. "Vendors" includes third party labor and expenses of Vendors of the franchised ManageMowed businesses.
5. "Employees" includes the salaries and payroll expenses for employees of the franchised ManageMowed businesses, which may include salaries allocated to owners of the Franchised Business. Not all ManageMowed businesses have employees and may or may not have any employee wages and payroll expenses to report.

6. "Local Advertising" includes all local advertising expenses of the franchised ManageMowed businesses and excludes Brand Fund contributions. Canvassing local businesses would qualify as local advertising; however, these expenses are covered in the Employee data.
7. "Software/Office" includes the costs of software licenses and office supplies.
8. The franchised ManageMowed businesses reflected in this financial performance representation offer services for sale that are substantially similar to the services that you will offer for sale in your ManageMowed business.
9. The results shown in this financial performance representation for the ManageMowed businesses were prepared from reports provided to us by our franchisees. The results are unaudited.
10. You should conduct an independent investigation of the costs and expenses you will incur in operating your ManageMowed Business. Franchisees or former franchisees listed in this disclosure document may be one source of this information.
11. **Some ManageMowed Businesses have sold this much. Your individual results may differ. There is no assurance that you'll sell as much.**
12. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing ManageMowed business, however, we may provide you with the actual records of that Business. 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 Peter Roberts, Co-Founder, ManageMowed Franchising, LLC, at 144 Railroad Avenue, Suite 101, Edmonds, Washington 98020, or by phone at (866) 623-9749; the Federal Trade Commission; and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Outlet Summary  
For Years 2021 to 2023\***

<b>Outlet Type</b>	<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>
Franchised Outlets	2021	5	16	+11
	2022	16	21	+5
	2023	21	21	0
Affiliate-Owned	2021	2	2	0
	2022	2	2	0
	2023	2	2	0
Total Outlets	2021	7	18	+11
	2022	18	23	+5
	2023	23	23	0

\* As of December 31 of each year.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners**  
**(Other than the Franchisor)**  
**For Years 2021 to 2023\***

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
All States	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

\* As of December 31 of each year. States not listed had no activity to report.

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years 2021 to 2023\***

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations Other Reasons</b>	<b>Outlets at End of the Year</b>
CA	2021	0	1	0	0	0	0	1
	2022	1	2	0	0	0	1	2
	2023	2	0	0	0	0	0	2
CO	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
GA	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
MO	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
NC	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
OK	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
OR	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
TX	2021	0	5	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	3	3
VA	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	1	0	0	0	0	3
WA	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Total	2021	5	11	0	0	0	0	16
	2022	16	6	0	0	0	1	21
	2023	21	4	1	0	0	3	21

\* As of December 31 of each year. States not listed had no activity to report.

**Table No. 4  
Status of Affiliate-Owned Outlets  
For Years 2021 to 2023\***

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
CO	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
OR	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
WA	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Total	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2

\* As of December 31 of each year. States not listed had no activity to report.

**Table No. 5**  
**Projected Openings as of December 31, 2023**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Affiliate-Owned Outlets in the next Fiscal Year
FL	0	1	0
AZ	0	1	0
NV	0	1	0
GA	0	1	0
IL	0	1	0
TX	0	1	2
Total	0	6	2

The name of each of our franchisees, and the address and telephone number of each of their franchised businesses as of the end of our last fiscal year (unless another date is stated on the list), is in Exhibit F to this disclosure document. A list including the name, city and state of the last known home address, and telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our most recent fiscal year, or who has not communicated with us within 10 weeks of the date of this disclosure document, is listed on Exhibit F to this disclosure document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We do not have any franchisees during the last three fiscal years who have signed confidentiality clauses.

We do not have a franchise advisory council at this time. There are no trademark-specific franchisee organizations associated with the ManageMowed franchise system that have been created by, sponsored by or endorsed by us, or that have asked to be included in this disclosure document.

## ITEM 21 FINANCIAL STATEMENTS

Exhibit C contains our audited financial statements for the fiscal years ended December 31, 2023, 2022 and 2021. Our fiscal year ends on December 31st of each year.

## ITEM 22 CONTRACTS

Attached as Exhibits to this disclosure document are the following contracts:

- Exhibit A      Franchise Agreement, with the following exhibits:  
                     Exhibit A: Franchise Information  
                     Exhibit B: Ownership Information  
                     Exhibit C: Guarantee and Assumption of Franchisee's Obligations  
                     Exhibit D: Form of Confidentiality and Non-Competition Agreement  
                     Exhibit E: ACH Authorization Form

Exhibit E      State Required Agreement Addenda  
Exhibit G      Vehicle Lease Agreement  
Exhibit H      Development Incentive Program Addendum

You must sign our Franchisee Disclosure Questionnaire form before signing your Franchise Agreement (Exhibit I).

**ITEM 23  
RECEIPTS**

Two copies of a receipt form appear at the end of this disclosure document. Please fill out and sign both receipts, return one copy to us and keep the other for your records.

## **ADDITIONAL STATE REQUIRED DISCLOSURES**

### **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF CALIFORNIA**

SECTION 31125 OF THE CALIFORNIA CORPORATION CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN THE FORM AND 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 A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

SEE THE COVER PAGE OF THE DISCLOSURE DOCUMENT FOR OUR URL ADDRESS. OUR WEB SITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEB SITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).

**Item 3, Additional Disclosure.** The following statement is added to Item 3:

Neither we nor any person listed in Item 2 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 parties from membership in such association or exchange.

**Items 5 & 7, Additional Disclosure.** The following statement is added to Item 5 and Item 7:

The Department of Financial Protection and Innovation requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and your ManageMowed Business is open for business.

**Item 6, Additional Disclosure.** The following statement is added to Item 6:

The maximum interest rate permitted in California as of the date of the FDD is 10% per annum.

**Item 17, Additional Disclosure.** The following statements are added to Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of the Franchise. If the franchise agreements contain a provision that is inconsistent with the law, the law will control.

The franchise agreements contain a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

You must sign a general release when you execute the Franchise Agreement and if you transfer your franchise rights or execute a successor franchise agreement. These provisions may not be enforceable under California Law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043).

**Item 22, Additional Disclosure.** The following statements are added to Item 22:

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim

of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

#### **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF ILLINOIS**

1. **Risk Factors, Cover Page.** The following statement is added at the end of the first risk factor on the State Cover Page:

**SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT PROVIDES THAT ANY PROVISION IN A FRANCHISE AGREEMENT THAT DESIGNATES JURISDICTION OR VENUE IN A FORUM OUTSIDE OF ILLINOIS IS VOID WITH RESPECT TO ANY CAUSE OF ACTION WHICH OTHERWISE IS ENFORCEABLE IN ILLINOIS.**

The following statement is added at the end of the second risk factor on the State Cover Page:

**NOTWITHSTANDING THE FOREGOING, ILLINOIS LAW SHALL GOVERN THE FRANCHISE AGREEMENT.**

The following statement is added as an additional risk factor on the State Cover Page:

**YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF 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. **Item 5, Additional Disclosures.** The following statements are added to Item 5.

Based upon the review of our audited financial statements (attached as Exhibit C), the Illinois Attorney General's Office has required that we defer the payment of the Initial Franchise Fee for each ManageMowed Business until the relevant ManageMowed Business opens for business. Upon the opening of each ManageMowed Business under a Franchise Agreement, you will pay the Initial Franchise Fee when the ManageMowed Business opens for business. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

3. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action that is otherwise enforceable in Illinois. In addition, Illinois law will govern the Franchise Agreement.

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. **Item 22, Additional Disclosures**. The following statements are added to Item 22:

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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures.

**ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF MARYLAND**

**Item 5, Additional Disclosures**. The following statements are added to Item 5.

Based upon the review of our audited financial statements (attached as Exhibit C), the Maryland Securities Commissioner has required a financial assurance. We shall defer the payment of the Initial Franchise Fee for each ManageMowed Business until the relevant ManageMowed Business opens for business. Upon the opening of each ManageMowed Business under a Franchise Agreement, you will pay the Initial Franchise Fee when the ManageMowed Business opens for business.

**Item 17, Additional Disclosures**. The following statements are added to Item 17:

Any provision requiring you to sign a general release of claims against us as a condition of renewal or transfer, does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

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

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.*).

**Item 22, Additional Disclosures**. The following statements are added to Item 22:

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.

**ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF MICHIGAN**

**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:**

- (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.

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

Any questions regarding these Additional Disclosures shall be directed to the Department of the Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 373-7717.

#### **ADDITIONAL FDD DISCLOSURES REQUIRED BY REQUIRED BY THE STATE OF MINNESOTA**

1. **Fee Deferral.** The following statement is added to Item 5:

In Minnesota, we will defer the payment of the Initial Franchise Fee for each Franchised Business until you open the Franchised Business. When you open each Franchised Business developed under a Franchise Agreement, you must pay to us the Initial Franchise Fee for that Franchised Business.

2. **Notice of Termination.** The following statement is added to Item 17:

With respect to licenses governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreements.

3. **Choice of Forum and Law.** The following statement is added to the cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements 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 the jurisdiction.

4. **General Release.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

5. **Waiver of Right to Jury Trial or Termination Penalties:** The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar an exclusive arbitration clause.

6. **Contracts.** The following statements are added to Item 22:

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.

## **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF NEW YORK**

1. **State Cover Page.** The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT 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. **Item 3, Additional Disclosure.** The following is added to 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. **Item 4, Additional Disclosure.** The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts

under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. **Item 5: Initial Fees.** The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. **Item 7: Renewal, Termination, Transfer and Dispute Resolution**

A. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor 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.

B. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

C. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

D. 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.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to these Additional Disclosures.

**ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF NORTH DAKOTA**

1. **Item 5, Additional Disclosures.** The following statements are added to Item 5.

Based upon the review of our audited financial statements (attached as Exhibit C), the North Dakota Securities Department has required that we defer the payment of the Initial Franchise Fee for each ManageMowed Business until the relevant ManageMowed Business opens for business. Upon the

opening of each ManageMowed Business under a Franchise Agreement, you will pay the Initial Franchise Fee when the ManageMowed Business opens for business.

**2. Item 17, Additional Disclosures.** The following statements are added to Item 17:

The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Each provision of the Additional Disclosures shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of the Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

**ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF RHODE ISLAND**

**Item 17, Additional Disclosure.** 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 this Act.”

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to this Additional Disclosure.

#### **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the Virginia Retail Franchising Act, the ManageMowed Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended to include the following:

1. **Fees, Item 5.**

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its preopening obligations under the franchise agreement.

2. **Termination, Item 17.** The following is added to Item 17.h:

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.

3. **Contracts, Item 22.**

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 any other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of the Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently, without reference to these Additional Disclosures.

#### **ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF WASHINGTON**

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, the ManageMowed Franchise Disclosure Document for use in the State of Washington is amended as follows:

**Item 5, Additional Disclosure.** The following statement is added to Item 5:

Based upon the review of our audited financial statements (attached as Exhibit C), by the State of Washington, Department of Financial Institutions, Securities Division (the “Division”), the Division has required that we defer the payment of the Initial Franchise Fee for each ManageMowed Business until the relevant ManageMowed Business opens for business. Upon the opening of each ManageMowed Business under a Franchise Agreement, you will pay the Initial Franchise Fee when the ManageMowed Business opens for business.

**Item 8, Additional Disclosure**. The following statement is added to Item 8:

Any markup on goods or services sold by us or our affiliates will only cover corresponding costs or expenses incurred in procuring or producing these products or services.

**Item 17, Additional Disclosure**. The following statement is added to Item 17:

You have the right to terminate the Franchise Agreement upon any grounds permitted by law.

The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 ("Act"), which may supersede the Franchise Agreement in your relationship with us, including in the areas of termination and renewal of your franchise. There also may be court decisions that may supersede the Franchise Agreement in your relationship with us, including in the areas of termination and renewal of your franchise.

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.

In the event of a conflict of laws, the provisions of the Act shall prevail.

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 you shall not include rights under the Act 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, 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 our reasonable estimated or actual costs in effecting a transfer.

**Item 22, Additional Disclosure**. The following statements are added to Item 22:

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.

**EXHIBIT A**  
**FRANCHISE AGREEMENT**



**FRANCHISE AGREEMENT**

**MANAGEMOWED FRANCHISE AGREEMENT  
TABLE OF CONTENTS**

<u>Section</u>	<u>Page</u>
1	DEFINITIONS .....1
2	GRANT AND INITIAL TERM .....2
3	OPENING THE FRANCHISED BUSINESS.....5
4	FEES .....6
5	DUTIES OF FRANCHISOR .....8
6	TRAINING .....8
7	MANUAL .....10
8	OPERATION OF THE FRANCHISED BUSINESS .....11
9	MODIFICATIONS TO THE SYSTEM .....18
10	MARKETING .....18
11	INSURANCE .....22
12	ACCOUNTING AND RECORDS .....23
13	PROPRIETARY MARKS AND THE PROPRIETARY MATERIALS .....25
14	YOUR ORGANIZATION AND MANAGEMENT .....27
15	COVENANTS .....29
16	TRANSFER.....31
17	GENERAL RELEASE .....34
18	RENEWAL .....35
19	DEFAULT AND TERMINATION .....36
20	OBLIGATIONS UPON TERMINATION OR EXPIRATION .....39
21	INDEPENDENT CONTRACTOR AND INDEMNIFICATION .....42
22	APPROVALS AND WAIVERS .....43
23	FORCE MAJEURE .....44
24	NOTICES .....44
25	ENTIRE AGREEMENT .....44
26	DISPUTES .....44
27	SEVERABILITY AND CONSTRUCTION.....45
28	REPRESENTATIONS AND ACKNOWLEDGMENTS .....46

Exhibits

- A - FRANCHISE INFORMATION
- B - OWNERSHIP INFORMATION
- C - GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS
- D - FORM OF CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
- E - ACH AUTHORIZATION FORM

## MANAGEMOWED FRANCHISE AGREEMENT

**THIS AGREEMENT** is entered into by and between **ManageMowed Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**” or “**Franchisor**”) and the person(s) or entity identified on Exhibit A to this Agreement (“**you**” or “**Franchisee**”) as of the Effective Date (as defined in Section 1 and as indicated on the signature page of this Agreement).

### BACKGROUND

A. We and our affiliates have developed a system relating to the establishment and operation of commercial landscape management businesses that provide recurring landscape maintenance services to customers including lawn, bed, tree and shrub care services and snow removal services through work provided by independent landscapers and vendors (the “**System**”).

B. The distinguishing characteristics of the System include our brand standards; policies and procedures for the selection of vendors and services to be offered; pricing guidelines; employee qualifications and training; customer sales and service programs; community involvement activities; information technology and point of sale systems; assistance with advertising, promotion, public relations and social media programs; and copyrights and copyrighted materials (the “**Proprietary Materials**”), all of which we may change, improve, and further develop from time to time.

C. We and our affiliates identify the System and the businesses operating under it (“**ManageMowed businesses**”) by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the mark “ManageMowed” and such other trade names, service marks, and trademarks as we may designate in the future for use in connection with the System (the “**Proprietary Marks**”).

D. You wish to obtain the right to establish and operate a franchised ManageMowed business within a specified geographic area.

In recognition of all of the details noted above, the parties have decided to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this Agreement, and they agree as follows:

### 1 DEFINITIONS

The terms defined in the “Background” section and this Section 1 have the meanings set forth in those Sections. Other capitalized terms used in this Agreement are defined where they appear within the text of the Agreement.

1.1 “**Account Manager**” means the individual whose role is defined in Section 8.15 and who is identified in Exhibit B.

1.2 “**Assistant Account Manager**” means that person who will handle business development and set appointments with customers.

1.3 “**Brand Fund**” means the common pool of funds for the enhancement, advancement and protection of the System, advertising and promotion to which ManageMowed businesses contribute and which we administer as provided in Section 10.

1.4 “**Vendors**” means the independent third party commercial landscaping vendors that you select to provide recurring landscape maintenance and related services to customers of the Franchised Business.

1.5 **“Designated Supplier”** means a manufacturer, wholesaler, distributor, dealer, retailer, or other vendor or source that we designate as the source for particular services or products.

1.6 **“Effective Date”** means the date entered in the space so designated on the signature page of this Agreement, which is the date that we counter-sign this Agreement.

1.7 **“Force Majeure”** means any natural disaster, strike, lock-out or other industrial disturbance, act or threat of terrorism, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby.

1.8 **“Franchised Business”** means the franchised ManageMowed business that you operate.

1.9 **“Franchisee Affiliate”** means any business entity that controls, is controlled by, or is under common control with Franchisee.

1.10 **“Gross Sales”** means the aggregate amount of all revenues generated from the sale of all services, products, merchandise and all other income of every kind related to the Franchised Business (including the proceeds from business interruption insurance), whether for cash or credit (and regardless of collection in the case of credit). You may not reduce Gross Sales by the amount of any discounts provided to employees, family members and other businesses that you control. The following are not included in Gross Sales: (1) the amount of any credits, allowances and adjustments; (2) the amount of any sales taxes or other taxes that you collect from customers and pay directly to the appropriate taxing authority; (3) proceeds from insurance with respect to property damage or liability; (4) proceeds from any civil forfeiture, condemnation or seizure by governmental entities; (5) the value of tips and/or gifts paid to your staff or Vendors; and (6) uncollectable amounts subject to the limitation that uncollectable amounts cannot exceed one half of one percent (0.5%) of Gross Sales for any fiscal year and subsequent collections of charged off amounts must be included in Gross Sales when collected. We reserve the right to modify our policies consistent with commercial landscape management industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from “Gross Sales” as circumstances, business practices, and technology change.

1.11 **“ManageMowed business”** means a business offering commercial landscaping services operated by us, our affiliate or an authorized franchisee using the System and the Proprietary Marks.

1.12 **“Managing Owner”** means the individual whose role is defined in Section 14.5 and who is identified in Exhibit B.

1.13 **“Manual”** means our confidential operations manual, which is a library of material addressing specific aspects of operating a ManageMowed business. The term “Manual” also includes all written correspondence, other publications, materials, drawings, memoranda, videos, and electronic media regarding the System that we from time to time may provide to you.

1.14 **“Territory”** means the geographic area described in Exhibit A within which you may offer commercial landscaping services to customers of the Franchised Business.

1.15 **“Training Director”** means the individual whose role is defined in Section 6.3.1 and who will be responsible for training the staff of the Franchised Business.

## **2 GRANT AND INITIAL TERM**

2.1 **Grant.** Subject to the terms and conditions of this Agreement, we grant to you the non-exclusive right, and you undertake the obligation, to continuously operate the Franchised Business and a license to use the Proprietary Marks and the System solely in connection with the Franchised Business and only within the Territory in compliance with the operating standards set forth in the Manual (the

**“Franchise”**). You agree to operate the Franchised Business for the full Initial Term of this Agreement specified in Section 2.2. You have no right under this Agreement to use, and you will not use, the System or the Proprietary Marks in connection with any other business, activity, or unapproved items or services.

2.2 Initial Term. Unless terminated sooner as provided in this Agreement, the initial term of this Agreement (the **“Initial Term”**) expires fifteen (15) years following the earlier of: (1) the date that you open the Franchised Business and start offering commercial landscaping services to customers located within the Territory; or (2) ninety (90) days following the Effective Date. Your rights to seek a successor franchise agreement for an additional term are set forth in Section 18.

### 2.3 Territory and Limited Exclusivity

2.3.1 When you sign this Agreement, if another ManageMowed business is servicing accounts for clients in your Territory, then you may purchase any of those accounts prior to opening your Franchised Business by paying that ManageMowed business thirty percent (30%) of the annualized revenue of each purchased account. If you elect not to purchase an account and if the ManageMowed business that is servicing that account wishes to continue servicing such account during the term of this Agreement, then that ManageMowed business must pay you fifteen percent (15%) of the annualized revenue of each retained account when you sign this Agreement.

2.3.2 You may only operate the Franchised Business within your Territory. You may not perform any services for properties located outside your Territory without our express written permission. Except as reserved in Section 2.3.1 and 2.3.2, provided you are not in material uncured default of this Agreement, during the term of this Agreement, we and our affiliates will not operate, or license others to operate, another ManageMowed business that provides commercial landscaping services to customers located within your Territory.

2.3.3 Notwithstanding the grant of the Territory in Section 2.3.1, we reserve the rights to: (1) distribute products and supplies identified by the Proprietary Marks in the Territory through any method or channel of distribution other than through the operation of a commercial landscape management business; (2) distribute products and supplies identified by the Proprietary Marks through other channels of distribution, including the internet, wholesale, mail order and catalog; (3) operate, and license others to operate, during the term of this Agreement, landscape management businesses identified in whole or in part by the Proprietary Marks at any location outside of the Territory; (4) operate, and license others to operate, after this Agreement terminates or expires, landscape management businesses identified in whole or in part by the Proprietary Marks at any location, including locations inside the Territory; (5) operate, and license others to operate, at any location, including locations inside the Territory, during or after the term of this Agreement, any type of landscape management business identified in whole or in part by the Proprietary Marks other than a commercial landscape management business including, but not limited to, residential landscape management businesses; (6) develop and own other franchise systems for the same or similar services and products using trade names and trademarks other than the Proprietary Marks; (7) purchase, be purchased by, merge or combine with, businesses that directly compete with ManageMowed businesses; and (8) service System Account Program customers in the Territory if you elect not to service their accounts in accordance with Section 2.5 below.

### 2.4 Activities Outside of the Territory

2.4.1 You may not perform services or sell products related to the Franchised Business outside of your Territory without our prior written consent. You may not solicit or advertise to customers outside of the Territory without our permission. “Solicit” includes, but is not limited to, solicitation in person, by telephone, by mail, through the Internet, social media, email or other electronic means, and by distribution of brochures, business cards or other materials or any other advertising. If any solicitation of customers within your Territory is in media (e.g. newspaper, radio, television, or social media) that will or may reach persons outside of your Territory, you are required to notify us in advance and obtain our written consent. If you receive a request for services or products from outside your Territory, you are required to refer that request to the company-owned or franchised ManageMowed Business that operates in the

applicable territory (or to us, if we have not assigned the applicable territory to a ManageMowed Business). However, under certain limited circumstances, you may process a request from outside of the Territory if the requested service is permitted under our policies or otherwise approved by us in writing. If we permit you to advertise, solicit, service or sell in areas outside of your Territory that are not serviced by another ManageMowed Business, you will be required to comply with all of the conditions and other requirements that we may from time to time specify in the Manual or otherwise in writing with respect to such activities. We may at any time condition your continued out-of-Territory sales and services on your agreement to purchase the franchise rights for the territory in which the sales and services are being performed. At any time upon our demand or upon notice from us that the territory in question has been assigned to another ManageMowed Business, you must immediately cease all activities in that territory and comply with our procedures for the transition of customer accounts for that territory. Under no circumstances will we be liable to you for violations by other Franchised Businesses of our policies on out-of-Territory sales and services.

2.5 System Accounts. You acknowledge that our negotiation of national or regional account arrangements with customers (“**System Account Programs**”), including rates and services to be performed, enhances the potential value of the System and inures to your benefit, our benefit, and the benefit of other ManageMowed businesses. Accordingly, we reserve the right to enter into agreements to provide services to customers as part of a System Account Program at locations which include locations within your Territory. If we establish a System Accounts Program, you may have the opportunity to participate in the program and to service customers in your Territory in accordance with the pricing and other terms negotiated by us. You must have been operating the Franchised Business for at least six (6) months to be eligible to participate in a System Account Program, and your participation will be at our sole discretion. The details of any System Accounts Program that we establish will be set forth in the Manual. You may be required to sign a System Accounts Program Participation Agreement to be listed as a participating ManageMowed business with respect to a particular System Accounts Program. If you are not eligible for or elect not to participate in a System Accounts Program, we or another System franchisee may perform the service in your Territory. In the case of an agreement under which the customer will pay a fixed amount for services at all locations listed in the agreement, we may allocate the fixed amount among the ManageMowed Businesses performing the services.

2.6 Advertising and Promotional Materials. You acknowledge that advertising and promotional materials created, placed, and/or distributed by us, other franchisees operating under the System, or other entities authorized by us, may appear in media distributed in, or may be directed to prospective customers located within, the Territory, including on our System website or any related online site.

2.7 Minimum Performance Requirements. You acknowledge and agree that the limited territorial rights we grant to you in Section 2.3 are conditioned upon your compliance with this Agreement, and our standards as set forth in the Manual. In addition, your Franchised Business must meet the following minimum performance requirements each year or we may place you in default of this Agreement and/or require you to attend additional training programs:

<u>Operating Year*</u>	<u>Gross Sales</u>
Completion of Operating Year 1	\$75,000
Completion of Operating Year 2	\$150,000
Completion of Operating Year 3	\$250,000
Completion of Operating Year 4 and thereafter	\$350,000

\* Your Operating Year is calculated as each anniversary of the Effective Date of your Franchise Agreement. We will review your performance at the end of each Operating Year. If you fail to satisfy the minimum performance requirements, and fail to cure any deficiencies (if we grant you an opportunity to cure such a

default) at the end of any Operating Year, we may take any one or more of the following actions: (1) reduce the size of your Territory, with a corresponding reduction in the minimum performance requirements; and/or (2) permit other ManageMowed business franchisees, or us or our affiliates, to directly solicit customers inside your Territory; and/or (3) establish, or license or franchise others to establish, ManageMowed businesses in your Territory; and/or (4) terminate this Agreement.

2.8 Forms of Agreement. You acknowledge that, over time, we have entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that we and our affiliates and other franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

2.9 Best Efforts. You agree that you will at all times faithfully, honestly and diligently perform your obligations under this Agreement, that you will continuously exert your best efforts to promote and enhance the Franchised Business, and that you will not engage in any other business or activity that may conflict with your obligations under this Agreement, except the operation of other ManageMowed businesses authorized by us.

### 3 OPENING THE FRANCHISED BUSINESS

3.1 Opening Deadline. You must equip your office and open the Franchised Business by providing landscape management services to commercial customers located within your Territory within ninety (90) days after the Effective Date (“**Opening Deadline**”). Any failure by you to meet the Opening Deadline shall be a default of this Agreement for which we can terminate this Agreement without providing you an opportunity to cure the default. **TIME IS OF THE ESSENCE.**

#### 3.2 Furnishings, Equipment and Signage.

3.2.1 You are solely responsible for locating and choosing a site from which to operate the Franchised Business, however, we must consent to the proposed location of the Franchised Business prior to opening. The location of the Franchised Business can be located in a residence. You may not relocate your office without our prior written consent, which may be withheld by us in our reasonable business discretion. The first address of the Franchised Business is identified in Exhibit A.

3.2.2 You assume all cost, liability and expense for furnishing and equipping your office. You do not need to obtain our approval of your office layout or design. You must obtain all required construction and occupancy licenses, permits and approvals if you elect to use commercial office space. We will provide specifications for equipment, vehicles, vehicle wraps and magnetic signage, and interior and exterior signage. You must purchase or lease approved brands, types or models of these items only from suppliers designated or approved by us, which may include us or our affiliates. You will not make any material alteration to these items without our prior express written approval. You agree to identify your vehicles and any commercial office space with only the signs, logos and display materials that we have approved. You must ensure that your Vendors use branded vehicle magnets and the equipment that we specify when they are providing services to customers of the Franchised Business.

3.3 Opening the Franchised Business. You shall not open the Franchised Business for business without our express written authorization, which will not be granted unless you have satisfied the following conditions:

3.3.1 You have paid the Initial Franchise Fee (as defined in Section 4.1) and any other amounts then due to us;

3.3.2 You have signed this Agreement and all other agreements as required by us including, but not limited to, the electronic funds transfer documents described in Section 4.6;

3.3.3 You must not be in material default under this Agreement or any other agreements with us; you must not be in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Business; you must not be in default beyond the applicable cure period with any Vendor or supplier to the Franchised Business; and for the previous six (6) months, you must not have not been in material default beyond the applicable cure period under any agreement with us;

3.3.4 You have obtained, provided copies to us, and maintain all required building, utility, sign, business and other permits and licenses applicable to the Franchised Business;

3.3.5 You have purchased or leased and installed all specified and required furnishings, equipment, vehicles, and signage for the Franchised Business;

3.3.6 You have completed the wraps and staging for your vehicles;

3.3.7 You have purchased all required technology systems and they are operational;

3.3.8 You have purchased an opening inventory of supplies for the Franchised Business of only authorized and approved products and other materials and supplies;

3.3.9 Your Managing Owner, Account Manager, Training Director, and an Assistant Account Manager have completed our training program and you have hired and trained a staff to manage and operate the Franchised Business on a day-to-day basis in accordance with the requirements of Section 6;

3.3.10 You have obtained a certificate of occupancy and any other required health, safety or fire department certificates if you elect to operate the Franchised Business in commercial office space; and

3.3.11 You have obtained and provided to us copies of certificates for all insurance policies required by Section 11 or such other evidence of insurance coverage and payment of premiums as we reasonably may request.

## 4 FEES

4.1 Initial Franchise Fee. In consideration of the Franchise rights granted in this Agreement, you must pay us a non-refundable initial franchise fee in the amount set forth in Exhibit A when you sign this Agreement (“**Initial Franchise Fee**”). You acknowledge and agree that the Initial Franchise Fee is fully earned by us when paid, and we have no obligation to refund the Initial Franchise Fee in whole or in part for any reason. However, if the Franchised Business is the first ManageMowed business that you or your Franchisee Affiliates have developed and we terminate this Agreement based on the failure of your Managing Owner or his/her replacement to attend and successfully complete the ManageMowed training program to our satisfaction, we may, in our sole discretion, refund up to fifty percent (50%) of the Initial Franchise Fee, less our reasonable expenses incurred in assisting you and any training or other costs we have incurred regarding you or your recruitment as a franchisee. As a condition of any such refund, we may require that you and your owners sign a general release, in the form prescribed by us, of any and all claims against us, our affiliates and our respective past, present and future officers, directors, shareholders and employees.

4.2 Royalty Fee. Beginning on the date you commence operation of your Franchised Business, you must pay us on Wednesday of each Accounting Week (as defined below) or such other date as we may designate a weekly non-refundable royalty fee (the “**Royalty Fee**”) for the continued use of the Franchise rights. The Royalty Fee for the first Seven Hundred Fifty Thousand Dollars (\$750,000.00) of Gross Sales during each calendar year is eight percent (8%) of the Gross Sales of the Franchised Business (the “**Base Royalty Fee**”). Provided you are not in default under this Agreement or under any agreement

with us or our affiliates, we will reduce the Royalty Fee to seven percent (7%) of the Gross Sales of the Franchised Business above Seven Hundred Fifty Thousand and 01/100 Dollars (\$750,000.01) during the calendar year. The rate reverts to the Base Royalty Fee and resets at the start of the next calendar year. Unless otherwise designated by us in writing, an "Accounting Week" begins on Sunday and ends on the following Saturday.

4.3 Brand Fund Contribution. You must contribute two percent (2%) of the Gross Sales of the Franchised Business to the Brand Fund at the same time and in the same manner as you pay the Royalty Fees up to an annual calendar year cap of Ten Thousand Dollars (\$10,000). We have the right to alter the amount of the Brand Fund contribution as described in Section 10.3.

4.4 Other Funds Due. You agree to pay us, within ten (10) days of our written request (which is accompanied by reasonable substantiating material), any monies that we have paid, or that we have become obligated to pay, on your behalf, by consent or otherwise under this Agreement.

4.5 Taxes Imposed on Us. If any taxes, fees or assessments (other than income taxes) are imposed on us by reason of our acting as franchisor or licensing the Proprietary Marks under this Agreement, you must reimburse us for the amount of those taxes, fees or assessments within thirty (30) days after receipt of an invoice from us.

4.6 Payment Method. You must designate an account at a commercial bank of your choice (the "**Account**") for the payment of amounts due to us and/or our affiliates, including but not limited to weekly Royalty Fees and Brand Fund contributions. You must furnish us and the bank with authorizations as necessary to permit us to make withdrawals from the Account by electronic funds transfer (including the ACH Authorization Form attached as Exhibit E). Each Wednesday, we will transfer from the Account an amount equal to the Royalty Fees and Brand Fund contributions due from you based on the Gross Sales of the Franchised Business for the preceding Accounting Week, as well as any other fees due to us and/or our affiliates. You agree to maintain sufficient funds in the Account at all times to cover all Royalty Fees, Brand Fund contributions and other fees payable to us or our affiliates. If funds in the Account are insufficient to cover the amounts payable at the time we make our weekly electronic funds transfer, the amount of the shortfall will be deemed overdue. You must notify us at least ninety (90) days before closing or changing the Account against which such debits are to be made. If such Account is closed or ceases to be used, you will immediately provide all documents and information necessary to permit us to debit the amounts due from an alternative account. We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic, electronic debit (e.g., by check) whenever we deem appropriate, and you must comply with our payment instructions. If we supply products to you, we may require pre-payment or COD depending on our then-current policies and your payment record with us.

4.7 Interest and Insufficient Funds Charges. If any payment is overdue, you must pay us, in addition to the overdue amount, interest on the overdue amount from the date it was due until paid at the rate of one and a half percent (1.5%) per month or the maximum rate permitted by applicable law, whichever is less. The interest charges are in addition to any other remedies we may have.

4.8 Application of Payments. We have the right to apply payments from you in any way we choose, to any amounts you owe us.

4.9 No Offset. You shall not withhold or off-set any portion of any payment due to our alleged non-performance under this Agreement or any other agreement by and between you and us or our respective affiliates.

4.10 Partial Payments. No payment by you or acceptance by us of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Your payment of a lesser amount than due with an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect, and we may accept the partial payment without prejudice to any rights or remedies we may have against you. Acceptance of payments by us other than as set forth in this Agreement shall not constitute a waiver of our

right to demand payment in accordance with the requirements of this Agreement or a waiver by us of any other remedies or rights available to us pursuant to this Agreement or under applicable law. Notwithstanding any designation by you, we shall have sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, Brand Fund contributions and fees, purchases from us or our affiliates, interest or any other indebtedness. We have the right to accept payment from any other entity as payment by you. Acceptance of that payment by us will not result in that other entity being substituted for you.

4.11 Collection Costs and Expenses. You must pay to us on demand any and all collection costs and expenses (including, without limitation, costs and commissions due a collection agency, costs incurred in creating or replicating reports demonstrating Gross Sales of the Franchised Business, reasonable attorneys' fees, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing) incurred by us in enforcing the terms of this Agreement, including, without limitation, in collecting any monies owed by you to us.

## **5 DUTIES OF FRANCHISOR**

5.1 Specifications. We will provide specifications for vehicles, vehicle wraps and magnetic signage.

5.2 Manual. We will loan the Manual to you for the Initial Term of this Agreement.

5.3 Training. We will provide a training program for the persons that we require or permit to attend training under Section 6 of this Agreement.

5.4 Supervision. We will provide pre-opening and opening supervision and assistance as we deem advisable.

5.5 Suppliers. We will name approved suppliers and Designated Suppliers as we deem appropriate and review suppliers that you nominate, subject to the limitations in Section 8.4.

5.6 Marketing Materials. In addition to the advertising and promotional materials produced and placed by the Brand Fund of behalf of the System, we will make available to you for purchase certain advertising and promotional materials that you can adapt for the Franchised Business.

5.7 Operational Advice. We will provide to you from time to time, as we deem appropriate, advice and written materials concerning techniques of managing and operating a ManageMowed business.

## **6 TRAINING**

### **6.1 Pre-Opening Training**

6.1.1 If the Franchised Business is the first ManageMowed business developed by you and/or your Franchisee Affiliates, at least fifteen (15) days before opening the Franchised Business, your Managing Owner, Account Manager, Training Director (if any), and Assistant Account Manager (if your Managing Owner chooses not to act as the Assistant Account Manager), must attend and successfully complete the ManageMowed training program to our satisfaction. You may bring additional staff members to the training program at no charge if we have space available. The training program consists of web-based pre-training modules, a three (3) week pre-training workbook (which may include training and certification programs administered by third party organizations that we designate) and one (1) week of classroom and one (1) week of on-the-job training at a ManageMowed business, our home office and/or another training site that we designate. We may increase or reduce the required training based on our assessment of an individual's prior experience. After completing the pre-training modules and pre-training workbook, your personnel may attend the next regularly scheduled training program without incurring any tuition fee. Your personnel must present evidence of attendance and successful completion of the pre-training modules and pre-training workbook prior to attending the training program. If any required

personnel fail to successfully complete the training program, or if you need to send a replacement to the training program, those individuals must attend a re-training program and you must pay a re-training fee in the amount of Five Thousand Dollars (\$5,000) for each person who attends the re-training program. We will have the right to require that your personnel sign and deliver to us a Confidentiality Agreement prior to participating in any aspect of the training program.

6.1.2 We will certify any supervisory employee of yours who successfully completes the training program to our satisfaction as a “**Trainer.**” We will authorize the Franchised Business to open only after your Managing Owner, Account Manager, Training Director (if your Managing Owner or Account Manager are not serving as the Training Director) and Assistant Account Manager have been certified as Trainers after successfully completing the training program to our satisfaction. We may terminate this Agreement if your Managing Owner fails to attend or successfully complete the training program to our satisfaction.

6.2 In-Market Training. If the Franchised Business is the first ManageMowed business developed by you and/or your Franchisee Affiliates, during the first thirty (30) days following the opening of your Franchised Business and subject to our availability, we will send a representative to the Franchised Business to provide additional training for up to five (5) days. You will not be required to pay any additional costs for any of the travel or living expenses incurred by our representative while they provide the in-market training.

### 6.3 Train the Trainer Program

6.3.1 Prior to opening the Franchised Business, you must appoint a Training Director who will train your Account Managers and staff. The Training Director must be approved by us and must successfully complete our training programs and any ongoing training requirements that we specify. You must designate a replacement within thirty (30) days after your Training Director ceases to qualify as a Training Director. Your replacement must successfully complete our training program within thirty (30) days of their appointment as your Training Director. Your designee to become the Training Director must satisfy the criteria set forth in this Section 6.3.1 and be approved by us.

6.3.2 You must have a full staff in place and available for training at least ten (10) days before the Franchised Business opens. Periodically, you must conduct such training programs for your employees as we may require, including those training programs required for your employees to become certified for the position(s) for which each employee was hired. Your Trainers are responsible for fully training the Franchised Business’s employees within thirty (30) days of being hired. Your Trainers under the direction of your Training Director also will offer the ManageMowed training program to your replacement Managing Owner, Account Manager and additional managerial staff before they assume a managerial role at the Franchised Business. We will evaluate all personnel trained by you and determine whether to certify them as Trainers. You will be responsible for all costs that you incur in training your employees. If you need to send your replacement Managing Owner, Account Manager, Assistant Account Manager, Training Director, Trainers, sales personnel, or managerial staff to our training program, you must pay a training fee in the amount of Five Thousand Dollars (\$5,000) for each person attending the training program.

6.3.3 We may periodically inspect your Franchised Business to ensure that your Trainers and staff continue to meet our standards. We have the right to de-certify any of your personnel (including your Account Manager and managers) who consistently fail to maintain our System standards as set forth in the Manual. Any such employees may not return to their positions until they have been successfully retrained. If we determine, in our sole discretion, that your Trainers are no longer qualified to train your employees (or if you do not have any Trainers on staff), then you, at our election, must either have the Trainers attend and successfully complete the ManageMowed training program and be re-certified as Trainers or designate replacement personnel to complete the training program to be certified as your Trainers. If we elect to send our representative to the Franchised Business to provide training for your staff, you must pay a training fee in the amount of Five Hundred Dollars (\$500) per representative, per day, and all travel, living and other expenses incurred by our representative.

6.3.4 If you already operate a ManageMowed business, before opening the Franchised Business developed under this Agreement, your Managing Owner, Account Manager, Training Director, and an Assistant Account Manager must attend and complete the ManageMowed training program that you conduct at one of your ManageMowed business offices, unless the individuals previously completed the training program to our satisfaction. The content and administration of your training program must be at least equal to those of our training program and must be approved in advance by us. We will provide you with materials and, to the extent we deem it necessary or appropriate, assistance in designing and developing your training program. We have the right to review your training program periodically to ensure its quality and to verify that your managers are being trained in a timely and satisfactory manner. We will notify you of any deficiencies in the training program. You must promptly cure the deficiencies. If you fail to cure the deficiencies within a reasonable time, we may require your Managing Owner, Account Manager, Training Director, and an Assistant Account Manager to attend our training program at your expense (including payment of the Five Thousand Dollar (\$5,000) per person training fees), until such time as the deficiencies in your program have been corrected to our satisfaction.

6.4 Additional Training. After the Franchised Business opens for business:

6.4.1 Your employees that we reasonably designate must attend and complete, to our satisfaction, any additional training programs that we reasonably require from time to time. These additional training programs may include classroom training, web-based training and programs offered by third parties. We may require you to pay reasonable training fees for these programs (plus travel, meals and lodging expenses for our representatives, if we conduct the training at your office).

6.4.2 Your Managing Owner must attend our annual convention, regional meetings and conferences. You are responsible for the registration fee for these meetings (which will not exceed One Thousand Five Hundred Dollars (\$1,500) per attendee) and the costs of travel and accommodations.

6.4.3 We periodically, as we deem appropriate, will advise and consult with you in connection with the operation of the Franchised Business. We may provide these services through visits by our representatives to your office, the distribution of printed, filmed or electronic information, meetings or seminars, telephone communications, e-mail communications or other communications. We will periodically inspect the Franchised Business and its operations to assist your operations and ensure compliance with the System. At your request, we may provide special assistance and/or remedial training at your office, our headquarters, or another ManageMowed business for which you will be required to pay our per diem training fees and charges that we may establish from time to time.

6.5 Delegation. We have the right to delegate the performance of any portion or all of our obligations and duties under this Agreement to our designees, whether affiliates or agents of ours or independent contractors with whom we have contracted to provide this service.

6.6 Control by Us. Notwithstanding anything to the contrary in this Section 6, you and we recognize and agree that we do not exercise any day-to-day control of the Franchised Business, including, but not limited to, the security at the Franchised Business and the hiring and firing of employees.

6.7 Training Methods; Expenses. Except for the classroom and on-the-job training portions of the ManageMowed training program, we have the right to provide training programs in person, by video, via the internet, or by other means, as we determine. All training that we conduct in person will be held at a location that we designate. You are responsible for all expenses of your trainees, including but not limited to the costs of transportation, lodging, meals, and wages. You may also be required to purchase training materials and uniforms.

## **7 MANUAL**

7.1 Access to the Manual. During the term of this Agreement, we will provide you with electronic access to the Manual, which contains information and knowledge that is unique, necessary and material to

the System. The Manual contains detailed standards, specifications, instructions, requirements, forms, reports, methods and procedures for the management and operation of ManageMowed businesses. The Manual also may relate to the selection, method, purchase, storage, and sale of all services, equipment, and products offered at the ManageMowed businesses; management and employee training; marketing, advertising and sales promotions; computer systems, vehicles, graphics, signs, interior and exterior decor items, employee and Vendor dress attire and appearance standards; and accounting, bookkeeping, records retention and other business systems, procedures and operations. You agree at all times to operate the Franchised Business in strict conformity with the Manual; to maintain the Manual at your office; to not reproduce the Manual or any part of it; and to treat the Manual as confidential and proprietary, and; to disclose the contents of the Manual only to your employees who have signed a confidentiality agreement and who have a demonstrated need to know the information contained in the Manual.

7.2 Modifications to the Manual. We may supplement or amend the Manual from time to time by letter, electronic mail, bulletin, videos, software or other communications concerning the System to reflect changes in the image, specifications and standards relating to developing, equipping, furnishing and operating a ManageMowed business. We reserve the right to furnish all or part of the Manual to you in electronic form or online (including by intranet or extranet) and to establish terms of use for electronic access to the Manual. You agree to keep your copy of the Manual current and up-to-date with all additions and deletions provided by or on behalf of us and you agree to purchase whatever equipment and related services (including, without limitation, a video player, computer system, internet service, dedicated phone line, facsimile machine, etc.) as may be necessary to receive these communications. If a dispute relating to the contents of the Manual develops, the master copy maintained by us at our principal offices shall control.

7.3 Electronic Access. At our option, we may post some or all of the Manual on a restricted website to which you will have access. If we do so, you agree to monitor and access the website for any updates to the Manual. Prior to accessing our restricted website you and any of your employees must agree to abide by our terms of use, which we may revise from time to time. Any passwords or other digital identifications necessary to access the Manual constitute confidential information owned by us and shall not be shared by employees or with any third party.

## **8 OPERATION OF THE FRANCHISED BUSINESS**

8.1 Compliance with System Standards. In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate the Franchised Business in strict conformance with the methods, standards, and specifications we prescribe from time to time in the Manual or otherwise in writing. You acknowledge that the System standards may relate to any aspect of the operation of the Franchised Business. Any material failure to comply with the mandatory System standards or to pass our periodic quality control inspections will constitute a material breach of this Agreement. You acknowledge that we have the right to vary our standards and specifications, in our reasonable judgment, to accommodate the individual circumstances of different franchisees.

### **8.2 Approved Services and Products.**

8.2.1 You must offer for sale by the Franchised Business all services and products that we designate as required items. You will at all times maintain a complete inventory of approved items and supplies necessary for operating the Franchised Business and providing services to customers. You may also offer for sale any optional services and products that we have approved in writing for sale in a ManageMowed business; however, you may not work on projects that are not on our approved enhancement list of services or offer or sell any unapproved services or products without our prior written consent. For example, you may not offer residential landscape management or landscaping services without or prior written consent. You must provide services only using the methods that we have approved. You must sell products only in the weights, sizes, forms, and packaging that we have approved. You must discontinue selling or offering for sale any services or products which we, in our sole discretion, disapprove in writing at any time. If you would like to use or offer services, products, supplies, and/or equipment that we have not approved, you agree to first submit to us a written request for approval and you shall refrain

from offering or using these items at the Franchised Business until you have received our written approval. We have the right to require you to use only certain brands and to prohibit you from using other brands. We may from time to time modify the list of approved brands and you shall not reorder any brand that is no longer approved.

8.2.2 Within thirty (30) days after receipt of written notice from us, you must begin selling any newly approved services and products and cease selling any services and products that are no longer approved. All services and products authorized for sale at the Franchised Business shall be offered for sale under the specific name designated by us. If you have a suggestion for a new service or product or for a change to an authorized service or product or you desire to participate in a test market program, you must provide us written notice prior to implementation. You may not add or modify any product or service or participate in a test market program without first having obtained our prior written approval. You must purchase any additional equipment and supplies as we deem reasonably necessary in connection with new services and products. If we require you to begin offering a new service or product which requires the purchase of additional equipment, we will provide you with a reasonable period of time, as determined in our sole discretion, for the financing and purchase of any such equipment before you must offer such new product or service for sale at the Franchised Business.

8.3 Sourcing of Services and Products. We have the right to require that all current and future products, supplies, equipment, furnishings, promotional items, information technology services, credit card processing services, and other services and products that you purchase for the operation of or sale in the Franchised Business: (1) meet specifications that we establish from time to time; and/or (2) be purchased only from suppliers that we have expressly approved; and/or (3) be purchased only from a Designated Supplier (which may be us or an affiliate or a buying cooperative that we organize). To the extent that we establish specifications, require approval of suppliers, or name Designated Suppliers for particular items, we will provide the requirements to you in writing. If we elect to name ourselves or an affiliate as the Designated Supplier for a particular item, you must purchase all of your requirements of the item from us or the affiliate. You must submit orders in accordance with the terms and procedures we specify from time to time. Any conflicting terms and conditions of sale stated in your purchase order will have no effect. In case of shortages, we will have complete discretion to allocate products among ManageMowed businesses (and, at our option, other channels of distribution). If shortages or an event of Force Majeure prevent us from being able to supply your Franchised Business with its requirements, you are authorized to purchase products from other sources for use at the Franchised Business until we are again able to meet the Franchised Business's requirements, provided that the alternative products meet our specifications and that we have given prior written approval. Although approved by us, designated by us, or supplied by us, we and our affiliates make no warranty and expressly disclaim all warranties, including warranties of merchantability and fitness for any particular purpose, with respect to services, products, equipment (including, without limitation, any required computer and software systems), supplies, fixtures, furnishings or other approved items. In addition, we disclaim any liability arising out of or in connection with the services rendered or products furnished by any supplier approved or designated by us. Our approval or consent to any services, goods, supplies or any other individual, entity or any item shall not create any liability on us.

8.4 Supplier Review Process. If we require you to use an approved supplier for a particular item, but you wish to purchase the item from a supplier that we have not approved, you may submit a written request for approval of the alternate supplier, unless it is an item for which there is a Designated Supplier. We have no obligation to review or approve a greater number of suppliers for an item than the number we deem reasonable, and any proposed supplier relationship must not jeopardize the availability of any special pricing or other benefits offered by our existing suppliers based on system-wide purchases. We will provide our standards and specifications to you or to the proposed supplier, subject to the supplier's execution of a confidentiality agreement in a form acceptable to us. We have the right to inspect the proposed supplier's facilities and to require delivery of product samples either to us or to an independent laboratory designated by us for testing. Upon completion of our analysis, we will notify you in writing of our approval or disapproval of the proposed supplier. You agree to pay a charge not to exceed our reasonable costs incurred in evaluating the supplier, regardless of whether or not we approve the supplier. You may not purchase, sell, or offer for sale any services or products of the proposed supplier until you receive our written approval of the proposed supplier. We have the right to re-inspect the facilities and products of any

approved supplier and to revoke approval upon the supplier's failure to meet any of our then-current criteria. If you receive a notice of revocation of approval, you agree to cease purchasing products from the disapproved supplier and, in the case of revocation based on the failure of the supplier's products to meet our standards, you agree to dispose of your remaining inventory of the disapproved supplier's products as we direct.

8.5 Rebates. We may negotiate purchasing arrangements under which suppliers agree to make services, products, equipment, materials and other goods and services available to ManageMowed businesses. Subject to applicable law, we may earn money from the suppliers based on your purchases in the form of rebates, commissions, or other payments. You acknowledge that these payments compensate us for the cost of negotiating and maintaining the purchasing arrangements with the suppliers and that, subject to applicable laws, we have no obligation to remit the funds (or any portion thereof) to you.

8.6 No Other Sales Channels. You may not offer residential landscape management or landscaping services without our prior written approval. You may not engage in any grey marketing activities where you take advantage of purchasing arrangements for ManageMowed businesses and transfer products to any other business not operating under the System. Unless expressly authorized by us, you may not sell services or products through any channel or facility other than to your Franchised Business customers. If we approve any one or more activities, we will not be deemed to have given our approval or waived our right to approve or disapprove any other activities that you may later propose. We will consider the factors that we deem appropriate, which may include the period of time you have been operating the Franchised Business, your sales volume, whether you have met certain quality standards and other benchmarks, and other standards that we may determine are applicable.

8.7 Hours of Operation. You must keep the Franchised Business open and in normal operation for the minimum hours and days specified in the Manual and as permitted by applicable laws, and must refrain from using or permitting the use of any commercial office space for any other purpose or activity at any time without first obtaining our written consent.

8.8 Furnishings and Equipment. You must acquire and install and use in the operation of your Franchised Business, at your expense, such fixtures, furnishings, equipment, vehicles, décor, and signs as we may reasonably direct from time to time. You must not install or permit to be installed or use in the operation of the Franchised Business, without our prior written consent, any fixtures, furnishings, equipment, décor, signs, or other items not previously approved by us.

8.9 Inspections.

8.9.1 If you operate a commercial office, you must constantly maintain your office and all furniture, fixtures, equipment, vehicles, furnishings, floor coverings, interior and exterior signage, the building interior and exterior, interior and exterior lighting, and landscaping and parking lot surfaces in first-class condition and repair in accordance with the requirements of the System, including all ongoing necessary remodeling, redecorating, refurbishing and repairs. At your own expense, you must make such additions, alterations, repairs, and replacements as may be required for that purpose (but no others without our prior written consent). Upon our request, you must provide us with copies of any inspection report conducted by a third party. You may not make any material alterations to your commercial office space that affect operations or the image of the System without our prior written approval. You acknowledge and agree that the requirements of this Section 8.9 are both reasonable and necessary to ensure continued public acceptance and patronage of ManageMowed businesses, to assist the Franchised Business to compete effectively in the marketplace for quality landscaping staff and Vendors, and to avoid deterioration or obsolescence of the operation of the Franchised Business.

8.9.2 You must permit us and our agents to conduct inspections and to interview employees at any time during normal business hours. We may also interview your customers and Vendors and conduct inspections of the work performed for customers of the Franchised Business. You must cooperate with such inspections by rendering such assistance as our representatives may reasonably

request. Upon receipt of notice from us or our agents, you must immediately take such steps as may be necessary to correct any deficiencies identified during any such inspection.

8.10 Quality Assurance Program. You must comply fully with our quality assurance program. The program may include, among other things, inspections of services performed for customers by your employees and Vendors, customer satisfaction surveys, mystery shopper reports, and employee and Vendor satisfaction and perception surveys. You must pay any out-of-pocket costs that we incur to third parties to carry out quality assurance program activities at your Franchised Business. If you fail to achieve the minimum score prescribed in the Manual for a specific quality assurance category, we may require you and/or your employees to complete additional training at your office or a location that we designate, at your expense.

8.11 Compliance with Sound Business Practices. You will at all times operate the Franchised Business diligently and in a manner which is consistent with sound business practices. You will at all times maintain working capital and a net worth which is sufficient, in our opinion, to enable you to fulfill properly all of your responsibilities under this Agreement. You will pay all of your debts and obligations incurred in the operation of the Franchised Business as these debts and obligations become due. You will, in all dealings with us and our affiliates, your suppliers and customers, and public officials, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You will refrain from any business practice which may harm ManageMowed businesses, the System or the Proprietary Marks. You will cause your affiliates, employees, owners, representatives and agents to strictly comply with the provisions of this Agreement.

#### 8.12 Compliance with Laws and Taxes

8.12.1 You must operate the Franchised Business in full compliance with all applicable municipal, county, state and federal laws, rules, regulations and ordinances. You must obtain and retain all required licenses and permits to operate the Franchised Business and you must require your staff members and Vendors to obtain all required licenses and certifications for their position. You have sole responsibility for compliance despite any information or advice that we may provide.

8.12.2 You, on behalf of yourself and your owners, agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you, on behalf of yourself and your owners, certify, represent, and warrant that none of your respective property or interests are "blocked" under any of the Anti-Terrorism Laws and that neither you nor any of your owners are in violation of any of the Anti-Terrorism Laws. You also agree not to knowingly hire or do business with (or continue to employ or do business with) any party who is blocked under any of the Anti-Terrorism Laws. The term "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, as supplemented, the USA PATRIOT Act, and all other laws and regulations addressing or in any way relating to terrorist acts and/or acts of war.

8.12.3 You represent and agree that, on the date of this Agreement, you and your directors, officers, representatives, shareholders, parent entities, subsidiaries, affiliates, agents, and employees are, and shall remain for the duration of this Agreement, in compliance in all respects with the Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd-1, et seq.) (the "**FCPA**"), as amended, and any applicable foreign counterpart thereto. You will not, for the duration of this Agreement, make any payment, offering, or promise to pay, or authorize the payment of, money or anything of value (1) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (2) to a foreign official, foreign political party or party official or candidate for foreign political office, or (3) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to you or to any other person or entity, in violation of the FCPA.

8.12.4 You must promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness incurred in the operation of the Franchised Business. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in

accordance with procedures of the taxing authority or applicable law, but in no event will you permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Franchised Business.

8.12.5 You must meet and maintain the highest safety standards and ratings applicable to the operation of the Franchised Business, and furnish to us, within two (2) days after receipt thereof, a copy of each and every governmental agency report. You must notify us by telephone within twenty-four (24) hours, and confirm in writing within two (2) days, after receiving notice of any investigation or violation concerning any zoning, health, or safety laws and regulations.

8.12.6 You must immediately notify us in writing of the commencement of any action, suit, or proceeding and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality that may adversely affect the operation or financial condition of the Franchised Business.

### 8.13 Control During Crisis Situation

8.13.1 If an event occurs in the operation of the Franchised Business that has or reasonably may cause harm or injury to customers or employees (*i.e.*, robberies, violent activities, slip and fall injuries, etc.) or may damage the Proprietary Marks, the System or our reputation (collectively "**Crisis Situation**"), you shall: (1) immediately contact appropriate emergency care providers to assist you in curing the harm or injury; and (2) immediately inform us by telephone of the Crisis Situation. You must refrain from making any internal or external announcements (*i.e.*, no communication with the news media) regarding the Crisis Situation (unless otherwise directed by us or public health officials).

8.13.2 To the extent we deem appropriate, in our sole and absolute discretion, we or our designee may control the manner in which the Crisis Situation is handled by the parties, including, without limitation, conducting all communication with the news media, providing care for injured persons and/or requiring you to temporarily cease operating the Franchised Business. The parties acknowledge that, in directing the management of any Crisis Situation, we or our designee may engage the services of attorneys, experts, doctors, public relations firms and those other professionals as we deem appropriate. You and your employees shall cooperate fully with us or our designee in our efforts and activities in this regard and shall be bound by all further Crisis Situation procedures developed by us from time hereafter. Your indemnification obligation under Section 21.2 shall include all losses and expenses that may result from the exercise by us or our designee of the management rights granted in this Section 8.13.

### 8.14 Quality and Customer Service Standards

8.14.1 All services and products provided by the Franchised Business will be of high quality and will conform to our quality and customer service System standards. If we determine, in our sole discretion, that any of the items or services you have provided are not in conformance with applicable quality standards, we may place you in default of this Agreement under Section 19 of this Agreement.

8.14.2 We may implement a communication system for customers to lodge their comments and complaints. If implemented, we will forward such comments and complaints to you for resolution. You must immediately resolve any customer complaints regarding the quality of services or products that you supply. When any customer complaints cannot be immediately resolved, you must use reasonable efforts to resolve the customer complaints as soon as practical and shall, whenever feasible, give the customer the benefit of the doubt. If we, in our sole discretion, determine that our intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if we, in our sole discretion, believe that you have failed to adequately address or resolve any customer complaints, we may, without your consent, resolve any complaints and charge you an amount sufficient to cover our reasonable costs and expenses in resolving the customer complaints, which amount you must pay to us immediately on demand.

8.15 Account Manager. You must designate an individual whom we have approved to serve as your Account Manager. The Account Manager must complete our training program and any additional training programs that we require to our satisfaction. We must have approved the Account Manager and not have later withdrawn that approval. The Account Manager must have full control over and devote his or her best efforts to supervising the day-to-day operation of the Franchised Business. The Account Manager must work for your Franchised Business on a full-time basis for at least thirty-five (35) hours per week. The Account Manager shall not, without our prior written approval, engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations under this Agreement. You agree to provide us with an executed copy of any arrangement, agreement or contract, and all amendments thereto, between you and your Account Manager related to the operation of the Franchised Business. If the Account Manager no longer qualifies as such, you must designate another qualified person to act as the Account Manager within thirty (30) days after the date the prior Account Manager ceases to be qualified. Your designee to be the Account Manager must satisfy the criteria set forth in this Section 8.15 and be approved by us.

#### 8.16 Staffing and Vendors

8.16.1 You agree to maintain a competent, conscientious, trained staff in numbers sufficient to promptly service customers, including specified positions and minimum staffing levels that we may establish from time to time in the Manual. The positions and/or functions for which you will be required to maintain staff for your Franchised Business include, without limitation, the Account Manager, a Training Director, and an Assistant Account Manager, all of whom are trained in compliance with Section 6 above.

8.16.2 You must maintain a network of available staff and Vendors to provide landscape maintenance services to customers in your Territory. You must train your staff and Vendors and supervise their quality of work to ensure that our brand standards and customer service are maintained at the highest level.

8.16.3 You have sole responsibility for all employment decisions and functions of the Franchised Business, including those related to hiring, firing, training, wage and hour requirements, recordkeeping, supervision, and discipline of employees, despite any information or advice we may provide. You must maintain a competent, conscientious, trained staff with enough workers to operate the Franchised Business in conformance with our standards. You must take such steps as are necessary to ensure that your employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as we may establish from time to time in the Manual.

8.16.4 You must comply with all state and local laws and regulations regarding your Vendors and the staffing and management of personnel including, but not limited to, any required licenses and certifications. You agree to take such steps as are necessary to ensure that your employees and Vendors preserve good customer relations and comply with such dress code and cleanliness and sanitation standards as we may prescribe in the Manual, or as may be required under applicable law. You agree to buy any uniforms for your staff members and Vendors we may require only from approved suppliers.

8.17 Telephone Service and Call Center. We have the right to require you to use one or more designated telephone vendors. If we so require, you agree to use our designated telephone vendor(s) for the phone service to your Franchised Business. We also may designate, and own, the telephone numbers for your Franchised Business. You must sign a power of attorney with respect to your telephone service and telephone numbers as set forth in the Manual. We may designate a call center for you to use for outbound sales calls, incoming calls and appointment setting and you must pay our then-current fees for the use of the call center as set forth in the Manual.

#### 8.18 Technology Systems

8.18.1 We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer and technology systems, and hardware to be used by, between, or

among ManageMowed businesses, and in accordance with our standards, including without limitation: an office computer; computer tablets for each Vendor; computer related equipment; communications devices; high speed internet service; printers; telephone, voice messaging, retrieval, and transmission systems; and audio/visual equipment and software systems that we specify in writing from time to time. You must maintain an electronic connection between your systems and our systems and provide us with all user IDs and passwords necessary for us to independently access files and other information stored on your systems; must use the systems in accordance with all policies and operational procedures we issue from time to time; must transmit data to us at the times we specify; must maintain your systems in good working order at all times; must promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities as we direct, which upgrades shall not be required more often than once a year; and must ensure that your employees are adequately trained in the use of such systems and our related policies and procedures. You must not install any software to your systems that we have not authorized, including virus software and firewalls. You must bear all costs of installation, operation, maintenance and upgrade of your systems. We reserve the right to require you to engage us or a hardware maintenance and/or help desk support provider approved by us to maintain your systems.

8.18.2 We have the right, but not the obligation, to develop or have developed for us, or to designate, software programs that you must use in connection with your computer systems. You must install all such software, including any updates, supplements, modifications, or enhancements that we require. We and our suppliers may charge a reasonable software license fee for any software that you are required to use.

8.18.3 You agree to install and use all technology systems and software at your sole expense. You agree to pay us, our affiliates or our vendors any initial and ongoing fees in order to install and continue to use the required software, hardware, and other elements of your technology systems. Each party to this Agreement acknowledges and agrees that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree to comply with those reasonable new standards that we establish as if we periodically revised this Section 8.18 for that purpose.

8.19 Payment Systems. You must participate in any electronic or mobile payment systems that we specify in the Manual. You must honor all credit, charge, courtesy or cash cards or other credit devices that we specify. You must comply with the then-current Payment Card Industry Data Security Standards (PCI/DSS) as those standards may be revised by the PCI Security Standards Council, LLC (see [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)) or successor organization. Among other things, you agree to implement the security requirements that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. You must demonstrate compliance on our reasonable request, which may include having an independent third party conduct a PCI/DSS audit.

8.20 Pricing Activities. You agree that we may set reasonable restrictions on the maximum and minimum prices you may charge for the services and products (subject to applicable law) offered and sold by the Franchised Business under this Agreement. With respect to the sale of all such services and products, you will have sole discretion as to the prices to be charged to customers; provided, however, that we will have the right to set maximum or minimum prices on such items (subject to applicable law), to promote inter-brand competition. If we impose a maximum price on a particular product or service, then (subject to applicable law) you may charge any price for that product or service, up to and including the maximum price we have set. If we impose a minimum price on a particular product or service, then you may charge any price for that product or service (subject to applicable law), down to and including the minimum price that we have set.

8.21 Compliance with Lease. If you occupy commercial office space under a lease, you must comply with all terms of the lease and all other agreements affecting the operation of the Franchised Business. You must undertake best efforts to maintain a good working relationship with your landlord and

must refrain from any activity which may jeopardize your right to remain in possession of, or to renew the lease.

8.22 Franchisee Advisory Council. We reserve the right to create a Franchisee Advisory Council (“FAC”). You will be required to participate in any communication programs developed by the FAC. You must participate, at your sole cost, in the FAC if you or one of your owners or employees is elected or appointed as a committee member. You may be required to pay a fee for, or contribute to, the FAC in an amount determined by the FAC.

## 9 MODIFICATIONS TO THE SYSTEM

9.1 Ownership of the System. You acknowledge that we own all rights, title and interest in and to the System. You will not acquire any proprietary interest in the System. Your right to use the System is a license, derived solely under this Agreement. Any unauthorized use of the System by you will constitute a material breach of this Agreement.

9.2 System Changes. We, in our sole discretion, shall be entitled from time to time to change or modify the System, including modifications to the Manual, landscaping procedures, product and service offerings, required equipment, the signage, office requirements (including the trade dress, décor and color schemes), the presentation of the Proprietary Marks, the adoption of new administrative forms and methods of reporting and of payment of any monies owed to us (including electronic means of reporting and payment) and the adoption and use of new or modified Proprietary Marks or Proprietary Materials. You must accept and use or display in the Franchised Business any such changes or modifications in the System as if they were a part of the System at the time this Agreement was executed, and you will make such expenditures as the changes or modifications in the System may reasonably require.

9.3 Modifications to Equipment and Image. Substantial modifications to existing equipment and improvements to modernize and conform to the image of the System for new ManageMowed businesses shall be required at our request (but not more often than once every five years during the Initial Term of this Agreement). You must complete the required modifications within ninety (90) days after receipt of our written notice.

9.4 Innovations. All products, services, concepts, methods, techniques, and/or new information relevant to your operation of the Franchised Business (together, “**Innovations**”), whether or not constituting protectable intellectual property, that you or your employees create, or that are created on your behalf, must be promptly disclosed to us. All such Innovations will be deemed to be our sole and exclusive property and works made-for-hire for us. You and each of your owners agree to: (1) sign the assignment and/or other documents we request in order to implement this clause in order to evidence our ownership; (2) cause your employees and contractors to sign such assignment documents as we may request for this purpose; and (3) assist us in securing intellectual property rights in such Innovations.

9.5 Variances. We have the right, in our sole discretion, to waive, defer or permit variations from the standards of the System or any applicable agreement for any franchisee or prospective franchisee based on the peculiarities of a particular business, customer base, density of population, business potential, trade area population or any other condition or circumstance. We have the right, in our sole discretion, to deny any such request we believe would not be in the best interests of the System.

## 10 MARKETING

10.1 Marketing Programs. You acknowledge the value of and the need to develop, enhance, and promote the System and the Proprietary Marks. You also acknowledge the importance of the standardization of marketing programs to the furtherance of the goodwill and public image of the System and the Proprietary Marks. This Section 10 describes our marketing, public relations and advertising programs, our right to modify these programs, and the manner in which the marketing and advertising funds are used from time to time.

10.2 Market Introduction Program. You must spend at least Thirty-Two Thousand Eight Hundred Dollars (\$32,800) to advertise and promote the Franchised Business for the first twelve (12) months following the opening of the Franchised Business (“**Market Introduction Period**”). You must use our outbound call center during the Market Introduction Period for three hundred (300) hours. We will provide to you a recommended marketing plan template for the Market Introduction Period (“**Market Introduction Plan**”) and approved marketing materials for the Franchised Business (“**Market Introduction Materials**”). You may modify the Market Introduction Plan and Market Introduction Materials to meet your local market needs. You must submit your Market Introduction Plan to us for our review and approval, including total expenditures, at least fifteen (15) days prior to implementation. You may not begin implementing the Market Introduction Plan without our written approval. If you fail to spend the required amount during the Market Introduction Period, you must spend the balance for Local Marketing as defined in Section 10.5. At our request, you must submit appropriate documentation to verify full compliance with your expenditure obligation under the Market Introduction Plan. During the Market Introduction Period, you must contribute to the Brand Fund as described in Section 10.4 below; however, your obligation to make Local Marketing expenditures pursuant to Section 10.5 below will not commence until after the expiration of the Market Introduction Period.

10.3 Marketing Contributions and Expenditures. During the Initial Term, you must (1) contribute to the Brand Fund pursuant Section 10.4, (2) make Local Marketing expenditures pursuant to Section 10.5; and (3) contribute to a Cooperative pursuant to Section 10.6 if a Cooperative has been established in the Designated Market Area (“**DMA**”) in which your Territory is located. We have the right to periodically re-allocate and/or increase the amount you contribute to the Brand Fund and any Cooperative and the amount you spend for Local Marketing effective upon ninety (90) days’ prior notice; however, we will not increase your total marketing contributions and expenditures above five percent (5%) of Gross Sales.

#### 10.4 Brand Fund

10.4.1 We have established the Brand Fund for the enhancement, promotion and protection of the System and the Proprietary Marks, and for the development of advertising, marketing, and public relations programs and materials as we deem appropriate. We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Brand Fund, with final discretion over the strategic direction, creative concepts, materials and endorsements used and the geographic, market and media placement and allocation. You agree to participate in all advertising, marketing, promotional, research and public relations programs instituted by the Brand Fund. You must contribute to the Brand Fund and your Brand Fund contribution will be payable at the same time and in the same manner as your payment of the Royalty Fee. ManageMowed businesses operated by us and our affiliates also will contribute to the Brand Fund at the lowest rate specified for comparable franchisees. From time to time, we or our suppliers may deposit into the Brand Fund any rebates or similar allowances paid to us by our suppliers although we have no obligation to do so.

10.4.2 Among the programs, concepts, and expenditures for which we may utilize the Brand Fund monies are: (1) creative development and production of print ads, commercials, radio spots, point of purchase materials, direct mail pieces, door hangers, free standing inserts, brochures, logo wear, labeling, video, audio, and written materials and electronic media, and other advertising and promotional materials; (2) media placement and buying, including all associated expenses and fees; (3) administering regional and multi-regional marketing and advertising programs; (4) market research and customer satisfaction surveys, including the use of secret shoppers; (5) the creative development of, and actual production associated with, premium items, giveaways, promotions, sweepstakes, contests, public relation events, and charitable or nonprofit events; (6) creative development of signage, posters, and individual ManageMowed business décor items including wall graphics; (7) recognition and awards events and programs including periodic national and regional conventions and meetings; (8) design, establishment, and maintenance of websites, extranets, intranets, search rankings, social media profiles, mobile application and other online and mobile presence; (9) retention and payment of personalities engaged as spokespersons, celebrity endorsements, advertising and promotional agencies, endorsement contracts, and other outside advisors including retainer and management fees; (10) sponsorship of sporting, charitable, or similar events; (11) review of locally produced marketing materials; (12) list acquisition and

development; (13) association dues; (14) affinity program development; (15) development of third party facilities for the customization of local advertising; and (16) public relations and community involvement activities and programs.

10.4.3 We may sell certain advertising materials, merchandise and premium items to you that are developed by the Brand Fund and the earnings from such sales will be deposited in the Brand Fund. The Brand Fund also may be used to pay the reasonable salaries and expenses of our and our affiliates' employees who work on advertising, marketing, public relations materials, programs, activities or promotions prepared, planned or undertaken on behalf of the Brand Fund and professional fees and administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration and activities of the Brand Fund (including accounting fees, legal fees, and interest on monies borrowed by the Brand Fund). We will not use the Brand Fund for anything whose sole purpose is the marketing of franchises, however, the System website, public relations activities, community involvement activities and other activities supported by the Brand Fund may contain information about franchising opportunities. We may seek the advice of ManageMowed franchisees by formal or informal means with respect to the creative concepts and media used for programs financed by the Brand Fund.

10.4.4 You acknowledge that the Brand Fund and any earnings thereon will be used to maximize general public recognition, acceptance, and patronage of ManageMowed businesses, and that we are not obligated, in administering the Brand Fund, to make expenditures for you which are equivalent or proportional to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Fund. Your failure to derive any such benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Brand Fund. The failure (whether with or without our permission) of any other franchisee to make the appropriate amount of contributions to the Brand Fund will not release you from or reduce your obligation.

10.4.5 Nothing in this Agreement will be construed to create a trust or fiduciary relationship of any kind or nature whatsoever among the parties as it relates to the Brand Fund or our actions with respect thereto, including, but not limited to, collection of payments, maintenance of the bank account, bookkeeping, and disbursement of monies from the Brand Fund. Except as expressly provided in this Section 10, we assume no direct or indirect liability or obligation to you with respect to maintenance, direction, or administration of the Brand Fund. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will prepare an annual, unaudited statement of Brand Fund collections and expenses within sixty (60) days after our fiscal year end and will provide a copy of the statement to all franchisees. We retain the final authority on all programs financed by the Brand Fund. We have the right to change or dissolve the Brand Fund at any time. If we disband the Brand Fund, we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to contributors in proportion to their respective Brand Fund contributions during the preceding twelve (12) month period.

## 10.5 Local Marketing

10.5.1 You must develop, on an annual basis, a Marketing Plan that we have approved for you, your Franchised Business, and your market area. You must comply with all requirements regarding the Marketing Plan, including the use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, search engine optimization activities, and compliance with all promotional recommendations. All advertising materials that you produce must bear the Proprietary Marks in the form, color, location and manner that we prescribe. You must spend for advertising and marketing in your Territory ("**Local Marketing**") at least two percent (2%) of your annual Gross Sales. You must begin conducting Local Marketing after the expiration of the Market Introduction Period. Within thirty (30) days after the end of each quarter, you agree to send to us, in the manner we prescribe, an accounting of your Local Marketing expenditures during the preceding quarter. If you fail to expend the required amount on an annual basis, then we may, at our option, require you to spend any deficiency on Local Marketing or contribute such amount to the Brand Fund within thirty (30) days after the close of our fiscal year.

10.5.2 Local Marketing expenditures include the following pre-approved expenditures: (1) amounts spent by you for advertising media, such as digital, print, radio, television and outdoor, banners, posters, direct mail, grassroots premiums, event invites, and, if not provided by us at our cost, the cost of producing approved materials necessary to participate in these media; (2) coupons and special (or promotional) offers pre-approved by us; and (3) local marketing and public relations agency fees. Local Marketing expenditures do not include amounts spent for items, in our reasonable judgment, deemed inappropriate for meeting the minimum advertising requirement, including signage, directory listings, personnel salaries or administrative costs, vehicles and vehicle wraps (even though such vehicles may display the Proprietary Marks), product costs associated with redemption of coupons and promotional offers and employee incentive programs. All Local Marketing must be approved by us pursuant to Section 10.7 below.

10.6 Joint Marketing Programs and Cooperatives. We have the right to establish, and thereafter modify (1) co-marketing programs in which we and our franchisees join with suppliers or other third parties to cross-promote goods and services; (2) joint marketing efforts in which multiple ManageMowed businesses can contribute to a specific advertising campaign or event; and/or (3) local or regional marketing co-operatives (“**Cooperatives**”) that pool funds of ManageMowed businesses on an ongoing basis to jointly promote the Proprietary Marks and the ManageMowed businesses of the Cooperative members. You must participate in each applicable joint marketing program and comply with the rules of the program. The following provisions apply to Cooperatives:

10.6.1 We have the right to designate any geographic area or set of common characteristics for purposes of establishing a Cooperative. If a Cooperative is applicable to your Franchised Business at the time the Franchised Business opens for business, you must join the Cooperative. If a Cooperative applicable to the Franchised Business is established during the Initial Term, you must become a member and begin contributing no later than thirty (30) days after we authorize the Cooperative to begin operation. You will not have to contribute to more than one Cooperative for the same ManageMowed business at the same time. We (or our affiliates, as the case may be) will become a member of any Cooperative that is applicable to a ManageMowed business owned by us or our affiliates.

10.6.2 Each Cooperative will be organized for the exclusive purpose of developing, administering and executing advertising programs for the members of the Cooperative. Each Cooperative will adopt a Cooperative agreement governing the organization and operation of the Cooperative, subject to our approval. If the members of the Cooperative do not sign an agreement within a reasonable time, you agree to sign our recommended form of Cooperative Agreement. We reserve the right to change the form of organization, governing documents, and manner of operation of any Cooperative, and you and the other members agree to implement any such change promptly after notice from us. No changes in the bylaws or other governing documents of a Cooperative may be made without our prior written consent. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior approval pursuant to Section 10.7 below. We and our designated agents will have the right to examine and copy, at our expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Cooperative. We will also have the right, at any time, to have an independent audit made of the books of any Cooperative.

10.6.3 You and each other member of the Cooperative must contribute weekly to the Cooperative up to one percent (1%) of the Gross Sales of the Franchised Business which amount will result in a corresponding reduction in your Local Marketing obligation. We reserve the right to increase your Cooperative contribution by an additional one percent (1%) of the Gross Sales of the Franchised Business and this additional amount will not reduce your Local Marketing obligation.

10.6.4 We may grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative and/or from the obligation to contribute (including a reduction, deferral or waiver of the contribution), upon written request of the franchisee stating reasons which we deem sufficient to support the exemption. Our decision concerning any request for exemption will be final. If an exemption is granted to a franchisee, the franchisee will be required to spend on Local Marketing the amount the franchisee otherwise would have been required to contribute to the Cooperative.

10.7 Approval Requirement. All advertising and promotion by you and by any Cooperative must be in the type of media and format that we approve, must be conducted in a dignified manner, and must conform to our standards and requirements. You or the Cooperative must submit written samples of all proposed advertising and promotional plans and materials to us for our approval at least ten (10) business days before their intended use, unless the plans and materials were prepared by us or have been approved by us within the last twelve (12) months. Proposed advertising plans or materials will be deemed to have been rejected if we have not approved them within ten (10) business days after receipt. We reserve the right to require you to discontinue the use of any advertising or marketing material that we previously approved upon notice.

#### 10.8 Electronic Marketing and Electronic Communications.

10.8.1 We will host and maintain an independent webpage for the Franchised Business at an internet address that we specify. We will provide and maintain this webpage using a standard template. You agree to use an e-mail address that we assign to you for official ManageMowed business (and pay all fees associated with maintaining additional e-mail addresses if you request and we assign more than one e-mail address to you) if we assign such an address to you (or to one or more of your employees), and to use that e-mail address in the manner and for the purposes that we reasonably require in the Manual or otherwise in writing. Unless we have agreed to it in writing, you may not use, register, maintain, or sponsor any URL, social networking platform, blog, messaging system, email account, username, text address, mobile application, or other electronic, mobile or internet presence that uses or displays any of the Proprietary Marks (or any derivative thereof) or that promotes any services or products of the Franchised Business. You acknowledge that the use of any electronic medium constitutes advertising and promotion subject to our approval under Section 10.7. You agree not to transmit, or cause any other party to transmit, advertisements or solicitations by broadcast media, telephone, e-mail, text message, instant message, social network, VOIP, streaming media, or other electronic media that currently exists or may exist in the future without first obtaining our written consent as to: (1) the content of the advertisements or solicitations; and (2) the type of media intended to be used. All telephone answering messages, email auto-signatures, and other identifiers of the Franchised Business must be in the form we prescribe. If we approve the use of an electronic medium, our approval will be conditioned on your compliance with any standards and procedures we issue with respect to that type of electronic medium, including the use of any disclaimers, warnings, and other statements that we may prescribe.

10.8.2 You shall comply with our standards for the System, as set forth in the Manual or otherwise, with regard to our authorization to use, and the use of, blogs, common social networks (including Facebook, Instagram and Pinterest), professional networks (including LinkedIn), live blogging tools (including Twitter), virtual worlds, file, audio and video sharing sites and other similar social networking media or tools that in any way reference the Proprietary Marks or involve the System or the Franchised Business.

## 11 **INSURANCE**

11.1 Procurement of Insurance. You shall be responsible for all loss or damage arising from or related to your development and operation of the Franchised Business, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Franchised Business. You must maintain in full force and effect throughout the term of this Agreement that insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Franchised Business which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by Section 11.2 and the Manual. You also may need to incur additional insurance if required by a particular client. We, and any entity with an insurable interest designated by us, shall be an additional insured in all liability policies (except workers compensation) to the extent each has an insurable interest.

11.2 Minimum Insurance Requirements. All insurance policies shall be written by an insurance company or companies satisfactory to us, in compliance with the standards, specifications, coverages and

limits set forth in the Manual or otherwise provided to you in writing. We may reasonably increase the minimum required coverage and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances and such changes will be identified in the Manual. We will notify you in writing of such modifications and you agree to secure the additional coverage or higher policy limits within thirty (30) days. These policies shall include, at a minimum, the types and levels of coverage that are included in Exhibit A.

11.3 General Insurance Requirements. The following general requirements shall apply to each insurance policy that you are required to maintain under this Agreement:

11.3.1 Each insurance policy shall be specifically endorsed to provide that the coverages shall be primary and that any insurance carried by any additional insured shall be excess and non-contributory. The applicable limits of each insurance policy shall be exhausted before any benefits (defense or indemnity) may be obtained under any other insurance (including self-insurance) providing coverage to us. The workers compensation policy shall include a waiver of subrogation in favor of us. In the event payments are required to be made under our own insurance policies or self-insurance (whether for defense or indemnity) before the applicable coverage limits for the insurance policies obtained by you are exhausted, you agree to reimburse, hold harmless and indemnify us and our insurers for such payments;

11.3.2 No insurance policy shall contain a provision that in any way limits or reduces coverage for you in the event of a claim by us or our affiliates;

11.3.3 Each insurance policy shall extend to, and provide indemnity for, all of your obligations and liabilities to third parties and all other items for which you are required to indemnify us under this Agreement; and

11.3.4 Each insurance policy shall be written by an insurance company that has received and maintains an "A+" or better rating by the latest edition of Best's Insurance Rating Service.

11.4 Proof of Insurance. No later than thirty (30) days after the Effective Date of this Agreement, and on each policy renewal date thereafter, you must submit to us a certificate of insurance, or other evidence of satisfactory insurance as required by this Section 11 and proof of payment therefor. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least ten (10) days' prior written notice to us. Upon request, you also shall provide copies of any policies and policy amendments and riders to us.

11.5 No Representations. You acknowledge and agree that no requirement for insurance contained in this Agreement constitutes advice or a representation by us that only such policies, in such amounts, are necessary or adequate to protect you from losses in connection with the Franchised Business. Maintenance of this insurance, and the performance by you of your obligations under this Section 11, shall not relieve you of liability under the indemnification provisions of this Agreement.

11.6 Procurement of Insurance by Us. Should you, for any reason, fail to procure or maintain at least the insurance required by this Section 11, as revised from time to time pursuant to the Manual or otherwise in writing, we shall have the immediate right and authority, but not the obligation, to procure such insurance and charge its cost to you. You must reimburse us for all out-of-pocket costs incurred by us in obtaining such insurance on your behalf immediately within ten (10) days after your receipt of our invoice.

## **12 ACCOUNTING AND RECORDS**

12.1 Books and Records. You must prepare, and must preserve for at least seven (7) years from the dates of their preparation, complete and accurate books, records, and accounts, in accordance with generally accepted accounting principles, which may include a prescribed chart of accounts and/or use of a designated accounting program or platform. You must record all sales, sales tax, and any other charges

collected on behalf of third parties in accordance with the procedures prescribed in the Manual on the point of sale system that we specify.

12.2 Reports. You must submit to us, at your expense, in the form we prescribe:

12.2.1 By no later than Tuesday of each week, a complete and accurate report of Gross Sales for the preceding Accounting Week, and such other weekly data as we may reasonably require;

12.2.2 Within ten (10) days after the end of each month, a statement of operating performance of the Franchised Business including total revenue and customers, total sales per category, and other revenue and information as specified in the Manual;

12.2.3 Within thirty (30) days after the end of each of your fiscal quarters, interim unaudited income statements and balance sheets;

12.2.4 Within ninety (90) days after the end of each of your fiscal years, an income statement showing the results of your operations during such fiscal year and a balance sheet as of the end of such fiscal year, both of which must be prepared in accordance with generally accepted accounting principles and reviewed by an independent certified public accountant. If, however, the foregoing income statements and balance sheets are audited by an independent certified public accountant, then you must furnish the audited income statements and balance sheets rather than the reviewed income statements and balance sheets; and

12.2.5 Within fifteen (15) days after filing, a copy of the federal tax return for the Franchised Business.

12.3 Extranet. We have the right (but no obligation) to establish a secure website for our ManageMowed business franchisees and to require you to use the extranet for reporting, training, or other purposes as we direct from time to time. We may charge a reasonable user fee to support the costs of establishing and maintaining the extranet.

12.4 Right to Examine or Audit. We and our designated agents will have the right to examine and copy, at our expense, on reasonable notice and during normal business hours, your books, records, accounts, and sales tax returns, whether located at your office or another venue. We will also have the right, at any time, to have an independent audit made of your books. If an inspection or audit reveals that any payment to us has been understated, you must immediately pay to us the amount owed, together with applicable interest as provided in Section 4.7. If an inspection or audit reveals an understatement of the Gross Sales of the Franchised Business of two percent (2%) or more, you must, in addition to the payment of all monies owed with interest, reimburse us for all costs connected with the inspection or audit (including expenses for travel, lodging and wages, and reasonable accounting and legal costs). If our examination reveals an understatement of the Gross Sales of the Franchised Business for any period by two percent (2%) or more three (3) or more times during any thirty-six (36) month period, or by more than five percent (5%) on any one occasion, then in addition to your obligations to pay the amounts owed as referenced above, we may immediately terminate this Agreement. The foregoing remedies are in addition to any other remedies we may have.

12.5 Data and Privacy

12.5.1 We may periodically specify in the Manual or otherwise in writing the information that you will collect and maintain on your technology systems and you will provide to us such reports as we may reasonably request from the data so collected and maintained. You agree that all data that you collect from customers, suppliers or others in connection with the Franchised Business including, but not limited to, names, addresses, email addresses, phone numbers, birth dates, transaction data, demographic data, behavioral data, customer service history, correspondence and other data that you create and/or collect in connection with the System, or in connection with your operation of the Franchised Business is and will be

owned exclusively by us. We hereby license use of such data back to you, at no additional cost, solely for the term of this Agreement for your transactional use, and solely for the purpose of managing the Franchised Business. We reserve the right to use or transfer this data as we deem appropriate and to provide the information to our affiliates. You must, at your expense, transfer copies and/or originals of all data that we specify in the Manual or upon our request. You may not use any such data for activities not related to the Franchised Business without our prior written approval. You may not sell or transfer any customer data to any third party other than us and our affiliates. However, if you transfer the Franchised Business (as provided in Section 16 below), as part of the transfer, you must also transfer use of the customer data, customer contracts, and related data to the buyer as part of the total purchase price paid for the Franchised Business. You must make a final transfer of all data that we request to us at the termination or expiration of this Agreement and you may not retain any such data.

12.5.2 In connection with any use of data in the Franchised Business, you agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information (“**Privacy Laws**”). You also agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you will: (1) comply with the requirements of applicable law; (2) immediately give us written notice of said conflict; and (3) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent with respect to such policy.

12.6 Public Filings. If you are or become a publicly-held entity in accordance with other provisions of this Agreement, you must send to us copies of all reports (including responses to comment letters) or schedules that you may file with the U.S. Securities and Exchange Commission (certified by your chief executive officer to be true, correct, complete and accurate) and copies of any press releases you may issue within three (3) days of the filing of those reports or schedules or the issuance of those releases. If you request information from us to compile your reports, you must reimburse us for our costs and expenses in preparing such reports.

### **13 PROPRIETARY MARKS AND THE PROPRIETARY MATERIALS**

13.1 Our Representations. We represent to you that we and our affiliates own (or have an appropriate license to) all right, title, and interest in and to the Proprietary Marks, and that we have taken (and will take) all steps reasonably necessary to preserve and protect the ownership and validity in, and of, the Proprietary Marks.

13.2 Identification of the Franchised Business. You must operate, advertise, and promote the Franchised Business only under the Proprietary Marks. In conjunction with any use of the Proprietary Marks, including on all customer contracts, checks and negotiable instruments, invoices, letterhead, email signature blocks and other electronic media, stationery, order forms, and business cards you must identify yourself to the public as an independent franchisee operating under the authority of this Agreement. You also must post a notice of your status as a franchisee at a conspicuous location at any commercial office.

13.3 Proprietary Materials. You acknowledge and agree that we and/or our affiliates are the owners of the Proprietary Materials and that the copyrights in the Proprietary Materials are valuable property. We authorize you to use the Proprietary Materials on the condition that you comply with all of the terms and conditions of this Section 13.3. You acknowledge and agree that we may create, acquire or obtain licenses for certain additional copyrights in various works of authorship used in connection with the operation of a ManageMowed business, including, but not limited to, all categories of works eligible for protection under the United States copyright law, all of which will be deemed to be part of the Proprietary Materials. The Proprietary Materials include, but are not limited to, the Manual, advertisements, promotional materials, labels, posters, coupons, gift certificates, customer contracts, vehicle wraps, signs, World Wide Web and other internet sites, and office designs, plans and specifications. The Proprietary Materials may incorporate all or part of the Proprietary Marks or other trade dress used as part of the System. You acknowledge that this Agreement does not confer any interest in the Proprietary Materials on you, other

than the right to use the Proprietary Materials in the operation of the Franchised Business in compliance with the terms of this Agreement. If you prepare any adaptation, translation or work derived from the Proprietary Materials, including, but not limited to, advertisements, promotional materials, labels, posters, or websites, whether or not such adaptation was authorized by us, you agree that such material will be our property and you hereby assign all your right, title and interest therein to us (or to a third party designated by us). You agree to execute any documents, in recordable form, which we deem necessary to reflect or perfect such ownership. You must submit all such adaptation, translation or derivative works to us for approval prior to use.

13.4 Limitations on Use. Your right to use the Proprietary Marks and the Proprietary Materials is limited to the uses we authorize under this Agreement and any unauthorized use will constitute an infringement of our rights. Therefore, you agree to:

13.4.1 Use only the Proprietary Marks and the Proprietary Materials that we designate and use them only in the manner we authorize;

13.4.2 Use the Proprietary Marks and Proprietary Materials only for the operation of the Franchised Business and only in the Territory or in advertising for the Franchised Business;

13.4.3 Operate and advertise the Franchised Business only under the name "ManageMowed" and use all Proprietary Marks without prefix or suffix;

13.4.4 Refrain from using the Proprietary Marks as part of your corporate or legal name;

13.4.5 Ensure that all advertising and promotional materials, packaging, signs, decorations, websites, and other items that we may specify, bear the Proprietary Marks in the form, color, size, and location we prescribe;

13.4.6 Identify yourself as the owner of the Franchised Business in conjunction with any use of the Proprietary Marks, including but not limited to on invoices, order forms, receipts, check stock, business stationery and cards, websites, email auto-signatures, and other electronic media, as well as at such conspicuous locations at any commercial office as we may designate in writing;

13.4.7 Not use the Proprietary Marks to incur any obligation or indebtedness on behalf of us or our affiliates;

13.4.8 Not use the Proprietary Marks on any human resources materials including policies, forms, pay checks, and manuals;

13.4.9 Comply with our instructions in filing and maintaining any requisite trade name or fictitious name registrations, and execute any documents we deem necessary to obtain protection for the Proprietary Marks and the Proprietary Materials or to maintain their continued validity and enforceability;

13.4.10 Not directly or indirectly contest the validity of, or take any other action which tends to jeopardize our or our affiliates' rights to the ownership of or right to use and to license others to use the Proprietary Marks or the Proprietary Materials; and

13.4.11 Ensure that the Proprietary Marks and the Proprietary Materials bear the "®", "TM", "SM" or © notice, respectively, as we may prescribe from time to time.

13.5 Acknowledgments. You acknowledge that:

13.5.1 The Proprietary Marks and the Proprietary Materials are valid and serve to identify the System and those who are authorized to operate under the System;

13.5.2 Your use of the Proprietary Marks and Proprietary Materials pursuant to this Agreement does not give you any ownership interest or other interest in the Proprietary Marks or the Proprietary Materials;

13.5.3 Any and all goodwill arising from your use of the Proprietary Marks and the Proprietary Materials will inure exclusively to our benefit and to the benefit of our affiliates, and upon expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with your use of the System, the Proprietary Marks, or the Proprietary Materials; and

13.5.4 The license granted under this Agreement to use the Proprietary Marks and the Proprietary Materials is nonexclusive.

13.6 Changes to the Proprietary Marks and the Proprietary Materials. We reserve the right to modify or require you to discontinue use of any of the Proprietary Marks or the Proprietary Materials and/or to substitute different service marks, trademarks or copyrighted material for use in identifying the System and the Franchised Businesses operating under the System. When required by us, you must promptly discontinue use of designated Proprietary Marks or Proprietary Materials or implement any modification or substitution at your own cost and expense. We will have no obligation or liability to you as a result of such modification or substitution.

13.7 Third Party Challenges. You must promptly notify us of any unauthorized use or reproduction of the Proprietary Marks or the Proprietary Materials, any challenge to the validity of the Proprietary Marks or the Proprietary Materials, the ownership by us and our affiliates of the Proprietary Marks and the Proprietary Materials, our right to use and to license others to use the Proprietary Marks and the Proprietary Materials, or your right to use the Proprietary Marks or Proprietary Materials. You acknowledge that we and our affiliates have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks or Proprietary Materials, including any settlement thereof. We and our affiliates have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks or Proprietary Materials. We will defend you against any third-party claim that your use of the Proprietary Marks or the Proprietary Materials infringes the rights of the third party. We will bear the cost of defense (including the cost of any judgment or settlement) if you have used the Proprietary Marks and the Proprietary Materials in accordance with the terms of this Agreement, but otherwise you must bear the cost of the defense (including the cost of any judgment or settlement). You must execute any and all documents and do such acts as we deem necessary to carry out the defense or prosecution of any litigation involving the Proprietary Marks or the Proprietary Materials, including, but not limited to, becoming a nominal party to any legal action.

## **14 YOUR ORGANIZATION AND MANAGEMENT**

### **14.1 Your Organization**

14.1.1 If you are a legal entity such as a corporation, a limited liability company or a partnership, you make the following representations and warranties: (1) you are duly organized and validly existing under the laws of the state of your formation; (2) you are qualified to do business in the state or states in which your office and the Territory are located; (3) execution of this Agreement and the development and operation of the Franchised Business is permitted by your governing documents; and (4) unless waived in writing by us, your Articles of Incorporation, Articles of Organization or written partnership agreement shall at all times provide that your activities are limited exclusively to the development and operation of ManageMowed businesses.

14.1.2 If you are an individual, or a partnership comprised solely of individuals, you make the following additional representations and warranties: (1) each individual has executed this Agreement; (2) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (3) notwithstanding any transfer to a business entity, each individual shall continue to be jointly and severally bound by, and

personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

14.2 Ownership Interests and Continuity Group. If you are a business entity, all interests in you are owned as set forth in attached Exhibit B. You must comply with Section 16 prior to any change in ownership interests and must sign addenda to Exhibit B as changes occur in order to ensure the information contained in Exhibit B is true, accurate and complete at all times. Exhibit B also lists those persons who comprise your “**Continuity Group**.” The parties acknowledge and agree that it is their intent that the members of the Continuity Group include (1) all holders of a legal or beneficial interest of ten percent (10%) or more (“**10% Owners**”) in your entity; (2) if you are a limited partnership, all 10% Owners of your general partner; and (3) all 10% Owners of a corporation or limited liability company that owns a controlling interest in your entity. In the event of any change in the Continuity Group or in the ownership interests of any member of the Continuity Group, you must sign addenda to Exhibit B to reflect the change. If you are a corporation, the Continuity Group shall at all times own at least fifty-one percent (51%) of your voting securities; if you are a limited liability company, the Continuity Group shall at all times own at least fifty-one percent (51%) of your membership interests; and if you are any other type of business entity, the Continuity Group shall at all times have at least a fifty-one percent (51%) interest in the operating profits and losses and hold at least fifty-one percent (51%) of your ownership interests.

14.3 Governing Documents. Upon request by us, you shall promptly deliver to us, as applicable, true and complete copies of the articles or certificate of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control and all amendments thereto. When any of these governing documents are modified or changed, you promptly shall provide copies to us. If you are a corporation, you shall maintain stop-transfer instructions against the transfer on the records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: “Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the ManageMowed Franchising, LLC Franchise Agreement(s) to which the corporation is a party.” If you are a publicly held corporation, these requirements shall apply only to the stock owned by your Continuity Group. If you are a limited liability company, each membership or management certificate shall have conspicuously endorsed upon its face the following statement: “Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the ManageMowed Franchising, LLC Franchise Agreement(s) to which the limited liability company is a party.” If you are a partnership, your written partnership agreement shall provide that ownership of an interest in the partnership is held, and that further assignment or transfer thereof, is subject to all restrictions imposed on assignment by this Agreement.

#### 14.4 Guarantee of Performance

14.4.1 All members of the Continuity Group, your 10% Owners, and each of their spouses, if applicable, shall jointly and severally personally guarantee your payment and performance under this Agreement and personally bind themselves to the terms of this Agreement pursuant to the Guarantee, Indemnification and Acknowledgement (“**Guarantee**”) attached as Exhibit C. Unless you are a publicly-held entity, all of your officers, directors, limited liability company managers and their spouses, if applicable, also shall jointly and severally guarantee your payment and performance under this Agreement and bind themselves to the terms of this Agreement pursuant to the attached Guarantee. Notwithstanding the foregoing, we reserve the right, in our sole discretion, to waive the requirement that some or all of the previously described individuals sign the attached Guarantee. We also reserve the right to require any guarantor to provide personal financial statements to us from time to time.

14.4.2 With respect to your owners, you acknowledge that, unless otherwise agreed to in writing by us, it is our intent to have individuals (and not corporations, limited liability companies or other entities) sign the Guarantee. Accordingly, if any owner is not an individual, we shall have the right to require individuals who have only an indirect ownership interest in you to sign the Guarantee. (By way of example, if an owner is a corporation, we have the right to require individuals who have an ownership interest in that corporation to sign the Guarantee.)

14.5 Managing Owner. You must designate one of your 10% Owners as your Managing Owner who will be the person with whom we communicate and whom will have the authority to bind you with respect to all financial, operational and legal matters related to the Franchised Business and this Agreement. The Managing Owner may also serve as your Account Manager, Training Director and/or Multi-Unit Manager (as defined in Section 14.6 below). You must designate a replacement within thirty (30) days after your Managing Owner ceases to qualify as a Managing Owner. Your replacement must successfully complete our training program, which may be conducted by your Trainers, within thirty (30) days of their appointment as your Managing Owner. Your designee to become the Managing Owner must satisfy the criteria set forth in this Section 14.5 and be approved by us.

14.6 Multi-Unit Manager. If you or the Franchisee Affiliates own or control more than one (1) franchised ManageMowed business and your Managing Owner requests our consent to devote less than full time to supervising the operation of the ManageMowed businesses, you must designate and retain an individual to serve as the Multi-Unit Manager. The Multi-Unit Manager shall meet all of the following qualifications:

14.6.1 The Multi-Unit Manager shall devote full time and best efforts to supervising the operation of the Franchised Business and the other franchised ManageMowed businesses that you and the Franchisee Affiliates operate and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations under this Agreement. You agree to provide us with an executed copy of any arrangement, agreement or contract, and all amendments thereto, between you and your Multi-Unit Manager related to the operation of the franchised ManageMowed businesses.

14.6.2 The Multi-Unit Manager shall successfully complete our initial training program and any additional training that we require. We must have approved the Multi-Unit Manager and not have later withdrawn that approval. If the Multi-Unit Manager no longer qualifies as such, you shall designate a replacement approved by us within thirty (30) days after the date the prior Multi-Unit Manager ceases to be qualified. Your replacement must successfully complete our training program, which may be conducted by your Trainers, within thirty (30) days of their appointment as your Multi-Unit Manager.

## **15 COVENANTS**

### **15.1 Confidentiality**

15.1.1 You acknowledge and agree that: (1) we own all right, title and interest in and to the System; (2) the System includes trade secrets and confidential and proprietary information and know-how that gives us a competitive advantage; (3) we have taken all measures appropriate to protect the trade secrets and the confidentiality of the proprietary information and know-how of the System; (4) all material or other information now or hereafter provided or disclosed to you regarding the System is disclosed in confidence; (5) you have no right to disclose any part of the System to anyone who is not your employee; (6) you will disclose to your employees only those parts of the System that an employee needs to know; (7) you will have a system in place to ensure that your employees keep confidential our trade secrets and confidential and proprietary information, and, if requested by us, you shall obtain from those of your employees designated by us an executed confidentiality and non-disclosure agreement in the form prescribed by us; (8) by entering into this Agreement, you do not acquire any ownership interest in the System; and (9) your use or duplication of the System or any part of the System in any other business, or disclosure of any part of the System to others for use or duplication in any other business, would constitute an unfair method of competition, for which we would be entitled to all legal and equitable remedies, including injunctive relief, without posting a bond.

15.1.2 You shall not, during the term of this Agreement or at any time thereafter, communicate or disclose any trade secrets or confidential or proprietary information or know-how of the System to any unauthorized person, or do or perform, directly or indirectly, any other acts injurious or prejudicial to any of the Proprietary Marks or the System. Any and all information, knowledge, know-how and techniques, including all drawings, materials, equipment, specifications, landscaping methods,

techniques and other data that we or our affiliates designate as confidential shall be deemed confidential for purposes of this Agreement.

## 15.2 Restrictions On Competition

15.2.1 You acknowledge and agree that: (1) pursuant to this Agreement, you will have access to valuable trade secrets, specialized training and other confidential information from us and/or our affiliates regarding the development and operation of ManageMowed businesses, landscape management, landscaping services, Vendor recruitment and retention, market and operations research, advertising and marketing plans and strategies, purchasing, sales and marketing methods and techniques owned by us and our affiliates; (2) the know-how regarding the System and the opportunities, associations and experience acquired by you pursuant to this Agreement are of substantial value; (3) in developing the System, we and our affiliates have made substantial investments of time, effort, and money; (4) we would be unable adequately to protect the System and its trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable adequately to encourage a free exchange of ideas and information among operators of ManageMowed businesses if franchisees were permitted to engage in the activities described in this Section 15.2 or to hold interests in the businesses described in this Section 15.2; and (5) the restrictions on your right to hold interests in, or perform services for, the businesses described in this Section 15.2 will not unduly limit your activities.

15.2.2 You covenant and agree that, except as we otherwise approve in writing, during the Initial Term, and for a continuous period of two (2) years following the expiration, transfer or termination of this Agreement, you will not, either directly or indirectly, for yourself or through, on behalf of, or in conjunction with any person or legal entity:

15.2.2.1 Own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to or have any interest in, either directly or indirectly, any business that offers residential or commercial landscape management services, landscaping services such as lawn, bed, tree and shrub care, and/or snow removal services ("**Competing Business**"). During the term of this Agreement, there is no geographical limitation on this restriction. Following the expiration, transfer or termination of this Agreement, this restriction shall apply to any Competing Business offering services to customers located: (1) within your Territory plus the area formed by extending the boundary of your Territory by ten (10) miles in any direction; or (2) within the territory assigned to any then-existing ManageMowed business, plus the area formed by extending the boundaries of that territory ten (10) miles in all directions; or

15.2.2.2 Divert or attempt to divert any present or prospective business or customer to any Competing 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 Proprietary Marks and the System.

15.3 Exception for Publicly Traded Stock. The restrictions contained in Section 15.2 will not apply to ownership by you of less than five percent (5%) beneficial interest in the equity securities of any publicly-held corporation.

15.4 Owners and Employees. Your owner(s) identified in Exhibit B that sign the Guarantee attached to this Agreement as Exhibit C will agree to be bound personally by the provisions of this Section 15, provided that, as to them, the time period in Section 15.2.2.1 will run from the expiration, termination, or transfer of this Agreement or from the termination of the individual's relationship with you, whichever occurs first. At our request, you must obtain signed agreements similar in substance to this Section 15 (including agreements applicable upon termination of a person's relationship with you) from any: (1) Account Manager or Trainer; and (2) your officers, directors, and owners. Each agreement required by this Section 15.4 must be in a form we approve and specifically identify us as a third party beneficiary with the independent right to enforce the agreement. Our current form of Non-disclosure and Non-competition Agreement is attached to this Agreement as Exhibit D. It is your responsibility to have this form reviewed and approved (or modified subject to our approval) by an attorney licensed in your jurisdiction.

## 15.5 Enforcement

15.5.1 We have the right, in our sole discretion, to reduce the scope of any restriction in Section 15.2 by giving you written notice and you agree to comply with any covenant so modified, which shall be fully enforceable notwithstanding the provisions of Section 25.

15.5.2 You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of this Section 15.

15.5.3 You acknowledge that your violation of the terms of this Section 15 would result in irreparable injury to us for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of this Section 15. Injunctive relief will be in addition to any other remedies we may have.

15.5.4 If you or any other person bound by this Section 15 fails or refuses to abide by any of the foregoing restrictions on competition, and we obtain enforcement in any legal proceeding, the obligations under the breached restriction will continue in effect for a period ending two (2) years after the date the person begins to comply with the order enforcing the restriction.

## 16 **TRANSFER**

16.1 By Us. We have the right to transfer or assign this Agreement or any part of our rights or obligations under this Agreement to any person or legal entity. You agree that we will have no liability after the effective date of the transfer or assignment for the performance of any obligations under this Agreement. You acknowledge that we can sell our assets; sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company; or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

16.2 By You. You acknowledge that the rights and duties set forth in this Agreement are personal to you and that we have granted these rights in reliance on your business skill, financial capacity, and personal character (or, if you are a business entity, on the business skill, financial capacity, and personal character of your owners and management). Accordingly, neither you nor any immediate or remote successor to any interest in this Agreement, nor any individual, partnership, corporation, or other legal entity which directly or indirectly owns any interest in you, will sell, assign, transfer, convey, pledge, encumber or give away any direct or indirect interest in this Agreement, in you, or in substantially all of the assets of the Franchised Business, without our prior written consent, which will not be unreasonably withheld. You must notify us in writing of any proposed transfer at least thirty (30) days before the transfer is to take place, and must provide all information and documentation relating to the proposed transfer that we reasonably request. Notwithstanding the foregoing, you may grant a security interest in, or otherwise encumber certain assets of the Franchised Business, excluding the Franchise Agreement, in connection with obtaining financing for the development and/or operation of the Franchised Business or equipment leasing, if such financing satisfies our requirements, which may include, without limitation, execution of agreements by us, you and your owners and your secured creditor, in a form satisfactory to us, acknowledging such creditor's obligations to be bound by the terms of this Section 16.

16.3 Our Right of First Refusal. We have the right, exercisable within thirty (30) days after receipt of a written request for our approval of a proposed transfer pursuant to this Section 16 (other than a transfer to immediate family members of your owners who meet our operational and financial criteria for new franchisees), to purchase the interest proposed to be transferred. The request to approve a transfer must include a true and complete copy of the term sheet, letter of intent, proposed purchase agreement, assignment document, or any other document necessary to implement the transfer, and not be subject to financing or any other contingencies. Our thirty (30) day period for determining whether or not to exercise our right of first refusal will not begin until the transferor has provided all information and documentation that we require in a form and substance satisfactory to us. We may assign this right of first refusal to an

affiliate or a third party in our sole discretion. If we desire to exercise our right of first refusal, we will do so by providing written notice (the “**Purchase Notice**”) to the transferor, as follows:

16.3.1 If the transfer is proposed to be made pursuant to a sale, we may purchase the interest proposed to be transferred on the same financial terms and conditions offered by the third party. Closing on our purchase will occur within sixty (60) days after the date of the transferor’s receipt of the Purchase Notice. If the consideration, terms, and/or conditions offered by the third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If, within thirty (30) days of the transferor’s receipt of the Purchase Notice the parties cannot agree as to the reasonable equivalent in cash consideration, an independent appraiser will be appointed by mutual agreement and the determination of the appraiser will be binding. Any material change in the terms of the offer from a third party after we have elected not to purchase the interest sought to be transferred will constitute a new offer subject to the same rights of first refusal by us as in the case of the third party’s initial offer.

16.3.2 If the transfer is proposed to be made by gift, you and we will jointly designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred. We may purchase the interest at the fair market value determined by the appraiser. Closing on the purchase will occur within forty-five (45) days after our notice to the transferor of the appraiser’s determination of fair market value.

16.3.3 Our failure to exercise our right of first refusal shall not constitute approval of the proposed transfer nor a waiver of any other provision of this Section 16 with respect to a proposed transfer. If we do not exercise our right of first refusal, you or your owners may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to our consent to the transfer as provided in Section 16.2, provided that if the sale to such offeror is not completed within sixty (60) days after receipt of our notice of our decision not to exercise our right of first refusal, or if there is a material change in the terms of the offer, you must promptly notify us, and we will have an additional right of first refusal (on the terms of the revised offer, if any, and otherwise as set forth herein) during the thirty (30) day period following your notification of the expiration of the sixty (60) day period or the material change to the terms of the offer.

16.4 Conditions of Our Consent. If we elect not to exercise our right of first refusal under Section 16.3, the proposed transferor may complete the transfer after obtaining our written consent as required under Section 16.2. We may withhold our consent on any reasonable grounds, or may give our consent subject to reasonable conditions, which may include, but are not limited to, the following:

16.4.1 That all of your accrued monetary obligations to us and our affiliates (whether arising under this Agreement or otherwise) and all other outstanding obligations related to the Franchised Business (including, but not limited to, bills from suppliers, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied or, in our reasonable judgment, adequately provided for. We reserve the right to require that a reasonable sum of money be placed in escrow to ensure that all of these obligations are satisfied;

16.4.2 That you are not then in material default of any provision of this Agreement or any other agreement between you and us or our affiliates, are in good standing as a franchisee with us and our affiliates, are not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Business and are not in default beyond the applicable cure period with any Vendor or supplier to the Franchised Business;

16.4.3 That the sales price shall not be so high, in our reasonable judgment, as to jeopardize the ability of the transferee to develop, maintain, operate and promote the Franchised Business and meet financial obligations to us, third party suppliers and creditors. Our decision with respect to a proposed transfer shall not create any liability on the part of us: (1) to the transferee, if we approve the transfer and the transferee experiences financial difficulties; or (2) to the transferor or the proposed transferee, if we reject the transfer pursuant to this Section 16 or for other legitimate business purposes. We, without any liability to the transferor or the proposed transferee, have the right, in our sole discretion,

to communicate and counsel with the transferor, you, and the proposed transferee regarding any aspect of the proposed transfer;

16.4.4 That the transferor executes a general release, in a form satisfactory to us, of any and all claims against us, our affiliates, and their respective past, present, and future officers, directors, shareholders, and employees, in their corporate and individual capacities;

16.4.5 That the transferee (and if the transferee is a corporation, partnership, or limited liability company, such owners of a beneficial interest in the transferee as we may request) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement; or, at our option, enter into our then current form of Franchise Agreement; and, if the transferor guaranteed your obligations under this Agreement, that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to us;

16.4.6 If the transferee is an existing ManageMowed developer or franchisee, that the transferee is not in default under its agreements with us, its landlords, lenders and its suppliers and has a good record of customer service and compliance with our operating standards;

16.4.7 That the transferee, whether or not an existing ManageMowed developer or franchisee, demonstrates to our satisfaction that he or she meets (or, if the transferee is a business entity, that its owners and management team meet) our educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the business contemplated hereunder (as may be evidenced by prior related business experience or otherwise); has the ability to obtain all required licenses and permits to operate the Franchised Business; and has adequate financial resources and capital to fulfill your obligations under this Agreement in a timely manner;

16.4.8 If you developed the Franchised Business under an Area Development Agreement with us, you must also transfer that agreement and any additional franchised ManageMowed businesses that you operate to the same transferee;

16.4.9 That you have corrected any existing deficiencies of the Franchised Business of which we have notified you, and/or the proposed transferee agrees to do so to fully comply with our then current requirements and specifications for ManageMowed businesses within the time period we specify following the effective date of the transfer (we will advise the proposed transferee before the effective date of the transfer of the specific actions that are required and the time period within which such actions must be taken);

16.4.10 That the transferor pays a transfer fee in the amount of twenty-five percent (25%) of the Initial Franchise Fee that we are then charging for a single unit Franchise or such greater amount as is required to reimburse us for our reasonable expenses associated with reviewing the application for transfer including legal and accounting fees plus any third party broker or consultant fees due in connection with the transfer. The transfer fee will be waived if the proposed transferee: (1) has been a franchisee of another ManageMowed business for at least three (3) years and is in good standing with us; (2) has managed a franchised or company-operated ManageMowed business for at least three (3) years; or (3) will own less than a twenty percent (20%) ownership interest in you, provided that after the transfer the Continuity Group retains at least a fifty-one percent (51%) ownership interest in you. If the transaction involves one or more ManageMowed businesses in addition to the Franchised Business franchised under this Agreement, the transferor must also pay the transfer fee specified in the franchise agreement for each other ManageMowed business in the transaction; and

16.4.11 That the transferee (if an entity, the Managing Owner) and any employees of the transferee who have not previously completed a training program approved by us complete any training programs then in effect for new franchisees at a cost of Five Thousand Dollars (\$5,000).

16.5 Transfers to an Entity Wholly Owned by You. If desire to transfer this Agreement to a corporation or limited liability company wholly owned by you, where the ownership and management of the Franchised Business will not change, the requirements of Section 16.2 shall apply to such a transfer; however, you will not be required to pay a transfer fee. Our consent also will be conditioned on the following: (1) the entity must be newly organized; (2) prior to the transfer, we must receive a copy of the documents specified in Section 16.2 and the transferee shall comply with the remaining provisions of Section 16; and (3) you must own all voting securities of the newly formed corporation (or membership interests of the newly formed limited liability company) or, if you are owned by more than one individual, each person shall have the same proportionate ownership interest in the corporation (or the limited liability company) as prior to the transfer.

16.6 Death, Incapacity or Bankruptcy. If you or any owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within three (3) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of this Section 16, as applicable; however, you will not be required to pay a transfer fee. In addition, if the deceased or incapacitated person is the Managing Owner, we will have the right (but no obligation) to take over operation of the Franchised Business upon giving notice to the executor, administrator, personal representative, or trustee and to manage the Franchised Business until the transfer is completed. If we exercise this right, we can charge a reasonable management fee for our services. For purposes of this section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (1) for a period of thirty (30) or more consecutive days, or (2) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of transfer set forth in Section 16.4, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement. If an interest is not disposed of under this Section 16.6 within six (6) months after the date of death or appointment of a personal representative or trustee, we can terminate this Agreement under Section 19.2.

16.7 Securities Offering. If you or any owner desires to offer securities in an offering that does not require registration under any federal or state securities law, the offering will be subject to all of the conditions of this Section 16, including our right of first refusal. All materials required for the offering by federal or state law must be submitted to us for review and consent before use. No offering may imply, by use of the Proprietary Marks or otherwise, that we are participating in underwriting, issuing, or offering the securities. Our review of the offering materials will be limited solely to the subject of the relationship between you and us. All participants in the offering must fully indemnify us in connection with the offering. For each proposed offering, we may require you to pay, in addition to the transfer fee under Section 16.4, a non-refundable fee of up to Ten Thousand Dollars (\$10,000) to reimburse us for our costs and expenses associated with reviewing the proposed offering. You must give us written notice at least thirty (30) days before the commencement date of any offering for which we have completed our review and any consent of the offering materials.

16.8 Nonconforming Transfers Void. Any purported assignment or transfer that is not in compliance with this Section 16 will be null and void and will constitute a material breach of this Agreement, for which we may terminate this Agreement without opportunity to cure pursuant to Section 19.2 below. Our consent to a transfer will not constitute a waiver of any claims we may have against the transferor, nor will it be deemed a waiver of our right to demand exact compliance by the transferor, transferee or you with any of the terms of this Agreement.

## 17 GENERAL RELEASE

17.1 You (on behalf of yourself and, if you are an individual, on behalf of your heirs, representatives, successors and assigns, and if you are an entity, on behalf your parent, subsidiaries and affiliates and their respective past and present members, officers, directors, shareholders, agents and employees, in their corporate and individual capacities) (collectively, "**Franchisee Releasors**") freely and without any influence forever release and covenant not to sue us, our parent, subsidiaries and affiliates and

their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively “**Franchisor Releasees**”), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, “**Claims**”), which any Franchisee Releasor now owns or holds or may at any time have owned or held, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and Claims arising out of, or relating to this Agreement and all other agreements between any Franchisee Releasor and any Franchisor Releasee, the sale of any franchise to any Franchisee Releasor, the development and operation of the Franchised Business and the development and operation of all other businesses operated by any Franchisee Releasor that are franchised by any Franchisor Releasee. For the purpose of implementing a general release and discharge as described in this Section 17, you expressly acknowledge that this agreement is intended to include in its effect, without limitation, a release of all Claims described in this Section 17, including those which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this agreement contemplates that any such Claims will be permanently extinguished. You expressly agree that fair consideration has been given by us for this General Release and you fully understand that this is a negotiated, complete and final release of all Claims. This General Release does not release any Claims arising from representations made in our Franchise Disclosure Document and its exhibits or otherwise impair or affect any Claims arising after the date of this Agreement.

17.2 This Section 17.2 is applicable only if your office or the Territory is located in the State of California or you or any of your owners are domiciled in or reside in the State of California: You expressly waive and relinquish all rights and benefits that you either may now have or may in the future have under and by virtue of California Civil Code Section 1542. You do so understanding the significance and consequence of such a specific waiver. (Section 1542 provides that “[a] general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”)

## 18 RENEWAL

18.1 Successor Franchise Agreements. When this Agreement expires, you will have an option to remain a franchisee and continue to operate the Franchised Business for one (1) successor term of five (5) years (the “**Successor Term**”) if we are still offering franchises in your Territory and if you are in substantial compliance with the terms of this Agreement. The qualifications and conditions for the Successor Term are described below.

18.2 Business Review. If you desire to operate the Franchised Business for the Successor Term, you must request our review of your business operations (a “**Business Review**”) at least twenty-five (25) months and no more than thirty (30) months before the end of the Initial Term. Failure by you to timely provide us the required notice constitutes a waiver by you of your option to obtain a successor franchise agreement. We will conduct the Business Review approximately twenty-four (24) months before the end of the Initial Term and we will notify you within thirty (30) days after we conduct our Business Review of any actions that you need to take before entering into the Successor Term. If we determine in our Business Review that you are not eligible to sign a successor franchise agreement, we will provide you an opportunity to transfer the franchise to a qualified buyer prior to the end of the Initial Term in accordance with Section 16 of this Agreement. If approved by us, the buyer would be eligible to sign our then-current form of franchise agreement for a ten (10) year term with any successor franchise rights that we are then offering to new franchisees.

18.3 Conditions for the Successor Term. In order to be eligible for the Successor Term, you must meet the following conditions:

18.3.1 You must give us written notice of your election to remain a franchisee and continue to operate the Franchised Business for the Successor Term at least six (6) months and no more than nine (9) months before the end of the Initial Term;

18.3.2 You must not be in default of this Agreement or any other agreement with us and/or our affiliates or suppliers, either at the time of giving the notice in Section 18.3.1 or during the remainder of the Initial Term;

18.3.3 If you entered into this Agreement through a Development Agreement with us, you must have successfully opened all ManageMowed businesses under that agreement in compliance with the applicable deadlines, or appropriate extensions approved by us, as set forth in that Agreement;

18.3.4 You must demonstrate that you are in “substantial compliance” with the terms of this Agreement as follows: (1) during the initial twelve (12) months of the Initial Term, you must not have received written notice from us of more than one monetary or other material default or infringing use of our System and Marks (“**Infringing Use**”), regardless of whether the defaults were cured; (2) during any rolling twenty-four (24) month period during the Initial Term, you must not have received written notice from us of more than one monetary or other material default or Infringing Use, regardless of whether the defaults were cured; and (3) during the Initial Term, you must not, after receiving a notice of default from us, have failed to cure any monetary or other material default of this Agreement or any Infringing Use;

18.3.5 As determined by us in our sole discretion, you must have operated the Franchised Business and all of your other franchised ManageMowed businesses in accordance with the applicable franchise agreements and with the System (as set forth in the Manual or otherwise and as revised from time to time by us);

18.3.6 You must be operating the Franchised Business in full compliance with all federal, state and local laws and regulations and you must demonstrate that you are able to maintain all licenses and permits necessary to continue to operate the Franchised Business for the Successor Term;

18.3.7 You must agree to renovate and modernize the Franchised Business as we may reasonably require, which may include the purchase and installation of new equipment, signs, furnishings, fixtures, vehicles and vehicle wraps, and décor to reflect our then-current standards and image of ManageMowed businesses; and

18.3.8 You must comply with our qualification and training requirements for new ManageMowed business franchisees.

18.4 Successor Franchise Agreement. If you are eligible and you elect to remain a franchisee for the Successor Term, you and your owners must: (1) sign our then-current form of successor franchise agreement (modified as necessary to reflect the fact that it is a successor franchise agreement), which will supersede this Agreement in all respects and which may provide for higher fees, fees not included in this Agreement, and other terms and conditions materially different from the terms of this Agreement; (2) sign a general release, in a form we prescribe, of any and all claims against us, our affiliates, and their respective past and present officers, directors, shareholders, and employees, in their corporate and individual capacities; and (3) pay us a successor franchise fee in an amount equal to twenty-five percent (25%) of our then-current initial franchise fee (“**Successor Franchise Fee**”). Your failure to sign the successor franchise agreement and general release and return these documents to us with the Successor Franchise Fee prior to the expiration of the Initial Term will be deemed an election by you not to exercise your right to remain a franchisee for the Successor Term and will result in the expiration of this Agreement and the franchise granted by this Agreement at the end of the Initial Term.

## 19 DEFAULT AND TERMINATION

19.1 Termination without Notice. You will be deemed to be in default under this Agreement, and all rights granted to you in this Agreement will automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or is filed against you and not opposed by you; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets

is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law are instituted by or against you; if a final judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien against the equipment of the Franchised Business is instituted against you and not dismissed within thirty (30) days; or if the personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

**19.2 Termination without Cure Period.** If any of the following events of default occurs, we may terminate this Agreement without providing you any opportunity to cure the default, effective immediately upon receipt of written notice by you:

19.2.1 You fail to meet the Opening Deadline.

19.2.2 You cease to operate the Franchised Business during the days and hours specified in the Manual for a period in excess of three (3) consecutive business days or for five (5) individual business days within a twelve (12) month period, unless the closing is due to fire, flood, earthquake or other similar causes beyond your control or is approved in writing in advance by us.

19.2.3 Your Managing Owner, Account Manager, Training Director, or Assistant Account Manager fail to satisfactorily complete the initial training program; you have on staff any person who does not meet all state or local requirements for certification or other requirements necessary for employment in the United States; or you fail or refuse to have the required number of your employees attend and successfully complete the training programs described in Section 6.

19.2.4 You, your owners, your employees or your independent contractors do business with third parties in violation of The Patriot Act and/or the Foreign Corrupt Practices Act.

19.2.5 You default on the terms of any indebtedness that results in the acceleration of the indebtedness with an outstanding principal amount of Seventy-Five Thousand Dollars (\$75,000) or more; there is a material loss or damage to any of your assets related to the Franchised Business that results in an aggregate loss (in excess of coverage) of Seventy-Five Thousand Dollars (\$75,000) or more; or there is an entry of a judgment against you involving aggregate liability (in excess of insurance coverage) of Seventy-Five Thousand Dollars (\$75,000) or more if such judgment remains unpaid or unsatisfied for a period of ten (10) or more days following entry of the judgment.

19.2.6 You fail to operate the Franchised Business in full compliance with federal, state and local laws and regulations or fail to cure such violations within fifteen (15) days of notification or such longer period if you are diligently working to cure the violation and the cure is not possible within such fifteen (15) day period.

19.2.7 There is a governmental action against you that, in our sole discretion, would adversely impact you or the System; or continuation of the business relationship between the parties would cause us to be in violation of any federal, state or local laws or regulations.

19.2.8 There is a material breach by you of any covenant or obligation under Section 15.

19.2.9 Any transfer that requires our prior written consent occurs without your having obtained that prior written consent.

19.2.10 You fail to dispose of an interest under Section 16.6 within six (6) months after the date of death or appointment of a personal representative or trustee.

19.2.11 We discover that you made a material misrepresentation in or omitted a material fact from the information that you provided to us in connection with our decision to enter into this Agreement.

19.2.12 You knowingly falsify any report required to be furnished to us or make any material misrepresentation in your dealings with us or fail to disclose any material facts to us.

19.2.13 You, your Managing Owner, Account Manager, or any of your 10% Owners are convicted of, or plead no contest to, a felony charge, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in our sole opinion, to adversely affect us, our affiliates or the System.

19.2.14 You, your Managing Owner, Account Manager, or any of your 10% Owners (1) materially misuse or make unauthorized use of the Proprietary Marks or Proprietary Materials, (2) commit any act or take any action that impairs the goodwill of the Proprietary Marks, (3) use the Proprietary Materials or other proprietary System knowledge at any other location owned or operated by you or your 10% Owners; or (4) fail to cure any breach or default under this Agreement that materially impairs or can be expected to impair the goodwill associated with the Proprietary Marks.

19.2.15 You understate the Gross Sales of the Franchised Business for any period by two percent (2%) or more three (3) or more times during any eighteen (18) month period, or by more than five percent (5%) on any one occasion.

19.2.16 You conceal revenue, taking for your own use employee taxes, FICA, insurance or benefits or any of our property.

19.2.17 You engage in any grey marketing activities where you take advantage of purchasing arrangements for ManageMowed businesses and transfer products to any other business not operating under the System.

19.2.18 You interfere with our relations with third parties and our ability to operate, and/or grant franchises under, the System.

19.2.19 You fail to pay a financial obligation owed to any lender that has provided financing under an arrangement with us or any approved suppliers (which may include us and our affiliates) within five (5) days of the date on which we provide notice of delinquency.

19.2.20 You, Franchisee Affiliates, your Managing Owner, or any 10% Owner: (1) remain in default beyond the applicable cure period under any other agreement with us or our affiliates (provided that, if the default is not by you, we shall provide to you written notice of the default and a fifteen (15) day period to cure the default); (2) remain in default beyond the applicable cure period under any real estate lease, equipment lease, financing instrument or supplier contract relating to the Franchised Business; (3) fail to pay when due any taxes or assessments relating to the Franchised Business or its employees, unless you are actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure or by arbitration or mediation conducted by a recognized alternative dispute resolution organization.

19.2.21 You commit the same default of this Agreement within a thirty-six (36) month period.

19.2.22 You repeatedly fail to comply with one or more requirements of this Agreement, regardless of whether you have previously cured the default.

19.3 Emergency Closing. If we in good faith believe that you are using products or utilizing procedures at the Franchised Business that are unsafe to customers and/or employees, we have the right, without prior notice, to immediately close your Franchised Business until such time as the unsafe products or procedures are no longer served or used. You will have twenty-four (24) hours after the closing of the

Franchised Business to prepare a written plan detailing the procedures that you will put in place to ensure that the unsafe practice has been fully remedied and will not recur. If you and we cannot agree on a plan, or if you intentionally fail to follow the plan agreed upon, then we will have the right to terminate this Agreement by written notice, with no further opportunity for you to cure the default.

#### 19.4 Termination Following Expiration of Cure Period

19.4.1 Except as otherwise provided above in Sections 19.1 and 19.2 above, if you fail to maintain or observe any of the standards or procedures prescribed by us in this Agreement, the Manual, or otherwise in writing, we may only terminate this Agreement by giving you written notice of termination (in the manner set forth under Section 24 below) stating the nature of the default at least thirty (30) days before the effective date of termination; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof of the cure to us, all within the thirty (30) day period. If any such default is not cured within the specified time (or such longer period as applicable law may require), then this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

19.4.2 Notwithstanding the provisions of preceding Section 19.4.1, if you default in the payment of any monies owed to us when such monies become due and payable and you fail to pay such monies within five (5) days after receiving written notice of default (or such longer period as applicable law may require), then this Agreement shall terminate without further notice to you effective immediately upon the expiration of the five (5) day period or such longer period as applicable law may require.

19.4.3 In addition to the other provisions of this Section 19.4, if we reasonably determine that you become or will become unable to meet your obligations to us or our affiliates under this Agreement, we may provide you written notice to that effect and demand that you provide those assurances reasonably designated by us, which may include security or letters of credit for the payment of your obligations to us and our affiliates. If you fail to provide the assurances demanded by us within thirty (30) days after receipt of written notice from us, this Agreement shall terminate without further notice to you effective immediately upon expiration of that time, unless we notify you otherwise in writing.

19.5 Termination Following Inspection. We will have the right to periodically conduct inspections of the Franchised Business to evaluate your compliance with the System and this Agreement. Following each inspection, we will provide you an inspection report listing your score on the inspection and those conditions at the Franchised Business that must be rectified. If you fail to achieve a passing score on an inspection, the inspection report shall constitute a notice of default. If you fail to achieve a passing score on the next inspection (which shall be conducted at least thirty (30) days after your receipt of the inspection report for the prior inspection), we may terminate this Agreement, without opportunity to cure, by providing you written notice of termination along with the inspection report.

19.6 Statutory Limitations. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this section, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

## 20 OBLIGATIONS UPON TERMINATION OR EXPIRATION

20.1 Obligations. Except as provided in Section 20.2 below, upon termination or expiration of this Agreement:

20.1.1 You must immediately cease operating the Franchised Business;

20.1.2 You must promptly pay all sums owing to us and our affiliates. In the event of termination for your default, the sums will include all damages, costs, and expenses incurred by us as a

result of the default, including, but not limited to, reasonable attorneys' fees. You must permit our access to, and examination of, books and records as provided in Section 12 to determine any amounts due;

20.1.3 You must promptly deliver to us the Manual and all other records, correspondence, and instructions in your possession or control, in any medium, that contain confidential information, trade secrets, or know-how relating to the System or the operation of a ManageMowed business, all of which are acknowledged to be our property;

20.1.4 You must immediately cease to use the confidential methods, procedures, and techniques associated with the System, the "ManageMowed" name and mark, all other Proprietary Marks, the Proprietary Materials, and all other distinctive forms, customer contracts, slogans, signs, symbols, websites, domain names, e-mail addresses, telephone numbers, other electronic identifiers, and devices associated with the Franchised Business or the System; withdraw all advertising matter (including electronic marketing); remove the Proprietary Marks from your office and from clothing, signs, letterhead, materials, vehicles and other items owned or used by you in the operation of the Franchised Business; and acquire all such materials from your Vendors and terminate any contracts that you have in place with such Vendors. Except as provided in Section 20.2 below, you must not thereafter, directly or indirectly, represent yourself to the public or hold yourself out as a present or former franchisee of ours. If you fail to promptly make these alterations and modifications, we will have the right (at your expense, to be paid upon your receipt of an invoice from us) to do so without being guilty of trespass or other tort

20.1.5 You must immediately cease all communications with customers, provide to us copies of all customer contracts and any related information we request, and provide us with all other information and access necessary for us (or our designee) to continue servicing the customers and related business relationships.

20.1.6 You must promptly make such alterations and modifications to any commercial office space as may be necessary to clearly distinguish to the public the office from its former appearance as a ManageMowed business and also make those specific additional changes as we may request for that purpose. If you fail to promptly make these alterations and modifications, we will have the right (at your expense, to be paid upon your receipt of an invoice from us) to do so without being guilty of trespass or other tort.

20.1.7 You must take such action as may be necessary to cancel any assumed name registration or equivalent registration, and any e-mail address or domain name registration, obtained by you which contains "ManageMowed" or any other Proprietary Marks, and furnish evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement. You hereby appoint us your attorney-in-fact to carry out the requirements of this Section 20.1.7, if you fail to do so within such five (5) day period.

20.1.8 You may not use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks or the Proprietary Materials in connection with any other business which, in our sole discretion, is likely to cause confusion, mistake, or deception or to dilute our and our affiliates' rights in and to the Proprietary Marks and the Proprietary Materials. You must not use any designation of origin or description or representation which, in our sole discretion, falsely suggests or represents an association or connection with us.

20.1.9 You must make a final transfer of data related to the Franchised Business to us and you may not retain or use any such data;

20.1.10 You must immediately take whatever action we may require to transfer and assign to us or our designee all telephone numbers, directory listings and related advertisements associated with the Proprietary Marks. You acknowledge that we have the sole rights to and interest in all telephone numbers and directory listings associated with any Proprietary Mark, and you authorize us to direct the telephone company and all listing agencies to transfer all telephone numbers and directory listings to us or our designee. If you fail or refuse to do so, the telephone company and all listing agencies may accept our

direction as evidence of our exclusive rights in the telephone numbers and directory listings and our authority to direct the transfer. You agree to sign any written authorizations or pre-approved authorizations in the form prescribed by us directing the telephone company and any listing agencies to transfer all telephone numbers and directory listing to us or our designee upon the occurrence of any termination or expiration. You appoint us as your attorney-in-fact for this purpose. You acknowledge that this power is coupled with an interest, and is therefore irrevocable. You will use your best efforts to assist us and our designee in an orderly transfer of these matters

20.1.11 You, your guarantors and all persons and entities subject to the covenants contained in Section 15 must continue to abide by those covenants and refrain from, directly or indirectly, taking any action that violates those covenants.

20.1.12 You must furnish to us, within thirty (30) days after the effective date of termination or expiration, evidence (certified to be true, complete, accurate and correct by your Managing Owner) satisfactory to us of your compliance with Sections 20.1.1 through 20.1.10.

20.2 Our Rights to Acquire the Franchised Business Assets. Upon expiration or termination of this Agreement, at our option you must:

20.2.1 Provide us with a copy of each customer contract for the Franchised Business within three (3) days thereafter at no cost to us since the customer data is our property. We may assign this option to another person or entity. You agree to facilitate our conversations with such customers to ensure an orderly transition of the ManageMowed business operations.

20.2.2 Assign to us your interest in any commercial office lease (or provide us with a commercially reasonable lease in the event you own the commercial office). If we elect not to exercise our option to acquire the lease, you must make such modifications or alterations to the commercial office as may be necessary to comply with Section 20.1.6.

20.2.3 Sell to us such of the furnishings, equipment, vehicles, signs, and fixtures of the Franchised Business as we may designate, at fair market value, and such of the inventory and supplies of the Franchised Business as we may designate, at fair market wholesale value. If the parties cannot agree on the price of any such items within a reasonable time, an independent appraiser will be appointed by us at our expense, and the appraiser's determination will be binding on both parties. If we exercise our option to purchase any items, we will have the right to set off all amounts due from you against any payment for such items.

20.2.4 We may exercise our options under this Section 20.2: (1) anytime in the six (6) month period before the expiration of the Initial Term, in the case of expiration of this Agreement; and (2) at any time between the date of delivery of written notice of termination and ninety (90) days after the effective date of termination, in the case of termination of this Agreement. If we deem such action desirable in order to preserve the value of such options, we may issue to you, and you must comply with, written instructions to refrain from, delay, or reverse any of the actions required of you under Section 20.1.

### 20.3 Early Termination Damages

20.3.1 If you default on your obligations and we terminate this Agreement prior to the expiration of the Initial Term of this Agreement, it is hereby agreed by the parties that the amount of damages which we would incur for any such termination of this Agreement would be difficult, if not impossible, to accurately ascertain. Accordingly, within thirty (30) days following such termination, you and your owners shall pay to us an amount equal to the average weekly Royalty Fees and Brand Fund contributions, that you owed for the fifty-two (52) week period prior to termination (or, if the Franchised Business was open for less than fifty-two (52) weeks, the average weekly Royalty Fees and Brand Fund contributions owed by you for the number of weeks that the Franchised Business was in operation) multiplied by the lesser of one hundred and four (104) or the number of weeks (including any partial week)

remaining in the Initial Term of this Agreement. These early termination damages shall constitute liquidated damages and are not to be construed as a penalty and shall be the joint and several liability of you and your owners.

20.3.2 The parties acknowledge and agree that: (1) the early termination damages are a reasonable estimation of the damages that would be incurred by us resulting from or arising out of the premature termination of this Agreement; and (2) your payment of such early termination damages is intended to fully compensate us only for any and all damages related to or arising out of the premature termination of this Agreement by us, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor waiver of our claim for other damages and/or equitable relief arising out of your breach of this Agreement. The imposition of early termination damages shall be at our option. We are not required to impose early termination damages and may, in addition or in lieu thereof, pursue other remedies available to us under the terms and conditions of this Agreement, in equity or at law in the event of your default under this Agreement, including, without limitation, actual damages incurred by us, if such can be ascertained. All such remedies shall be cumulative and non-exclusive.

20.4 Our Costs and Expenses. You agree to pay us all damages, costs, and expenses (including, but not limited to, reasonable attorneys' fees) we incur in obtaining injunctive, declaratory, or other relief to enforce this Section 20.

## **21 INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

21.1 Independent Contractor. This Agreement does not create a fiduciary relationship between you and us. You are an independent contractor, and nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. While this Agreement is in effect, you must hold yourself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise agreement from us. This Agreement does not authorize you to make any contract, agreement, warranty, or representation on our behalf or to incur any debt or other obligation in our name. We will not be deemed liable as a result of any such action, nor will we be liable by reason of your act or omission in the operation of the Franchised Business, or for any claim or judgment arising therefrom against you or us.

### 21.2 Indemnification

21.2.1 You and your 10% Owners will defend, indemnify and hold harmless, us and our parent, affiliates, subsidiaries and their successors and assigns, and each of their respective direct and indirect owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, "**Indemnified Parties**") from and against all Losses (as defined below) which any of the Indemnified Parties may suffer, sustain or incur as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought by a third party and directly or indirectly arising out of your development and operation of the Franchised Business, your conduct of business under this Agreement, your breach of this Agreement or your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees. We will promptly notify you of any claim that may give rise to a claim of indemnity hereunder, provided, however, that the failure to provide such notice will not release you from your indemnification obligations under this section except to the extent you are actually and materially prejudiced by such failure.

21.2.2 You will have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter assuming full responsibility for Losses resulting from such claim, to assume and control the defense of such claim, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of the fees and disbursements of such counsel. If (1) the Indemnified Party will have been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to you and, in the reasonable opinion of the Indemnified Party, your counsel could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with your interests, or (2) you do not assume responsibility for

such Losses in a timely manner or you fail to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party will have the right to employ counsel of its own choosing, and you will pay the fees and disbursements of such Indemnified Party's counsel as incurred. In connection with any claim, the Indemnified Party or you, whichever is not assuming the defense of such claim, will have the right to participate in such claim and to retain its own counsel at such party's own expense.

21.2.3 You or the Indemnified Party (as the case may be) will keep you or the Indemnified Party (as the case may be) reasonably apprised of, and will respond to any reasonable requests concerning, the status of the defense of any claim and will cooperate in good faith with each other with respect to the defense of any such claim. You will not, without the prior written consent of the Indemnified Party, (1) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnified Party and its affiliates, direct and indirect owners, directors, managers, employees, agents and representatives, or (2) settle or compromise any claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments which will be paid by you. No claim that is being defended in good faith by you in accordance with the terms of this section will be settled by the Indemnified Party without your prior written consent. Notwithstanding anything to the contrary herein, if a claim involves the Proprietary Marks, you agree that we will have the exclusive right to assume the defense of such claim, at your expense with counsel selected by us, but reasonably satisfactory to you.

21.2.4 You have no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's gross negligence, willful misconduct, or willful wrongful omissions.

21.2.5 For purposes of this Section 21.2, "**Losses**" include all obligations, liabilities, damages (actual, consequential, or otherwise), and defense costs that any Indemnified Party incurs. Defense costs include, without limitation, accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, and alternative dispute resolution.

21.2.6 Your obligations in this Section 21.2 will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you under this Section 21.2. You agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 21.2.

## **22 APPROVALS AND WAIVERS**

22.1 Approvals. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and our approval or consent must be obtained in writing and signed by one of our officers.

22.2 No Warranty. We make no warranties or guarantees and assume no liability or obligation to you by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

22.3 No Implied Waiver. No delay or failure by us to exercise any right reserved to us under this Agreement or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, will constitute a waiver of our right to exercise such right or to demand exact compliance by you with any of the terms hereof. Waiver by us of any particular default by you will not affect or impair our rights with respect to any subsequent default of the same, similar, or a different nature. Acceptance by us of any payments due to us hereunder will not be deemed to be a waiver by us of any preceding breach by you.

## **23 FORCE MAJEURE**

If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure that cannot be overcome by reasonable commercial measures, the parties shall be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure shall give prompt written notice of such Force Majeure event to the other party by setting forth the nature thereof and an estimate as to its duration. Your inability to obtain financing (regardless of the reason) shall not constitute Force Majeure.

## **24 NOTICES**

All notices pursuant to this Agreement must be in writing and delivered in person or sent by personal delivery, by next day delivery service, by electronic means, or by certified mail, return receipt requested, to the respective parties at the addresses shown on the signature page of this Agreement (unless and until a different address has been designated by written notice to the other party). Any notices sent by personal delivery, next day delivery service or by electronic means shall be deemed given on the next business day after transmittal. Any notices sent by certified mail shall be deemed given on the third business day after the date of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days prior written notice of such change to the other party. We may provide you with routine information, invoices, updates to the Manual, System standards and other System requirements and programs, including any modifications thereto, by regular mail or by e-mail, or by making such information available to you on the internet, an extranet, or other electronic means.

## **25 ENTIRE AGREEMENT**

The parties acknowledge that each element of this Agreement is essential and material and that, except as otherwise provided in this Agreement, the parties shall deal with each other in good faith. This Agreement, the Manual, and the attachments to this Agreement, constitute the entire, full and complete agreement between the parties concerning your rights, and supersede any and all prior or contemporaneous negotiations, discussions, understandings or agreements. There are no other representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Agreement other than those set forth in this Agreement and in the attachments. No obligations or duties that contradict or are inconsistent with the express terms of this Agreement may be implied into this Agreement. Subject to our rights to modify the Manual, the System standards and the System, or as expressly set forth in this Agreement, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any representation made in our Franchise Disclosure Document that we provided to you.

## **26 DISPUTES**

26.1 Non-Binding Mediation. The parties agree that either party may submit any claim, controversy, or dispute arising out of this Agreement to non-binding mediation, provided the parties shall not be required to pursue mediation of any claim, controversy, or dispute as a prerequisite to filing a lawsuit or commencing other legal proceedings, and the pendency of a mediation shall not cause any legal proceedings to be stayed pending the outcome of the mediation. Any such non-binding mediation shall be conducted in the county in which our principal offices are located at the time the claim is submitted to mediation through either an individual mediator or a mediation services organization, provided the mediator shall be experienced in the mediation of franchise disputes and agreed upon by the parties.

26.2 Choice of Law. This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Washington without regard to conflicts of laws principles. Nothing in this Section 26.2 is intended, or shall be deemed, to make any Washington law regulating the offer or sale of franchises or the franchise relationship applicable to this

Agreement if such law would not otherwise be applicable because you reside in or your Franchised Business is located in the State of Washington.

26.3 Choice of Forum. The parties agree that, to the extent any disputes cannot be resolved directly between them, you must file any suit against us only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed, in the jurisdiction where you reside or do business, or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

26.4 Limitations of Actions. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or proceeding (including the offer and sale of a franchise to you) brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered.

26.5 Reimbursement of Costs and Expenses. If either party brings an action to enforce this Agreement in a judicial proceeding, the party prevailing in that proceeding shall be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, during, in preparation for, or in contemplation of the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

26.6 Rights of Parties are Cumulative. The parties' rights under this Agreement are cumulative, and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement that it is entitled by law or this Agreement to exercise or enforce.

26.7 WAIVER OF PUNITIVE DAMAGES, CLASS ACTION LAWSUITS AND JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY WAIVES ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER PARTY. THE PARTIES ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ACTUAL DAMAGES, IF ANY. IN ADDITION, THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS AND THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, AND/OR COUNTERCLAIM BROUGHT BY EITHER PARTY.

26.8 Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including, but not limited to, the failure to comply fully with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by us shall be in addition to, and not in lieu of, all remedies and rights that we otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

## **27 SEVERABILITY AND CONSTRUCTION**

27.1 Severability. If any provision of this Agreement is determined to be invalid or in conflict with any existing or future law or regulation by a court or agency having valid jurisdiction, the invalidity will not impair the operation of any other provisions which remain otherwise intelligible. The latter will continue to be given full force and effect, and the invalid provisions will be deemed not to be a part of this Agreement.

27.2 Counterparts. This Agreement may be signed in counterparts, and signature pages may be exchanged by fax or scanned PDF, each such counterpart, when taken together with all other identical copies of this Agreement also signed in counterpart, shall be considered as one complete agreement.

27.3 Gender and Number. All references to gender and number shall be construed to include such other gender and number as the context may require.

27.4 Captions. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

27.5 Time. Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically shall be extended to the next day that is not a Saturday, Sunday or national holiday.

27.6 Survival of Obligations. All obligations that expressly or by reasonable implication are to be performed, in whole or in part, after the expiration, termination, or assignment of this Agreement will survive expiration, termination, or assignment.

27.7 No Implied Third Party Beneficiaries. Except as explicitly provided to the contrary herein, nothing in this Agreement is intended or will be deemed to confer any rights or remedies on any person or legal entity other than you, your owner(s), us, and our affiliates.

27.8 References. Each reference in this Agreement to a corporation or partnership also shall be deemed to refer to a limited liability company and any other entity or organization similar thereto if applicable. Each reference to the organizational documents, owners, directors, and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, owners, directors, and officers, as applicable, in the case of a limited liability company or any other entity or organization similar thereto if applicable.

27.9 Lesser Included Obligations. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from (1) striking any portion of a provision that a court or agency may hold to be unreasonable and unenforceable; or (2) reducing the scope of any promise or covenant to the extent required to comply with a court or agency order.

27.10 Best Interests of System. Whenever we exercise a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly provided in this Agreement, we can make our decision or exercise our discretion on the basis of our judgment of what is in our best interests. "Best interests" includes what we believe to be the best interests of the System at the time the decision is made or the right or discretion is exercised, even though (1) there may have been other alternative decisions or actions that could have been taken; (2) our decision or the action taken promotes our own financial interest; or (3) our decision or the action may apply differently to different franchisees and/or to any ManageMowed businesses that we or our affiliates operate. In the absence of an applicable statute, we will have no liability to you for any such decision or action. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that the covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

## **28 REPRESENTATIONS AND ACKNOWLEDGMENTS**

You represent, acknowledge and warrant to us (and you agree that these representations, acknowledgments and warranties shall survive termination of this Agreement) that:

28.1 Our Agreements with Third Parties. We have entered, and will continue to enter, into agreements with other franchisees to operate ManageMowed businesses. The manner in which we enforce our rights and the franchisees' obligations under any of those other agreements shall not affect our ability to enforce our rights or your obligations under this Agreement.

28.2 System Modifications. We may change or modify the System, from time to time, including the Manual, and you will be required to make such expenditures as such changes or modifications in the System may require.

28.3 Franchise Application. All information that you provided to us in connection with your franchise application and our grant of this Franchise is truthful, complete and accurate.

28.4 Signatories to this Agreement. The persons signing this Agreement on your behalf have full authority to enter into this Agreement and the other agreements contemplated by the parties. Your execution of this Agreement or such other agreements does not and will not conflict or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement with any other third party to which you or any owner is a party.

28.5 No Actual or Apparent Authority. Even though this Agreement contains provisions requiring you to operate the Franchised Business in compliance with the System: (1) we and our affiliates do not have actual or apparent authority to control the day-to-day conduct and operation of your business or employment decisions; and (2) the parties do not intend for us or our affiliates to incur any liability in connection with or arising from any aspect of the System or your use of the System, whether or not in accordance with the requirements of the Manual, except with respect to any liability arising from our gross negligence or willful misconduct.

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

**FRANCHISOR:**  
**MANAGEMOWED FRANCHISING, LLC,**  
a Washington limited liability company

**FRANCHISEE:**  
\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EFFECTIVE DATE:** \_\_\_\_\_

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

Notice Address: 144 Railroad Avenue, Suite 101  
Edmonds, WA 98020

Notice Address: \_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT A TO MANAGEMOWED FRANCHISE AGREEMENT**

**FRANCHISE INFORMATION**

**Franchisee:** \_\_\_\_\_

**Office Address:** \_\_\_\_\_

**Territory:** \_\_\_\_\_

**Number of Commercial Properties in Territory:** \_\_\_\_\_

**Initial Franchise Fee:** *Check one: if no choice is selected, the Initial Franchise Fee is \$49,500*

<input type="checkbox"/>	\$ _____ (\$49,500 – Single Office ManageMowed business)
<input type="checkbox"/>	\$ _____ (\$39,500 – 2nd ManageMowed Franchise Agreement signed simultaneously with first Franchise Agreement)

**Minimum Insurance Requirements as of the Effective Date:**

<b>TYPE OF INSURANCE POLICY</b>	<b>COVERAGE REQUIREMENTS</b>
Commercial General Liability	Each occurrence – \$1,000,000 General Aggregate Limit - \$2,000,000
Products/Completed Operations	Aggregate Limit - \$2,000,000
Personal and Advertising Injury	Limit - \$1,000,000
Fire Damage Legal Liability Limit	Any one fire - \$100,000
Business Personal Property* (replacement cost basis including business interruption coverage)	Value
Tenant Improvements*	Value
Business Income	100% or Actual Loss Sustained
Automobile Liability (Liability and Hired and Non-owned Auto)	Combined Single Limit - \$1,000,000 – Symbol 1 and or 7, 8 and 9
Workers Compensation*	Statutory (\$1,000,000 each accident / \$1,000,000 each employee / \$1,000,000 each policy limit)
Employers Liability bodily injury*	\$1,000,000 each accident / \$1,000,000 each employee / \$1,000,000 each policy limit
Employment Practices*	\$1,000,000 each claim / \$1,000,000 aggregate limit / Retroactive Date
Umbrella Policy	\$1,000,000 each occurrence / \$1,000,000 aggregate

\*If you operate your ManageMowed business from a home office, your homeowners insurance may provide some of this coverage. You will not need to obtain workers compensation, employers liability or employment practices coverage until you hire an employee.

**EXHIBIT B TO MANAGEMOWED FRANCHISE AGREEMENT**

**OWNERSHIP INTERESTS**

**Franchisee:** \_\_\_\_\_

**Form of Ownership.** Franchisee is a \_\_\_\_\_ incorporated or formed on \_\_\_\_\_ in the state of \_\_\_\_\_.

**Owners.** The following list includes the full name of each person who is an owner of a legal or beneficial interest in Franchisee, and fully describes the nature of each owner's interest (attach additional pages if necessary).

Name	Home Address	Percentage and Description of Ownership Interest

**Continuity Group.** Franchisee's Continuity Group shall be comprised of the following persons: \_\_\_\_\_

**Managing Owner.** Franchisee's Managing Owner is: \_\_\_\_\_

**Account Manager:** \_\_\_\_\_

**FRANCHISEE:**  
\_\_\_\_\_

By: \_\_\_\_\_  
Print name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT C TO MANAGEMOWED FRANCHISE AGREEMENT

### GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the ManageMowed Franchise Agreement dated as of \_\_\_\_\_ (“**Agreement**”) by ManageMowed Franchising, LLC (“**Franchisor**”), entered into with \_\_\_\_\_ (“**Franchisee**”), the undersigned (“**Guarantors**”), each of whom is an officer, director, member of Franchisee’s Continuity Group or a 10% Owner, or the spouse thereof, hereby personally and unconditionally agree as follows:

**1. Guarantee To Be Bound By Certain Obligations.** Guarantors hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that each will be personally bound by the covenants and restrictions contained in Section 15 (Covenants) of the Agreement.

**2. Guarantee and Assumption of Franchisee’s Obligations.** Guarantors hereby: (1) guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that Franchisee and any assignee of Franchisee’s interest under the Agreement shall: (a) punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) punctually pay all other monies owed to Franchisor and/or its affiliates; (2) agree to be personally bound by each and every provision in the Agreement, including, without limitation, the provisions of Sections 15 (Covenants) and 21.2 (Indemnification); and (3) agree to be personally liable for the breach of each and every provision in the Agreement.

**3. General Terms and Conditions.** The following general terms and conditions shall apply to this Guarantee:

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right s/he may have to require that an action be brought against Franchisee or any other person as a condition of liability; (5) 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 execution of and performance under this Guarantee by the undersigned; (6) any law or statute which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; (7) any and all other notices and legal or equitable defenses to which s/he may be entitled; and (8) any and all right to have any legal action under this Guarantee decided by a jury.

Each of the undersigned consents and agrees that: (1) her/his direct and immediate liability under this Guarantee shall be joint and several; (2) s/he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; (4) such liability shall not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which Franchisor 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, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Franchisee to Franchisor or its affiliates under the Agreement; and (5) monies received from any source by Franchisor for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by Franchisor. In addition, if any of the undersigned ceases to be a member of the Continuity Group, a 10% Owner, an officer or director of Franchisee or own any interest in Franchisee or the Franchised Business, that person (and his spouse, if the spouse is also a guarantor) agrees that the

obligations under this Guarantee shall continue to remain in force and effect unless Franchisor in its sole discretion, in writing, releases those person(s) from this Guarantee. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Section 15.2 (Restrictions on Competition) of the Agreement shall remain in force and effect for a period of two (2) years after any such release by Franchisor. A release by Franchisor of any of the undersigned shall not affect the obligations of any other Guarantor.

If Franchisor brings an action to enforce this Guarantee in a judicial proceeding, the prevailing party in such proceeding shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost 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. In any judicial proceeding, these costs and expenses shall be determined by the court and not by a jury.

If Franchisor utilizes legal counsel (including in-house counsel employed by Franchisor or its affiliates) in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

If any of the following events occur, a default ("**Default**") under this Guarantee shall exist: (1) failure of timely payment or performance of the obligations under this Guarantee; (2) breach of any agreement or representation contained or referred to in this Guarantee; (3) the dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against, any of the undersigned; and/or (4) the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any of the undersigned. If a Default occurs, the obligations of the undersigned shall be due immediately and payable without notice. Upon the death of one of the undersigned, the estate shall be bound by this Guarantee for all obligations existing at the time of death. The obligations of the surviving Guarantors shall continue in full force and effect.

This Guarantee shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Franchisor's interests in and rights under this Guarantee are freely assignable, in whole or in part, by Franchisor. Any assignment shall not release the undersigned from this Guarantee.

Section 26 (Disputes) of the Agreement is incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee shall have the meaning given them in the Agreement.

*[Signatures follow on next page.]*

**IN WITNESS WHEREOF**, each of the undersigned has hereunto affixed his signature, under seal.

**GUARANTORS:**

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

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

Address: \_\_\_\_\_

**EXHIBIT D TO MANAGEMOWED FRANCHISE AGREEMENT**

**FORM OF NON-DISCLOSURE AND NON-COMPETITION AGREEMENT**

*(to be signed by franchisee and its personnel)*

**THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT** (this “**Agreement**”) is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“**Franchisee**”), and \_\_\_\_\_, who is an owner, manager, supervisor, member, partner, or a person in a managerial position with, Franchisee (the “**Member**”).

**RECITALS:**

**WHEREAS**, ManageMowed Franchising, LLC (“**Franchisor**”) owns a format and system (the “**System**”) relating to the establishment and operation of commercial landscape management businesses that provide recurring landscape maintenance services to customers including lawn, bed, tree and shrub care services and snow removal services through work provided by independent landscapers and vendors (each, a “**ManageMowed business**”);

**WHEREAS**, Franchisor identifies ManageMowed businesses by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the marks “ManageMowed” and “ManageMowed” and such other trade names, service marks, and trademarks as Franchisor may hereafter designate for use in connection with the System (the “**Proprietary Marks**”);

**WHEREAS**, Franchisor and Franchisee have executed a ManageMowed Franchise Agreement (“**Franchise Agreement**”) granting Franchisee the right to operate a ManageMowed business (the “**Business**”) located at \_\_\_\_\_ (the “**Office Location**”) within the following geographic area: \_\_\_\_\_ (the “**Territory**”) and to use the Proprietary Marks in connection therewith under the terms and conditions of the Franchise Agreement;

**WHEREAS**, Member, by virtue of his or her position with Franchisee, will gain access to certain of Franchisor’s Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that Franchisee is bound by.

**NOW THEREFORE, IN CONSIDERATION** of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

**1. Confidential Information.** Member shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised thereunder which may be communicated to Member or of which Member may be apprised by virtue of Franchisee’s operation under the terms of the Franchise Agreement. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Member can demonstrate came to his or her attention before disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

**2. Covenants Not to Compete.**

(a) Member specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of his/her position with Franchisee, Member will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System.

(b) Member covenants and agrees that during the term of the Franchise Agreement and Member's employment with, or ownership interest in Franchisee, except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(1) Own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to or have any interest in, either directly or indirectly, any business that offers residential or commercial landscape management services, landscaping services such as lawn, bed, tree and shrub care, and/or snow removal services ("**Competing Business**"). During the term of the Franchise Agreement and Member's employment with, or ownership interest in Franchisee, there is no geographical limitation on this restriction; or

(2) Divert or attempt to divert any present or prospective business or customer to any Competing 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 Proprietary Marks and the System.

(c) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by Franchisor, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any Competing Business which business is, or is intended to be, located: (1) within the Territory plus the area formed by extending the boundary of the Territory by ten (10) miles in any direction; or (2) within the territory assigned to any then-existing ManageMowed business, plus the area formed by extending the boundaries of that territory by ten (10) miles in any direction. As used in this Agreement, the term "**Post-Term Period**" shall mean a continuous uninterrupted period of two (2) years from the date of: (1) a transfer as contemplated under Section 16 of the Franchise Agreement; (2) expiration or termination of the Franchise Agreement (regardless of the cause for termination); (3) termination of Member's employment with Franchisee; and/or (4) a final order of a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Agreement; either directly or indirectly (through, on behalf of, or in conjunction with any persons, partnership, corporation or entity).

**3. Injunctive Relief.** Member acknowledges that any failure to comply with the requirements of this Agreement will cause Franchisor irreparable injury, and Member agrees to pay all costs (including without limitation reasonable attorneys' fees, court costs, discovery costs, and all other related expenses) incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

**4. Severability.** All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then Member agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect Franchisor's and/or Member's legitimate business needs as permitted by applicable law and public policy. In so doing, Member agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

**5. Delay.** No delay or failure by Franchisor or Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

**6. Choice of Law and Forum.** This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the state in which the Office Location is or was located without regard to conflicts of laws principles. The parties agree that, to the extent any disputes cannot be resolved directly between them, each party may file suit against the other party only in the federal or state court having jurisdiction where the Office Location is or was located.

Each party consents to the personal jurisdiction of those courts over themselves and to venue in those courts.

7. **Third-Party Beneficiary.** Member hereby acknowledges and agrees that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

**IN WITNESS WHEREOF**, Franchisee and Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

**FRANCHISEE:**

**MEMBER:**

\_\_\_\_\_

\_\_\_\_\_

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

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

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

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

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

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

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

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

**EXHIBIT E TO MANAGEMOWED FRANCHISE AGREEMENT**

**ACH AUTHORIZATION FORM**

**OFFICE LOCATION:** \_\_\_\_\_

**DEPOSITOR (NAME OR LEGAL ENTITY):** \_\_\_\_\_

The undersigned depositor ("Depositor") hereby authorizes ManageMowed Franchising, LLC ("MMF") to initiate debit entries and credit correction entries to Depositor's checking or savings account indicated below and Depositor hereby authorizes the depository designated below ("Bank") to debit or credit such account pursuant to MMF's instructions. This authorization is to remain in full force and effect until 60 days after MMF has received written notification from Depositor of its termination.

**DEPOSITOR INFORMATION**

<b>Depositor Name:</b>
<b>Mailing Address:</b>
<b>City/ State/ Zip Code:</b>
<b>Telephone:</b>
<b>Email:</b>

**DEBITING BANK ACCOUNT INFORMATION**

<b>Bank Name:</b>
<b>City / State / Zip Code:</b>
<b>Branch:</b>
<b>Account Number to Debit:</b>
<b>Routing Number (9 digit #):</b>
<b>Account Name:</b>

The undersigned representative of Depositor represents and warrants to MMF and the Bank that the person executing this ACH Authorization Form is an authorized signatory on the account referenced above and all information regarding the account is true and accurate.

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

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

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

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

W

**EXHIBIT B**  
**MANUAL TABLE OF CONTENTS**

1 Introduction.....	2
1.1 Welcome.....	2
1.2 Business Overview.....	2
1.3 ManageMowed Key Differentiators .....	4
1.4 Description of Required Core Service Offerings.....	4
1.5 Description of Recommended Enhancement Services .....	5
1.6 What is Commercial Landscaping and Maintenance?.....	5
1.6.1 Commercial Landscaping Clients .....	5
1.6.2 Maintenance Defined .....	5
1.6.3 Our Scope of Work.....	6
1.6.4 Frequency of Visits.....	9
2 Account Manager Job Overview.....	11
2.1 The Account Manager Position.....	11
2.2 Delegating.....	12
2.3 CRM Training .....	13
2.4 Account Manager Resources & Support.....	14
2.5 How to be a Top Performer.....	14
3 Client Acquisition.....	16
3.1 Territory and Advertising Restrictions .....	16
3.1.1 Territory.....	16
3.1.2 Social Media .....	17
3.2 Targeting Prospects.....	17
3.2.1 What Industries Do We Serve?.....	18
3.2.2 Who are the Decision Makers? .....	19
3.2.3 Reaching out to Prospects.....	20
3.2.4 Introduction to Cold Calling.....	21

3.2.5 Introduction to Canvassing .....	24
Be Consistent in Your Efforts .....	27
3.2.6 Post Cold Call/ Canvassing – serviceminder (SM).....	31
3.3 Overview of the Sales Process .....	31
3.4 Initial Sales Meetings .....	32
3.4.1 Initial Sales Meetings .....	32
3.4.2 Initial Sales Presentation.....	33
3.4.3 Responding to Sales Objections.....	35
3.5 Marketing and Sales Collateral .....	38
3.6 Site Assessments .....	38
3.7.0 Pricing and Estimating .....	39
3.7.1 Pricing and Estimating- Larger Complexes.....	43
3.8 Creating and Sending Estimates.....	46
3.9 Upgrading Services.....	46
3.9.1 Enhancement Calendar .....	48
3.10 Soliciting Referrals.....	48
3.11 Sales Goals.....	49
4 Client Relationship Management.....	51
4.1 Customer Service Philosophy .....	51
4.2 Building Client Relationships .....	52
4.2.1 The Tiered Client System.....	52
4.2.2 System Accounts and Preferred Supplier Program .....	53
4.2.3 Client Contact .....	55
4.3 New Client Onboarding.....	55
4.3.1 Consumer Data, Privacy & Regulations .....	56
4.4 Monitoring Quality .....	57
4.4.1 Pro-Active Quality Control Site Visits .....	57
4.4.2 Quality Control Rating Schedule .....	58

4.4.3 Vendor Recommendations and Quality Control Frequency.....	59
4.5 How to Respond to Complaints, Get Things Done, and Resolve Issues .....	59
4.5.1 Responding to Complaints.....	60
4.5.2 Following Up to Prevent Recurrence .....	62
4.6 Responding to Emergency Calls.....	63
4.6.1 Fire Drill and “Go To” Vendors.....	63
5 Analyzing Financial Performance .....	64
5.1 Account Profitability.....	64
6 Vendor Management.....	65
6.1 What is a ManageMowed Vendor? .....	65
6.2 Ideal Vendor Criteria .....	65
6.2.1 Build a Roster of Vendors and Suppliers.....	66
6.3 Where and How to Locate Vendors .....	66
6.4 Presenting Benefits of Working with ManageMowed .....	67
6.5 Onboarding Vendors .....	68
6.6 Vendor Expectations .....	70
6.6.1 Appearance and Equipment Recommendations.....	70
6.6.2 Meeting Vendors on site.....	71
6.6.3 New Location Meetings.....	71
6.6.4 Vendor Onsite Recommendations.....	72
6.6.5 Vendor Regulation Compliance.....	73
6.6.6 Serviceminder and Mobile App Usage .....	73
6.7 Schedule Recommendations for Vendors .....	74
6.8 Assigning New Accounts to Vendors .....	75
6.8.1 Vendor Pricing per Visit.....	75
6.9 Monitoring and Managing Vendor Results.....	77
6.10 “Red Flag” Vendors and Properties.....	77
6.10.1 Red Flag Vendors.....	77

**Franchisee Business Name**  
**Business Address**  
**Business Phone Number**

## Table of Contents

---

6.10.2 Red Flag Clients/Properties.....	78
6.11 Working Effectively with Vendors.....	78
7 Conclusion.....	82
8 Resources .....	82

<b>1 Locating &amp; Opening Your Office</b>	<b>2</b>
<b>1.1 Preparing Your Office Space: Process Overview</b>	<b>2</b>
<b>1.2 Office Evaluation Process</b>	<b>2</b>
1.2.1 Site Criteria: Leasing your own Office Space	3
1.2.2 Signage Considerations when Leasing	5
<b>1.3 Signage Requirements</b>	<b>5</b>
1.3.1 Sign Specifications	5
1.3.2 Signage Approvals	5
1.3.3 Independent Business Owner Sign	5
<b>2 Administrative Preparation</b>	<b>6</b>
<b>2.1 Federal, State &amp; Local Regulations</b>	<b>6</b>
2.1.1 Industry-Specific Regulations	6
<b>2.2 Fictitious Name Announcement</b>	<b>7</b>
<b>2.3 Taxes</b>	<b>8</b>
<b>2.4 Proper Registration</b>	<b>8</b>
<b>2.5 Identification of the Franchised Business</b>	<b>8</b>
<b>2.6 Insurance</b>	<b>9</b>
2.6.1 Basic Coverage	10
2.6.2 Reseller's Permit	11
<b>2.7 Bank Accounts</b>	<b>11</b>
2.7.1 Regular Checking/Savings Account	12
2.7.2 Payroll Service Account	13
2.7.3 Merchant Credit Card Account	13

2.7.4 Line of Credit	14
<b>2.8 Data Security</b>	<b>14</b>
<b>3 Launch Overview</b>	<b>14</b>
<b>3.1 Pre-Opening Overview</b>	<b>14</b>
<b>4 Purchasing</b>	<b>16</b>
<b>4.1 Vehicle Lease/Purchase &amp; Specifications</b>	<b>16</b>
<b>4.2 Equipment, Supplies, Products &amp; Vendors</b>	<b>17</b>
4.2.1 Proposing Alternate Suppliers	17
4.2.2 Computer System & POS System Requirements	18
4.2.3 Opening Supplies	18
<b>4.3 Option to Purchase Accounts</b>	<b>20</b>
<b>5 Hiring &amp; Training</b>	<b>20</b>
<b>5.1 Initial Franchisee Training &amp; Staff Hiring</b>	<b>21</b>
<b>5.2 Recruiting and Hiring for Training</b>	<b>23</b>
<b>5.3 On-Site Launch Support</b>	<b>24</b>
<b>6 Start-Up Marketing &amp; Sales</b>	<b>24</b>
<b>6.1 Marketing Setup and Introduction Plan</b>	<b>24</b>
6.1.2 Outbound Sales Call Center - MGen	28
6.1.3 Email Campaign Setup, Email List, Site Level List	29
<b>6.2 Advertising Restrictions &amp; Requirements</b>	<b>29</b>
<b>6.3 Community Outreach</b>	<b>32</b>
<b>6.4 Directory Listings</b>	<b>32</b>
<b>6.5 Data, Privacy &amp; Regulations</b>	<b>33</b>
<b>7 Finding Vendors &amp; Sales</b>	<b>33</b>
<b>7.1 Finding Vendors</b>	<b>33</b>
<b>7.2 Sales</b>	<b>34</b>
<b>8 Account Manager Manual</b>	<b>34</b>

<b>9 Approval to Open</b>	<b>35</b>
<b>9.1 Notifications to ManageMowed Headquarters</b>	<b>35</b>
<b>10 Exit Strategies</b>	<b>36</b>
<b>11.0 Appendix Contents</b>	<b>38</b>
<b>11.1 Site Selection Assessment Form</b>	<b>39</b>
<b>11.2 Lease Addendum</b>	<b>40</b>
<b>11.3 Non-Disclosure &amp; Non-Competition Agreement</b>	<b>44</b>
<b>11.4 Start-Up Ordering List</b>	<b>49</b>
<b>11.5 Documents Due to ManageMowed Franchisor, LLC</b>	<b>51</b>
<b>11.6 ACH Authorization Form</b>	<b>52</b>
<b>11.7 Service and Supplier Variation Request</b>	<b>54</b>
<b>11.8 Account Manager Sample Job Description</b>	<b>56</b>
<b>11.9 Assistant Account Manager Sample Job Description</b>	<b>59</b>
<b>12.0 Multi-Unit Manager Sample Job Description</b>	<b>61</b>
<b>12.1 Interviewing Guidelines</b>	<b>65</b>

## Table of Contents

<b>1 INTRODUCTION.....</b>	<b>12</b>
1.1 WELCOME TO MANAGEMOWED .....	12
1.2 THE CONCEPT & HOW IT WAS BORN.....	12
1.3 MANAGEMOWED KEY DIFFERENTIATORS.....	14
1.4 WHAT IS FRANCHISING?.....	16
1.4.2 Royalties.....	17
1.4.3 Franchisor's Responsibilities.....	17
1.4.4 Franchisee's Responsibilities.....	18
1.5 FIELD SUPPORT & TRAINING .....	18
1.6 ANNUAL CONFERENCES .....	19
1.7 HOW A FRANCHISE SYSTEM EVOLVES .....	20
1.8 KEY ELEMENTS OF SUCCESS .....	20
1.9 THE GENERAL MANAGER JOB .....	21
1.10 THE MOWED TO \$1 MILLION INITIATIVE.....	23
1.11 SUPERVISING ACCOUNT MANAGERS/ASSISTANTS .....	25
1.12 THE GRIND .....	26
RESOURCE - INTRODUCTION .....	28
<b>2 SERVICES AND PRICING.....</b>	<b>28</b>
2.1 REQUIRED CORE SERVICE OFFERINGS .....	28
2.2 ENHANCEMENT SERVICES .....	28
2.3 WHAT IS COMMERCIAL LANDSCAPING AND MAINTENANCE?.....	29
2.3.1 Commercial Landscaping Clients.....	29
2.3.2 Maintenance Defined.....	30
2.3.3 Our Scope of Work.....	30
2.4 PRICING GUIDELINES .....	31
2.4.1 Frequency of Visits .....	32
RESOURCES - SERVICES AND PRICING .....	32
<b>3 MARKETING.....</b>	<b>33</b>
3.1 BUILDING THE BRAND .....	33
3.1.1 Brand Pyramid .....	33
3.1.2 Trademark Art Usage.....	34
3.1.3 Notice of Independent Business .....	35
3.1.4 Obtaining Approval for Advertising & Marketing Materials.....	36
3.1.5 Brand Fund & Local Marketing Requirements.....	36
3.1.6 Market Introduction Plan & Expenditure.....	37
3.1.7 Co-Op Advertising .....	37

3.2 ADVERTISING & PROMOTION .....	38
3.2.1 <i>Researching the Competition &amp; Target Customer</i> .....	38
3.2.2 <i>Setting Realistic Goals for Advertising &amp; Promotion</i> .....	39
3.3 THE BASICS OF MARKETING .....	40
3.3.1 <i>How Consumers Become Loyal Customers</i> .....	41
3.3.2 <i>Word-of-Mouth Advertising</i> .....	41
3.4 MEDIA CHOICES .....	41
3.4.1 <i>Direct Mail Tips &amp; Procedures</i> .....	41
3.4.2 <i>Online Local News Sites</i> .....	42
3.5 PROMOTIONS .....	43
3.5.1 <i>Planning your Promotion</i> .....	44
3.5.2 <i>Promotional Items - Logoed Items</i> .....	45
3.5.3 <i>Cross-Promotions</i> .....	45
3.5.4 <i>Discount with Purchase</i> .....	45
3.5.5 <i>Encouraging Referrals</i> .....	46
3.5.6 <i>Tips for Conducting Successful Promotions</i> .....	46
3.5.7 <i>Community Involvement Activities</i> .....	46
3.6 MEDIA MEASUREMENT .....	47
3.7 PUBLIC RELATIONS & PUBLICITY .....	48
3.7.1 <i>In Case of a Crisis</i> .....	48
3.7.2 <i>Using Public Relations to Elevate Awareness</i> .....	48
3.7.3 <i>What is Newsworthy?</i> .....	50
3.7.4 <i>How to Tell Your Story</i> .....	51
3.7.5 <i>Guidelines for Writing a Release</i> .....	52
3.7.6 <i>Create a Media Contact &amp; Deadlines List</i> .....	52
3.8 USE OF THE INTERNET, WEBSITE & SOCIAL MEDIA .....	53
3.8.1 <i>ManageMowed Website</i> .....	53
3.8.2 <i>Social Media</i> .....	53
3.8.3 <i>Territory</i> .....	54
3.8.4 <i>Claiming your Business Listings</i> .....	55
3.8.5 <i>Consumer Data, Privacy &amp; Regulations</i> .....	55
RESOURCES - MARKETING .....	56
<b>4 SALES.....</b>	<b>57</b>
4.1 ACCOUNT MANAGER SALES TRAINING .....	58
4.2 SYSTEM ACCOUNTS AND PREFERRED SUPPLIER PROGRAM .....	59
RESOURCES - SALES .....	60
<b>5 CUSTOMER SERVICE AND POLICIES .....</b>	<b>60</b>
5.1 CUSTOMER SERVICE PHILOSOPHY .....	60
5.2 BUILDING CLIENT RELATIONSHIPS .....	61
5.2.1 <i>The Tiered Client System</i> .....	62

5.2.2 Client Contact.....	62
5.3 NEW CLIENT ONBOARDING .....	63
5.4 CONTROLLING QUALITY .....	63
5.4.1 Pro-Active Quality Control Site Visits.....	63
5.4.2 Quality Control Rating Process Schedule .....	64
5.4.3 Vendor Recommendations and Quality Control Frequency .....	65
5.5 HOW TO RESPOND TO COMPLAINTS, GET THINGS DONE, AND RESOLVE ISSUES.....	66
5.5.1 Responding to Complaints.....	66
5.5.2 Following Up to Prevent Recurrence.....	69
5.6 RESPONDING TO EMERGENCY CALLS .....	69
5.6.1 Fire Drills and “Go To” Vendors.....	70
RESOURCES - CUSTOMER SERVICE AND POLICIES .....	70
<b>6 DAILY OPERATING PROCEDURES.....</b>	<b>71</b>
6.1 HOURS OF OPERATION .....	71
6.2 SERVICEMINDER (SM) SOFTWARE .....	71
6.2.1 Using the Calendar.....	72
6.2.2 Routing Recommendations for Vendors .....	72
6.2.3 Client Billing .....	73
6.3 COMMUNICATION .....	73
6.3.1 Phone Protocols.....	74
6.3.2 Call Center Protocols .....	74
6.3.3 Email Protocols .....	75
6.4 BUSINESS IMAGE STANDARDS .....	76
6.4.1 Appearance Standards .....	77
6.4.2 Vehicle.....	77
6.5 ONBOARDING NEW CLIENTS .....	77
RESOURCE - DAILY OPERATING PROCEDURES .....	77
<b>7 LABOR MANAGEMENT .....</b>	<b>78</b>
7.1 INTRODUCTION .....	78
7.2 LABOR LAW COMPLIANCE .....	79
7.3 MANAGEMENT & EMPLOYEE ROLES & RESPONSIBILITIES .....	80
7.3.1 Single-Unit Franchise Location Roles .....	80
7.3.2 Multi-Unit Staffing Requirements .....	81
7.4 MAKING THE BEST HIRING DECISION .....	81
7.4.1 Recruitment .....	82
7.4.2 Interviewing Potential Employees.....	82
7.4.3 Sample Interview Questions .....	83
7.4.4 What to Look for in a Candidate.....	86
7.4.5 Offering the Position.....	86
7.4.6 Checking References.....	87

7.4.7 New Employee Administration.....	88
7.5 TRAINING & EMPLOYEE DEVELOPMENT .....	89
7.5.1 Replacement Personnel Training Program .....	89
7.5.2 Multi-Unit Management Training.....	90
7.5.3 Employee Training.....	90
7.5.4 Additional Training.....	91
7.6 COACHING EMPLOYEE PERFORMANCE.....	91
7.6.1 Progressive Discipline .....	92
7.6.2 Documentation.....	93
7.6.3 Termination .....	93
7.7 PERFORMANCE REVIEWS & COMPENSATION .....	94
7.7.1 Tips for Successful Performance Review Meetings.....	94
7.7.2 Compensation .....	95
7.8 ANALYZING & IMPROVING EMPLOYEE RETENTION .....	96
7.9 VENDOR ONBOARDING .....	97
7.9.1 W-9 and Other Forms .....	98
7.9.2 Addressing the Financial Relationship.....	98
RESOURCES - LABOR MANAGEMENT .....	99
<b>8 SAFETY AND SECURITY .....</b>	<b>100</b>
8.1 INTRODUCTION .....	100
8.2 DATA SECURITY .....	100
8.2.1 Securing Customer, Employee and Vendor Information .....	100
8.2.2 Data Back-Up.....	100
8.2.3 Securing Data in Emergencies.....	101
8.3 MAINTAINING BUSINESS EMPLOYMENT FORMS .....	101
8.3.1 Employment Applications.....	101
8.3.2 Nondisclosure and Non-Competition Agreement.....	101
8.3.3 Personnel Records .....	102
8.3.4 Vendor Records .....	102
RESOURCES - SAFETY AND SECURITY .....	103
<b>9 FINANCES.....</b>	<b>104</b>
9.1 INTRODUCTION .....	104
9.2 MINIMUM PERFORMANCE REQUIREMENTS.....	104
9.3 QUICKBOOKS ONLINE AND SERVICEMINDER .....	105
9.4 BANKING.....	105
9.5. ACCOUNTS PAYABLE AND RECEIVABLE.....	105
9.5.1 Accounts Receivable .....	105
9.5.2 Online Client Platforms.....	106
9.5.3 Accounts Payable.....	106
9.6 COLLECTIONS .....	106

9.7 CASHFLOW MANAGEMENT.....	107
9.8 ACCOUNTING METHODS .....	107
9.9 FRANCHISE REPORTING REQUIREMENTS .....	107
9.9.1 Weekly Reports .....	107
9.9.2 Monthly Reports.....	108
9.9.3 Quarterly Reports .....	108
9.9.4 Annual Reports .....	108
9.9.5 Royalty & Brand Fund Contributions .....	108
9.10 DEFINITION OF GROSS SALES .....	109
9.11 AUDITING .....	110
9.12 LOCAL ADVERTISING REQUIREMENTS .....	110
9.12.1 Market Introduction Expenditure.....	110
9.12.2 Ongoing Local Marketing Advertising Requirement.....	110
RESOURCES - FINANCES.....	111
<b>RESOURCES.....</b>	<b>112</b>

**EXHIBIT C**  
**FINANCIAL STATEMENTS**



**CDM Financials, LLC**

Certified Public Accountants, Business Advisors

### **Independent Auditor's Report**

*To them Members of  
ManageMowed Franchising, LLC*

#### ***Opinion***

We have audited the financial statements of ManageMowed Franchising, LLC, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ManageMowed Franchising, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits 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 ManageMowed Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ManageMowed Franchising, LLC's ability to continue as a going concern for one year from the date that the financial statements are issued.

#### ***Auditor's Responsibilities/or the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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* 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 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 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 ManageMowed Franchising, LLC'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ManageMowed Franchising, LLC'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.

*CDM Financials, LLC*

CDM Financials, LLC  
Fairburn, GA  
February 28, 2024

MANAGEMOWED FRANCHISING, LLC  
BALANCE SHEETS  
AS OF DECEMBER 31, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Cash	\$ 19,405	\$ 43,686
Other Current Assets	1,595	-
<b>TOTAL CURRENT ASSETS</b>	<u>\$ 21,000</u>	<u>\$ 43,686</u>
OTHER ASSETS		
Fixed Assets	\$ -	\$ 14,995
Intangible Assets	667,244	590,332
<b>TOTAL ASSETS</b>	<u>\$ 688,244</u>	<u>\$ 649,013</u>

LIABILITIES AND EQUITY

CURRENT LIABILITIES		
Revolving Credit	\$ 132,018	\$ 38,865
Deferred Revenue, current	90,972	78,443
Brand Fund Liability	27,344	6,420
Other Current Liabilities	18,930	17,698
<b>TOTAL CURRENT LIABILITIES</b>	<u>\$ 269,264</u>	<u>\$ 141,426</u>
LONG-TERM LIABILITIES		
SBA Loan Payable	\$ -	\$ 3,000
Note Payable - Related Party	371,113	434,425
Deferred Revenue, net of current portion	1,065,655	978,960
<b>TOTAL LIABILITIES</b>	<u>\$ 1,706,032</u>	<u>\$ 1,557,811</u>
EQUITY		
Member Equity	\$ 100,000	\$ 100,000
Accumulated Deficit	(1,117,788)	(1,008,798)
<b>TOTAL EQUITY</b>	<u>\$ (1,017,788)</u>	<u>\$ (908,798)</u>
 <b>TOTAL LIABILITIES AND EQUITY</b>	 <u>\$ 688,244</u>	 <u>\$ 649,013</u>

MANAGEMOWED FRANCHISING, LLC  
 STATEMENTS OF OPERATIONS  
 FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUE		
Royalty Revenue	\$ 395,031	\$ 198,548
Franchise Fee Revenue	188,370	349,174
Other Revenue	179,302	166,588
TOTAL REVENUE	<u>\$ 762,703</u>	<u>\$ 714,310</u>
EXPENSE		
Advertising Expense	\$ 119,621	\$ 88,504
Payroll Expense	283,420	305,744
Franchise Selling Expense	147,514	289,689
General and Administrative	310,718	319,624
TOTAL EXPENSES	<u>\$ 861,273</u>	<u>\$ 1,003,561</u>
NET OPERATING LOSS	<u>\$ (98,570)</u>	<u>\$ (289,251)</u>
OTHER INCOME/EXPENSES		
Interest Expense	(10,420)	(11,292)
NET LOSS	<u>\$ (108,990)</u>	<u>\$ (300,543)</u>

MANAGEMOWED FRANCHISING, LLC  
 STATEMENTS OF CHANGES IN MEMBERS' EQUITY  
 FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	Members Equity	Accumulated Deficit	Total Equity
Ending Balance December 31, 2022	\$ 100,000	\$ (1,008,798)	\$ (908,798)
Net Loss December 31, 2022		(108,990)	
Ending Balance December 31, 2023	\$ 100,000	\$ (1,117,788)	\$ (1,017,788)

MANAGEMENTOWED FRANCHISING, LLC  
STATEMENTS OF CASH FLOWS  
AS OF DECEMBER 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES</b>		
Net Loss	\$ (108,990)	\$ (300,543)
Change in Current Liabilities	115,309	(77,195)
Change in Accounts Assets	(1,595)	60,870
Change in Deferred Revenue	99,224	280,458
Net Cash Provided by (Used for) Operating Activities	<u>\$ 103,948</u>	<u>\$ (36,410)</u>
<b>INVESTING ACTIVITIES</b>		
Change in Intangible Assets	\$ (76,912)	\$ (222,206)
Change in Fixed Assets	14,995	(14,995)
Net Cash Used for Investing Activities	<u>\$ (61,917)</u>	<u>\$ (237,201)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Note Payable - Related Party	\$ -	\$ 317,255
SBA Loan Forgiveness	(3,000)	\$ -
Payments on Loan Payable	(63,312)	-
Net Cash Used for Financing Activities	<u>\$ (66,312)</u>	<u>\$ 317,255</u>
Net Change in Cash	(24,281)	43,644
Cash at Beginning of Period	43,686	42
Cash at End of Period	<u>\$ 19,405</u>	<u>\$ 43,686</u>

MANAGEMOWED FRANCHISING, LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 2023 and 2022

Note 1 - Nature of Business

ManageMowed Franchising, LLC is engaged in the business of selling franchises to own and operate under the ManageMowed, LLC trade name.

ManageMowed, LLC is a concierge-style commercial landscape management business that provides recurring landscape maintenance services. Services include lawn, bed, tree and shrub care and snow removal.

As of December 31, 2023, the location, number of stores sold, and number of open stores are as follows:

Location	Franchises Sold	Franchises Open
Washington	3	3
California	3	2
Texas	7	3
Virginia	3	3
Missouri	2	0
Oregon	1	1
Oklahoma	1	1
Colorado	3	3
North Carolina	2	2
Georgia	3	3
Total	28	21

Note 2 - Summary of Significant Accounting Policies

**Basis of Accounting**

The financial statements for ManageMowed Franchising, LLC were prepared using the accrual basis of accounting. Under this method income is recorded when earned and expenses are recorded when incurred.

**Reporting Period**

For tax and reporting purposes, ManageMowed Franchising, LLC operates on a calendar year consisting of a full twelve months beginning with January 1 and ending December 31.

MANAGEMOWED FRANCHISING, LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 2023 and 2022

Note 3 – Revenue Recognition

The Company adopted ASU 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, “ASU 606”) which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. In adopting ASC 606 the full retrospective method was used to determine revenue under the current standard. Completion of the implementation analysis resulted in no adjustment to the beginning accumulated deficit balance. Initial franchise fees are used to secure the franchisees designated territory and cover the necessary training and orientation. Franchise sales are amortized over the life of the franchise agreement. For the year ending December 31, 2023 and 2022 deferred revenue was \$1,156,627 and \$1,057,403 respectively.

Note 4 - Advertising Expense

The Company accounts for advertising expense in accordance with SOP 93-7 'Reporting of Advertising Cost'. Accordingly, advertising that does not provide a future benefit should be expensed as incurred. For the years ending December 31, 2023 and 2022, the Company has expensed all advertising expense associated with franchise sales as incurred. Advertising expense for December 31, 2023 and 2022 was \$119,621 and \$88,504 respectively.

Note 5 – Note Payable – Related Party

The amount reported as note payable represents amounts received from a related party to fund ongoing business operations. No interest is being charged and the loan is scheduled to be repaid as funds become available.

Note 6 - Provision for Income Taxes

ManageMowed Franchising, LLC has elected partnership status under the Internal Revenue Service code. Under this provision, all company income is passed through to its owners who are liable for paying income tax on the related income. Thus, no income tax provisions have been made at the company level.

NOTE 7 - Intangible Assets

The Company has adopted Statement of Financial Accounting Standards No. 142, “Goodwill and Other Intangible Assets” Under this standard, intangible assets deemed to have an indefinite useful life are not subject to amortization but are tested for impairment annually. At December 31, 2023, it has been determined that no impairment issues exist.

MANAGEMOWED FRANCHISING, LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 2023 and 2022

NOTE 8 – Subsequent Events

ManageMowed Franchising, LLC has evaluated subsequent events through the date which the financial statements were available to be issued. The Company did not have any subsequent events that would require adjustment to, or disclosure in, the financial statements.



**CDM Financials, LLC**

Certified Public Accountants, Business Advisors

## **Independent Auditor's Report**

***To the Members of  
ManageMowed Franchising, LLC***

### ***Opinion***

We have audited the financial statements of ManageMowed Franchising, LLC, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ManageMowed Franchising, LLC as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits 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 ManageMowed Franchising, LLC and to meet our other ethical responsibilities*, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ManageMowed Franchising, LLC's ability to continue as a going concern for one year from the date that the financial statements are issued.

### ***Auditor's Responsibilities/or the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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* 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 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 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 ManageMowed Franchising, LLC'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ManageMowed Franchising, LLC'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.

*CDM Financials, LLC*

CDM Financials, LLC  
Fairburn, GA  
February 21, 2023

MANAGEMENTOWED FRANCHISING, LLC  
BALANCE SHEETS  
AS OF DECEMBER 31, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Cash	\$ 43,686	\$ 42
Accounts Receivable	-	60,870
<b>TOTAL CURRENT ASSETS</b>	<b>43,686</b>	<b>60,912</b>
OTHER ASSETS		
Fixed Assets	14,995	-
Intangible Assets	590,332	368,126
<b>TOTAL ASSETS</b>	<b>\$ 649,013</b>	<b>\$ 429,038</b>

LIABILITIES AND EQUITY

CURRENT LIABILITIES		
Accounts Payable	\$ -	\$ 23,885
Revolving Credit	38,865	37,336
Deferred Revenue, current	78,443	59,034
Brand Fund Liability	6,420	-
Other Current Liabilities	17,698	19,923
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 141,426</b>	<b>\$ 140,178</b>
LONG-TERM LIABILITIES		
SBA Loan Payable	3,000	3,000
Note Payable - Related Party	434,425	117,170
Deferred Revenue, net of current portion	978,960	776,945
<b>TOTAL LIABILITIES</b>	<b>\$ 1,557,811</b>	<b>\$ 1,037,293</b>
EQUITY		
Member Equity	100,000	100,000
Accumulated Deficit	(1,008,798)	(708,255)
<b>TOTAL EQUITY</b>	<b>\$ (908,798)</b>	<b>\$ (608,255)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 649,013</b>	<b>\$ 429,038</b>

MANAGEMOWED FRANCHISING, LLC  
 STATEMENTS OF OPERATIONS  
 FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE		
Royalty Revenue	\$ 198,548	\$ 75,593
Franchise Fee Revenue	349,174	39,155
Other Fee Revenue	166,588	110,309
TOTAL REVENUE	<u>\$ 714,310</u>	<u>\$ 225,057</u>
EXPENSE		
Advertising Expense	\$ 88,504	\$ 184,092
Payroll Expense	305,744	168,508
Franchise Selling Expense	289,689	74,031
General and Administrative	319,624	137,997
TOTAL EXPENSES	<u>\$ 1,003,561</u>	<u>\$ 564,628</u>
NET OPERATING LOSS	<u>\$ (289,251)</u>	<u>\$ (339,571)</u>
OTHER INCOME/EXPENSES		
Interest Expense	(11,292)	(4,201)
NET LOSS	<u>\$ (300,543)</u>	<u>\$ (343,772)</u>

MANAGEMOWED FRANCHISING, LLC  
 STATEMENTS OF CHANGES IN MEMBERS' EQUITY  
 FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

	Members Equity	Accumulated Deficit	Total Equity
Ending Balance December 31, 2021	\$ 100,000	\$ (708,255)	\$ (608,255)
Net Loss December 31, 2022		(300,543)	
Ending Balance December 31, 2022	\$ 100,000	\$ (1,008,798)	\$ (908,798)

MANAGEMOWED FRANCHISING, LLC  
STATEMENTS OF CASH FLOWS  
AS OF DECEMBER 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>OPERATING ACTIVITIES</b>		
Net Loss	\$ (300,543)	\$ (343,772)
Change in Current Liabilities	(77,195)	40,031
Change in Accounts Receivable	60,870	37,627
Change in Deferred Revenue	280,458	426,984
Net Cash Provided by Operating Activities	<u>\$ (36,410)</u>	<u>\$ 160,870</u>
<b>INVESTING ACTIVITIES</b>		
Change in Intangible Assets	(222,206)	(215,585)
Change in Fixed Assets	(14,995)	-
Net Cash Used for Investing Activities	<u>(237,201)</u>	<u>(215,585)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Note Payable - Related Party	\$ 317,255	\$ 3,620
Payments on Loan Payable	-	(6,900)
Net Cash Used for Financing Activities	<u>\$ 317,255</u>	<u>\$ (3,280)</u>
Net Change in Cash	43,644	(57,995)
Cash at Beginning of Period	42	58,037
Cash at End of Period	<u>\$ 43,686</u>	<u>\$ 42</u>

MANAGEMOWED FRANCHISING, LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 2022 and 2021

Note 1 - Nature of Business

ManageMowed Franchising, LLC is engaged in the business of selling franchises to own and operate under the ManageMowed, LLC trade name.

ManageMowed, LLC is a concierge-style commercial landscape management business that provides recurring landscape maintenance services. Services include lawn, bed, tree and shrub care and snow removal.

As of December 31, 2022, the location, number of stores sold, and number of open stores are as follows:

Location	Franchises Sold	Franchises Open
Washington	3	3
California	3	2
Texas	7	6
Virginia	2	2
Missouri	2	1
Oregon	1	1
Oklahoma	1	1
Colorado	3	3
North Carolina	2	2
Total	24	21

Note 2 - Summary of Significant Accounting Policies

**Basis of Accounting**

The financial statements for ManageMowed Franchising, LLC were prepared using the accrual basis of accounting. Under this method income is recorded when earned and expenses are recorded when incurred.

**Reporting Period**

For tax and reporting purposes, ManageMowed Franchising, LLC operates on a calendar year consisting of a full twelve months beginning with January 1 and ending December 31.

Note 3 – Revenue Recognition

The Company adopted ASU 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, “ASU 606”) which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. In adopting ASC 606 the full

MANAGEMOWED FRANCHISING, LLC  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDING DECEMBER 31, 2022 and 2021

Note 3 – Revenue Recognition (continued)

Initial franchise fees are used to secure the franchisees designated territory and cover the necessary training and orientation. Franchise sales are amortized over the life of the franchise agreement. For the year ending December 31, 2022 and 2021 deferred revenue was \$1,057,403 and \$835,979 respectively.

Note 4 - Advertising Expense

The Company accounts for advertising expense in accordance with SOP 93-7 'Reporting of Advertising Cost'. Accordingly, advertising that does not provide a future benefit should be expensed as incurred. For the years ending December 31, 2022 and 2021, the Company has expensed all advertising expense associated with franchise sales as incurred. Advertising expense for December 31, 2022 and 2021 was \$88,504 and \$184,092 respectively.

Note 5 – Note Payable – Related Party

The amount reported as note payable represents amounts received from a related party to fund ongoing business operations. No interest is being charged and the loan is scheduled to be repaid as funds become available.

Note 6 - Provision for Income Taxes

ManageMowed Franchising, LLC has elected partnership status under the Internal Revenue Service code. Under this provision, all company income is passed through to its owners who are liable for paying income tax on the related income. Thus, no income tax provisions have been made at the company level.

NOTE 7 - Intangible Assets

The Company has adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" Under this standard, intangible assets deemed to have an indefinite useful life are not subject to amortization but are tested for impairment annually. At December 31, 2022, it has been determined that no impairment issues exist.

NOTE 8 – Subsequent Events

ManageMowed Franchising, LLC has evaluated subsequent events through the date which the financial statements were available to be issued. The Company did not have any subsequent events that would require adjustment to, or disclosure in, the financial statements.

**EXHIBIT D**

**LIST OF STATE ADMINISTRATORS AND  
AGENTS FOR SERVICE OF PROCESS IN CERTAIN STATES**

## LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p><b>CALIFORNIA</b>          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500 / Toll Free: (866) 275-2677          Email: ASK.DFPI@dfpi.ca.gov          Website: <a href="http://www.dfpi.ca.gov">http://www.dfpi.ca.gov</a></p>	<p><b>NEW YORK</b>          NYS Department of Law          Investor Protection Bureau          28 Liberty St. 21st Fl          New York, NY 10005          (212) 416-8222</p>
<p><b>HAWAII</b>          Commissioner of Securities          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 203          Honolulu, Hawaii 96813          (808) 586-2722</p>	<p><b>NORTH DAKOTA</b>          North Dakota Securities Department          State Capitol          Department 414          600 East Boulevard Avenue, Fourteenth Floor          Bismarck, North Dakota 58505-0510          (701) 328-4712</p>
<p><b>ILLINOIS</b>          Illinois Office of the Attorney General          Franchise Bureau          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p><b>RHODE ISLAND</b>          Department of Business Regulation          Securities Division, Building 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920          (401) 462-9527</p>
<p><b>INDIANA</b>          Secretary of State          Franchise Section          302 West Washington, Room E-111          Indianapolis, Indiana 46204          (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>          Division of Insurance          Securities Regulation          124 South Euclid Avenue, 2<sup>nd</sup> Floor          Pierre, South Dakota 57501          (605) 773-3563</p>
<p><b>MARYLAND</b>          Office of the Attorney General          Securities Division          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p><b>VIRGINIA</b>          State Corporation Commission          Division of Securities and Retail Franchising          1300 East Main Street, 9th Floor          Richmond, Virginia 23219          (804) 371-9051</p>
<p><b>MICHIGAN</b>          Michigan Attorney General’s Office          Corporate Oversight Division, Franchise Section          525 West Ottawa Street          G. Mennen Williams Building, 1<sup>st</sup> Floor          Lansing, Michigan 48913          (517) 335-7567</p>	<p><b>WASHINGTON</b>          Department of Financial Institutions          Securities Division          P.O. Box 41200          Olympia, Washington 98504-1200          (360) 902-8760</p>
<p><b>MINNESOTA</b>          Minnesota Department of Commerce          85 7<sup>th</sup> Place East, Suite 280          St. Paul, Minnesota 55101          (651) 539-1600</p>	<p><b>WISCONSIN</b>          Division of Securities          4822 Madison Yards Way, North Tower          Madison, Wisconsin 53705          (608) 266-2139</p>

## AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

<p><b>CALIFORNIA</b>          Commissioner of Financial Protection and Innovation          Department of Financial Protection and Innovation          320 West Fourth Street, Suite 750          Los Angeles, California 90013-2344          (213) 576-7500 / Toll Free: (866) 275-2677          Email: ASK.DFPI@dfpi.ca.gov          Website: <a href="http://www.dfpi.ca.gov">http://www.dfpi.ca.gov</a></p>	<p><b>NEW YORK</b>          New York Secretary of State          One Commerce Plaza          99 Washington Avenue          Albany, NY 12231          (518) 473-2492</p>
<p><b>HAWAII</b>          Commissioner of Securities          Department of Commerce &amp; Consumer Affairs          Business Registration Division          Securities Compliance Branch          335 Merchant Street, Room 203          Honolulu, Hawaii 96813          (808) 586-2722</p>	<p><b>NORTH DAKOTA</b>          North Dakota Securities Commissioner          State Capitol          Department 414          600 East Boulevard Avenue, Fourteenth          Floor          Bismarck, North Dakota 58505-0510          (701) 328-4712</p>
<p><b>ILLINOIS</b>          Illinois Attorney General          500 South Second Street          Springfield, Illinois 62706          (217) 782-4465</p>	<p><b>RHODE ISLAND</b>          Director of Department of Business          Regulation          Department of Business Regulation          Securities Division, Building 69, First Floor          John O. Pastore Center          1511 Pontiac Avenue          Cranston, Rhode Island 02920          (401) 462-9527</p>
<p><b>INDIANA</b>          Secretary of State          Franchise Section          302 West Washington, Room E-111          Indianapolis, Indiana 46204          (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b>          Division of Insurance          Director of the Securities Regulation          124 South Euclid Avenue, 2<sup>nd</sup> Floor          Pierre, South Dakota 57501          (605) 773-3563</p>
<p><b>MARYLAND</b>          Maryland Securities Commissioner          200 St. Paul Place          Baltimore, Maryland 21202-2020          (410) 576-6360</p>	<p><b>VIRGINIA</b>          Clerk of the State Corporation Commission          1300 East Main Street, 1<sup>st</sup> Floor          Richmond, Virginia 23219          (804) 371-9733</p>
<p><b>MICHIGAN</b>          Michigan Attorney General’s Office          Corporate Oversight Division, Franchise Section          525 West Ottawa Street          G. Mennen Williams Building, 1<sup>st</sup> Floor          Lansing, Michigan 48913          (517) 335-7567</p>	<p><b>WASHINGTON</b>          Director of Department of Financial          Institutions          Securities Division – 3<sup>rd</sup> Floor          150 Israel Road, Southwest          Tumwater, Washington 98501          (360) 902-8760</p>
<p><b>MINNESOTA</b>          Commissioner of Commerce          Minnesota Department of Commerce          85 7<sup>th</sup> Place East, Suite 280          St. Paul, Minnesota 55101          (651) 539-1600</p>	<p><b>WISCONSIN</b>          Division of Securities          4822 Madison Yards Way, North Tower          Madison, Wisconsin 53705          (608) 266-2139</p>

**EXHIBIT E**

**STATE REQUIRED AGREEMENT ADDENDA**

**California  
Illinois  
Maryland  
Minnesota  
New York  
North Dakota  
Rhode Island  
Virginia  
Washington**

**ADDENDUM TO THE MANAGEMOWED FRANCHISE AGREEMENT  
REQUIRED FOR CALIFORNIA FRANCHISEES**

This Addendum to the ManageMowed Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **ManageMowed Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**”, “**your**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of California; **(B)** you are a resident of the State of California; and/or **(C)** the Franchised Business will be located in the State of California.
  
2. The following sentence is added to the end of Section 4 (Fees):  
  
Notwithstanding anything to the contrary, the California Department of Financial Protection and Innovation has required that we provide a financial assurance. Therefore, payment of the initial franchise fee and other initial payments owed by you to us shall be deferred until our initial obligations to you are complete and Franchised Business is open for business.
  
3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
  
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
  
5. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**FRANCHISOR:**  
**MANAGEMOWED FRANCHISING, LLC,**  
a Washington limited liability company

**FRANCHISEE:**  
\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**EFFECTIVE DATE:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE MANAGEMOWED FRANCHISE AGREEMENT  
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to the ManageMowed Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **ManageMowed Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**”, “**your**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Illinois; **(B)** Franchisee is a resident of the State of Illinois; and/or **(C)** a Franchised Business will be located or operated in the State of Illinois.

2. The following is added to the end of Section 4.1 of the Franchise Agreement:

Notwithstanding the foregoing, we will defer the payment of the Initial Franchise Fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, you shall pay the Initial Franchise Fee to us.

3. The following sentence is added at the end of Section 26.2:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

4. The following sentence is added to the end of Section 26.3:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois.

5. The following paragraphs are added at the end of Section 26.4:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: three (3) years of the violation, one (1) year after the franchisee becomes aware of the underlying facts or circumstances or ninety (90) days after delivery to the franchisee of a written notice disclosing the violation.

6. The following paragraphs are added to the end of Section 28:

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.

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 behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

- 8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
- 9. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**FRANCHISOR:**  
**MANAGEMOWED FRANCHISING, LLC,**  
 a Washington limited liability company

**FRANCHISEE:**  
 \_\_\_\_\_,  
 a \_\_\_\_\_

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
**EFFECTIVE DATE:** \_\_\_\_\_

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**ADDENDUM TO THE MANAGEMOWED FRANCHISE AGREEMENT  
REQUIRED FOR MARYLAND FRANCHISEES**

This Addendum to the ManageMowed Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **ManageMowed Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**”, “**your**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Maryland; **(B)** Franchisee is a resident of the State of Maryland; and/or **(C)** a Franchised Business will be located or operated in the State of Maryland.

2. The following is added to the end of Section 4.1 of the Franchise Agreement:

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Notwithstanding the foregoing, we will defer the payment of the Initial Franchise Fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, you shall pay the Initial Franchise Fee to us.

3. The following sentence is added to the end of Sections 16.4.4 (Transfer) and 18.4 (Renewal):

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The following sentence is added to the end of Section 26.3 (Choice of Forum):

Notwithstanding the foregoing, Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following sentence is added to the end of Section 26.4 (Limitation of Actions):

This limitation of claims provision shall not act to reduce the 3 year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law, which claim must be brought within 3 years after the grant of the franchise.

6. The following is added as Section 28.10 (Representations):

**Representations.** Representations in this Agreement 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.

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.

7. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

- 8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
- 9. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**FRANCHISOR:**  
**MANAGEMOWED FRANCHISING, LLC,**  
 a Washington limited liability company

**FRANCHISEE:**  
 \_\_\_\_\_,  
 a \_\_\_\_\_

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
**EFFECTIVE DATE:** \_\_\_\_\_

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**ADDENDUM TO THE MANAGEMOWED FRANCHISE AGREEMENT  
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the ManageMowed Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **ManageMowed Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**”, “**your**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Minnesota; **(B)** Franchisee is a resident of the State of Minnesota; and/or **(C)** a Franchised Business will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Section 4.1:

Notwithstanding the foregoing, in the State of Minnesota, we will defer the payment of the Initial Franchise Fee until you open your Franchised Business. At that time, you shall pay to us the Initial Franchise Fee.

3. The following sentence is added to the end of Section 4.7:

Minnesota Statute 604.113 prohibits us from charging more than \$30 for insufficient funds charges.

4. The following sentence is added to the end of Sections 16.4.4, 17 and 18.4:

Notwithstanding the foregoing, you will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

5. The following sentence is added to the end of Sections 18 and 19:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which requires, except in certain cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of franchise agreements.

6. The following sentence is added to the end of Section 26.8:

You may not consent to our obtaining injunctive relief. We may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

7. The following sentences are added to the end of Sections 26.2 and 26.3:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements 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 the jurisdiction.

8. The following sentence is added to the end of Section 26.4:

Minnesota Statute § 80C.17, Subdivision 5, provides that no action may be commenced pursuant to that Section more than three years after the cause of action accrues.

9. Section 26.7 is deleted and replaced with the following:

WAIVER OF CLASS ACTION LAWSUITS. THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS.

10. The following statement is added to the end of Section 28:

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.

11. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

12. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

13. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**FRANCHISOR:**  
**MANAGEMOWED FRANCHISING, LLC,**  
a Washington limited liability company

**FRANCHISEE:**  
\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**EFFECTIVE DATE:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE MANAGEMOWED FRANCHISE AGREEMENT  
REQUIRED FOR NEW YORK FRANCHISEES**

This Addendum to the ManageMowed Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **ManageMowed Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**”, “**your**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of New York; **(B)** you are a resident of the State of New York; and/or **(C)** the Franchised Business will be located in the State of New York.
2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.
3. The following sentence is added to the end of Sections 16.4.4, 17 and 18.4:  
  
Any provision in this Agreement requiring you to sign a general release of claims against us does not release any claim you may have under New York General Business Law, Article 33, Sections 680-695.
4. The following sentence is added to Section 16.1:  
  
We will not assign our rights under this Agreement, except to an assignee who in our good faith and judgment is willing and able to assume our obligations under this Agreement.
5. The following sentence is added to the end of Sections 15.1.1, 15.5.3 and 26.8:  
  
Our right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.
6. The following sentence is added to the end of Section 26.2:  
  
Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.
7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
9. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**FRANCHISOR:**  
**MANAGEMOWED FRANCHISING, LLC,**  
a Washington limited liability company

**FRANCHISEE:**  
\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**EFFECTIVE DATE:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE MANAGEMOWED FRANCHISE AGREEMENT  
REQUIRED FOR NORTH DAKOTA FRANCHISEES**

This Addendum to the ManageMowed Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **ManageMowed Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**”, “**your**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of North Dakota; **(B)** you are a resident of the State of North Dakota; and/or **(C)** the Franchised Business will be located in the State of North Dakota.

2. The following is added to the end of Section 4.1 of the Franchise Agreement:

Notwithstanding the foregoing, we will defer the payment of the Initial Franchise Fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, you shall pay the Initial Franchise Fee to us.

3. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

- J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
- 4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
- 5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
- 6. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**FRANCHISOR:**  
**MANAGEMOWED FRANCHISING, LLC,**  
 a Washington limited liability company

**FRANCHISEE:**  
 \_\_\_\_\_,  
 a \_\_\_\_\_

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
**EFFECTIVE DATE:** \_\_\_\_\_

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

**ADDENDUM TO THE MANAGEMOWED FRANCHISE AGREEMENT  
REQUIRED FOR RHODE ISLAND FRANCHISEES**

This Addendum to the ManageMowed Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **ManageMowed Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [insert type of organization and delete these brackets] formed in \_\_\_\_\_ [insert state and delete these brackets] (“**you**”, “**your**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of Rhode Island; **(B)** you are a resident of the State of Rhode Island; and/or **(C)** the Franchised Business will be located in the State of Rhode Island.
  
2. The following language is added to Sections 26.2 and 26.3:  
  
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 this Act.”
  
3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
  
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
  
5. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**FRANCHISOR:**  
**MANAGEMOWED FRANCHISING, LLC,**  
a Washington limited liability company

**FRANCHISEE:**  
\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**EFFECTIVE DATE:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE MANAGEMOWED FRANCHISE AGREEMENT  
REQUIRED FOR VIRGINIA FRANCHISEES**

This Addendum to the ManageMowed Franchise Agreement dated \_\_\_\_\_ (“**Franchise Agreement**”) is entered into by and between **ManageMowed Franchising, LLC**, a Washington limited liability company (“**we**”, “**us**”, “**our**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“**you**”, “**your**” or “**Franchisee**”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to you was made in the State of Virginia; **(B)** you are a resident of the State of Virginia; and/or **(C)** the Franchised Business will be located in the State of Virginia.

2. The following sentence is added to the end of Section 4 (Fees):

Notwithstanding anything to the contrary, the Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our preopening obligations under the Franchise Agreement.

3. The following statement is added to the end of Section 28:

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.

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

6. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures follow on next page.]

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**FRANCHISOR:**  
**MANAGEMOWED FRANCHISING, LLC,**  
a Washington limited liability company

**FRANCHISEE:**  
\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**EFFECTIVE DATE:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE MANAGEMOWED FRANCHISE AGREEMENT  
REQUIRED FOR WASHINGTON FRANCHISEES**

This Addendum to the ManageMowed Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”) is entered into by and between ManageMowed Franchising, LLC, a Washington limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ [*insert type of organization and delete these brackets*] formed in \_\_\_\_\_ [*insert state and delete these brackets*] (“Franchisee”) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Washington; **(B)** Franchisee is a resident of the State of Washington; and/or **(C)** the Franchised Business will be located and/or operated in the State of Washington.
2. The following is added to the end of Section 4.1 of the Franchise Agreement:  
  
In lieu of an impound of franchise fees, Franchisor will not require or accept the payment of any initial franchise fees until Franchisee has (a) received all pre-opening and initial training obligations that Franchisee is entitled to under this Agreement or franchise disclosure document, and (b) is open for business.
3. The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 (“Act”), which may supersede this Agreement in your relationship with Franchisor, including in the areas of termination and renewal of your franchise. There also may be court decisions that may supersede this Agreement in your relationship with the Franchisor, including in the areas of termination and renewal of your franchise.
4. 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.
5. 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.
6. In the event of a conflict of laws, the provisions of the Act shall prevail.
7. 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.
8. A release or waiver of rights executed by Franchisee shall not include rights under the Act 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

- 9. Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.
- 10. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
- 11. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

**IN WITNESS WHEREOF**, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

**FRANCHISOR:**  
**MANAGEMOWED FRANCHISING, LLC,**  
a Washington limited liability company

**FRANCHISEE:**  
\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**EFFECTIVE DATE:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT F**

**LISTS OF CURRENT AND CERTAIN FORMER FRANCHISEES**

**LIST OF FRANCHISED MANAGEMOWED BUSINESSES**  
**(as of December 31, 2023)**

<b>FRANCHISEE</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>ST</b>	<b>ZIP</b>	<b>PHONE</b>
SL Michael Corp.	12672 Limonite Ave., Suite 3E #154	Eastvale	CA	92880	(714) 592-0019
San Diego Landscape Services	1823 Knights Ferry Dr	Chula Vista	CA	91913	(951) 260-2100
Clean Acres, Inc.	4770 Baseline Rd. #200	Boulder	CO	80303	(505) 250-1487
Kaptn Enterprises, LLC	236 N Wahsatch Ave #208	Colorado Springs (North)	CO	80907	(727) 871-9415
Kaptn Enterprises, LLC	236 N Wahsatch Ave #208	Colorado Springs (South)	CO	80907	(727) 871-9415
Finzer Brothers Enterprises, LLC	310 Autumn Breeze Drive	Roswell	GA	30075	(404) 282-2227
Finzer Brothers Enterprises, LLC	310 Autumn Breeze Drive	Roswell	GA	30075	(404) 282-2227
TIMPOR, INC	P.O. Box 742	Covington	GA	23116	(770) 800-1749
Wandland Corp.	13200 Selwyn Ave	Charlotte (N)	NC	28209	(704) 956-7449
Wandland Corp.	13200 Selwyn Ave	Charlotte (S)	NC	28209	(704) 956-7449
LLNO Adventures LLC	10600 S Pennsylvania Ave, Suite 16	Oklahoma City	OK	73170	(405) 503-9254
Pond & Company 1998 Inc.	2018 Meadowood Dr	Eugene	OR	97405	(505) 250-1487
Hillstone Enterprises, LLC	P.O. Box 701441	Houston (N)	TX	77270	(832) 508-2995
Hillstone Enterprises, LLC	P.O. Box 701441	Houston (S)	TX	77270	(832) 508-2995
GROWTHCQ, LLC	24414 North tide May Circle	Katy	TX	77494	(832) 930-3824
Z Future LLC	5201 southmill court	Glen Allen	VA	23060	(804) 567-9254
FJC1, LLC	3405 Ridgemere Dr	Henrico	VA	23233	(540) 824-4368
Centerfield Management services	P.O. Box #3038	Mechanicsville	VA	23116	(804) 571-3778
JPV Landscaping, LLC	15127 NE 24th St.	Redmond	WA	98052	(425) 510-6510
L&S Landscaping, LLC	2070 Parker Rd	Camano Island	WA	98282	(425) 333-2080
JPV Landscaping, LLC	804 N. Monroe St.	Spokane	WA	99201	(509) 631-9091

**LIST OF FRANCHISEES WHO HAVE SIGNED FRANCHISE AGREEMENTS BUT MANAGEMOWED BUSINESSES ARE NOT YET OPEN**  
**(as of December 31, 2023)**

None

**LIST OF FRANCHISEES WHO WERE TERMINATED OR WHO CLOSED OR  
TRANSFERRED A MANAGEMOWED BUSINESS IN 2023**

<b>FRANCHISEE</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>ST</b>	<b>ZIP</b>	<b>PHONE</b>
Specialized Property Solutions, Inc.	609 Castle Meadows Ct.	Ballwin	MI	63021	314-484-8678
NATX Ventures, Inc.	PO Box 5754	Lago Vista	TX	78645	713-816-7399
NATX Ventures, Inc.	PO Box 5754	Lago Vista	TX	78645	713-816-7399
Jessica Marie, LLC	3805 Plymouth Drive	McKinney	TX	75070	612-401-7024

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**EXHIBIT G**  
**VEHICLE LEASE AGREEMENT**



## MANAGEMOWED FRANCHISING, LLC VEHICLE LEASE AGREEMENT

This agreement is entered into this day, [\_\_\_\_\_] and shall remain in full force and effect through 24 months after delivery of vehicle between [\_\_\_\_\_] Name & their Company name of Lessee] ("Lessee"), of [\_\_\_\_\_] Address of Lessee], and ManageMowed Franchising, LLC ("MMF") ("Lessor"), of 144 Railroad Ave STE 101, Edmonds, WA 98020, organized and existing under the laws of the State of WA. The following terms and conditions shall apply for the length of the lease:

### 1. RECITALS

WHEREAS, the Lessor is the registered owner of the Vehicle,  
WHEREAS, the Lessor is desirous of leasing the Vehicle to the Lessee on such terms as are set out in this Vehicle Lease Agreement (the "Agreement") and the Lessee is desirous of leasing the Vehicle from the Lessor on said terms,  
WHEREAS, this Agreement is a lease-only and Lessee will have no right, title, or interest in or to the Vehicle except for the use of the Vehicle as described in this Agreement,  
WHEREAS, this Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicle,

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

### 2. DESCRIPTION OF LEASED VEHICLE.

The following vehicle ("the Vehicle"), which may vary depending on availability within Enterprise Fleet Managements vehicle sourcing process, is the subject of this Lease Agreement and will be delivered to Lessee by Enterprise Fleet Management with graphics installed per MMF's approved vehicle wrap. Final approval of the specific available vehicle will be agreed up by MMF and the Lessee before initiating order of said vehicle, and vehicle specifics will be added to this agreement upon approval. Examples of potentially available vehicles are VW Taos, Subaru Forrester, Toyota RAV4, Ford EcoSport, etc.

YEAR: 2022-2023

MAKE: Varies depending on availability.

Final vehicle ordered:

MODEL: Compact SUV

NUMBER OF DOORS: 4

REAR CARGO DOOR TYPE:

COLOR: Exterior: Pure White.

Interior: Black/Grey Recommended, but interior color may vary based on availability

TRANSMISSION: Automatic



**INTENDED VEHICLE PURPOSE:** Operation of Lessee's ManageMowed Franchise business.

**3. AMOUNTS DUE:** Lessor and Lessee agree on the following amounts due at lease signing/delivery of vehicle, based on these terms:

**a. AT LEASE SIGNING: \$1,500.00 Down Payment**

**b. AT DELIVERY OF VEHICLE: \$385.00:** Local government license, title, registration, and admin fees. These costs are estimates and may vary by county/state.

**TOTAL MONTHLY PAYMENT:** The total lease payment including depreciation, sales tax, maintenance, interest and management fees is: **\$650.00**

#### **4. FORM OF PAYMENT.**

The down payment is due upon signing this agreement, and the \$385 is due upon delivery of vehicle. All monthly payments will be withdrawn the 1<sup>st</sup> day of each month with the first monthly payment due the 1<sup>st</sup> month after vehicle delivery. All payments will be initiated by MMF as debit entries to Lessee's checking or savings account as indicated on the signed Franchise Agreement between Lessee and MMF, and Lessee hereby authorizes the depository designated below ("Bank") to debit or credit such account pursuant to MMF's instructions. This authorization is to remain in full force and effect until 60 days after MMF has received written notification from Lessee of its termination.

#### **5. GAP LIABILITY NOTICE.**

In the event of theft or damage to the Vehicle that results in a total loss, there may be a gap between the amount due upon early termination and the proceeds of your insurance settlement and deductible. THIS LEASE PROVIDES THAT LESSEE IS LIABLE FOR THE GAP AMOUNT.

#### **6. INSURANCE.**

Lessee must maintain Automobile Liability Insurance in the form of any applicable bodily injury and property damage coverage, and collision and comprehensive insurance, as required by local state law. Minimum Automobile Liability (Liability and Hired and Non-owned Auto) must be: Combined Single Limit - \$1,000,000 – Symbol 1 and or 7, 8 and 9. Proof of insurance or the

insurance card must be provided to the Lessor upon request, or to Enterprise Fleet Management upon request. The Lessee is responsible for insuring the Vehicle based on its full value. The Lessor will be named as the registered owner and as "Additional Insured" and loss payee in the insurance policy.

## **7. TAXES AND FEES.**

During the term of this Lease, the Lessee shall pay all applicable taxes, assessments, and license and registration fees on the Vehicle yearly, due to corporate.

## **8. END OF TERM LIABILITY.**

The residual value of the Vehicle is based on a reasonable, good faith estimate of the value of the vehicle at the end of the lease term. If the actual value of the vehicle at that time is greater than the residual value, Lessee will have no further liability under this lease, except for other charges already incurred. If the actual value of the Vehicle is less than the residual value, Lessee will be liable for any difference up to three (3) times the monthly payment. For any difference in excess of that amount, Lessee will only be liable if:

1. Excessive use or damage representing more than normal wear and use resulting in an unusually low value at the end of the term.
2. The matter is not otherwise resolved and Lessor wins a lawsuit against Lessee seeking a higher payment.
3. Lessee voluntarily agrees with Lessor after the end of the lease term to make a higher payment.

Should the Lessor bring a lawsuit against the Lessee, the Lessor must prove that the original estimate of the value of the leased property at the end of the lease term was reasonable and was made in good faith. For example, Lessor might prove that the actual was less than the original estimated value, although the original estimate was reasonable, because of an unanticipated decline in value for that type of vehicle. Lessor must also pay for attorney's fees.

## **9. EARLY TERMINATION DISCLOSURE.**

Lessee may have to pay a substantial charge if this lease is ended early. The charge may be up to several thousand dollars. The actual charge will depend on when the lease is terminated. The earlier the lease is ended, the greater this charge is likely to be.

## **10. EXCESSIVE WEAR AND USE.**

Lessee may be charged for excessive wear based on Lessor's specifications and generally accepted standards for normal use. Excessive wear and tear includes, but is not limited to: damaged glass, damaged body panels, lights, fenders, paint, dysfunctional accessories,



extremely worn tire tread, any damage to the interior, and any mechanical damage that interferes with the safe and lawful operation of the vehicle.

#### **11. PURCHASE OPTION AT THE END OF LEASE TERM.**

Lessee will not have the option to purchase the leased vehicle.

#### **12. NOTICE.**

All notices required or permitted under this Lease shall be deemed delivered when delivered by email to the Lessee's MMF company email address, or in person, or by mail, postage prepaid, addressed to the appropriate party at the address shown for that party at the beginning of this Lease.

#### **13. ASSIGNMENT.**

The Lessee shall not assign, transfer, or sublet any of its obligations, rights, or interest under this Agreement to any third party, whether an associated entity or not, whether in whole or in part without prior written consent of the Lessor.

#### **14. TERMINATION.**

If Lessee fails to pay any amount due under this agreement or to comply with any of the covenants contained in this Agreement, Lessor may terminate this agreement upon [Insert Number of days] days written notice and exercise any remedies under applicable law.

#### **15. EVENT OF DEFAULT.**

The Lessee will be in default if the Lessee fails to make a monthly payment on the due date, the Lessee has misrepresented personal or financial information, the vehicle is damaged or is beyond repair, the vehicle is not returned at the end of the lease term, Lessee fails to maintain vehicle insurance as required, or Lessee breaches any other term of this lease.

#### **16. VEHICLE RETURN.**

At the end of the lease the vehicle will be picked up by Enterprise Fleet Management with no additional end-of-lease costs.

#### **17. COSTS, EXPENSES, FEES, TOLLS, and CHARGES.**

Lessee fines, tickets, or penalties incurred during the lease will be deducted with the following monthly lease payment on the next 1<sup>st</sup> of the month. Any units that pass through a toll will be billed to you through ATS and will include a \$1-2 service fee per citation.

#### **18. RENTAL RESERVATIONS**

Enterprise has a dedicated rental reservation system for our fleet clients for replacement rentals you may need at a corporate discount. Rentals can be billed to the account, or by



Customer Pay (not billed to the company, using credit card and driver paying their own). This is a no-fee benefit to you.

## **19. MAINTENANCE.**

Lessee agrees to maintain the vehicle in good condition, repair maintenance and running order and in accordance with all manufacturers and warranty requirements. Lessee shall be responsible for taking vehicles in as a result of the normal wear and tear of the automobile. Lessee also agrees to comply with the Lessor's requirements of maintenance of the vehicle such as, but not limited to, all standard warranty work and recalls, tire rotation and replacement, replacement of the air filter, replacements of hoses, clamps, belts, spark plugs, and oil changes.

## **20. SEVERABILITY.**

If a court holds any provision of this Agreement to be illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect and the parties will amend this Agreement to give effect to the stricken clause to the maximum extent possible.

## **21. RISK OF LOSS.**

Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of the Vehicle from any cause whatsoever. In the event of such occurrence to a vehicle, Lessee shall give Lessor prompt notice of the occurrence and thereafter will place the Vehicle in good repair, condition and working order.

## **22. ACCEPTABLE DRIVERS, LIMITATIONS, and MODIFICATIONS TO THE VEHICLE.**

The Vehicle is not to be operated by drivers without an appropriate license or those restricted under the insurance policy. Lessee agrees that it will not permit the Vehicle to be located in a state other than the state in which Vehicle is then titled for any continuous period of time that would require such vehicle to become subject to the titling and/or registration laws of such other state. Using the Vehicle on trips of less than sixty (60) days within continental North America is permitted. Any exceptions can only be made upon Lessor's prior written consent. Any modifications or cosmetic additions to the Vehicle are not permitted without the Lessor's prior written consent.

## **23. WAIVER.**

The failure of either party to enforce any provision of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this lease.

## **24. WARRANTIES.**

The Vehicle herein is in an "as is" condition and Lessor has not made, and does not hereby make, any representation, warranty or covenant expressed or implied with respect to the



condition, quality, durability, capability, or suitability of the Vehicle or against any patent or latent defects therein.

**25. EARLY TERMINATION.**

There is no cancellation period before the end of the term of this vehicle lease. This lease may only be terminated with the agreement of the Lessor or upon proven and valid legal cause.

**26. INSPECTION.**

Lessor and Lessee acknowledge that the Vehicle has been inspected and the Lessee accepts the Vehicle as being in good condition, not including manufacturer's defects.

**27. ENTIRE AGREEMENT AND MODIFICATION.**

This Lease constitutes the entire agreement between the parties. No modification or amendment of this Lease shall be effective unless in writing and signed by both parties.

**28. INDEMNIFICATION.**

Lessee agrees to indemnify and hold harmless the Lessor from any loss; shall keep the Vehicle free from encumbrances, fines, liens, claims and expenses resulting from the maintenance and use of the vehicle.

**29. ARBITRATION.**

Any controversy or claim relating to this Lease, including the construction or application of this lease, will be settled by binding arbitration under the rules of the American Arbitration Association, or similar dispute resolution service, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

**30. GOVERNING LAW.**

This Lease shall be construed in accordance with the laws of the state of WA.

**31. SIGNATORIES.**

This Agreement shall be executed by [\_\_\_\_\_ Insert Name of Lessee] and by [\_\_\_\_\_ Insert Name of Lessor]. This Agreement shall be effective as of the date mentioned above:

**LESSEE:**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
[Insert Name of Lessee]



ManageMowed  
landscaping for businesses

**LESSOR:**

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

[Insert Name of Lessor]

**EXHIBIT H**  
**DEVELOPMENT INCENTIVE PROGRAM ADDENDUM**

**DEVELOPMENT INCENTIVE PROGRAM ADDENDUM  
TO THE MANAGEMOWED FRANCHISE AGREEMENT**

**FOR VETERANS AND FIRST RESPONDERS**

This Development Incentive Program Addendum (this "Addendum") to the ManageMowed Franchise Agreement (the "**Franchise Agreement**") dated as of \_\_\_\_\_ (the "**Effective Date**") by and between **ManageMowed Franchising, LLC** ("**we**", "**us**" or "**Franchisor**"), and \_\_\_\_\_, ("**you**" or "**Franchisee**") is made effective as of the Effective Date.

**RECITALS**

In order to encourage the development and operation of franchised ManageMowed businesses (the "**Franchised Business**") by veterans of the United States military and first responders, we have implemented a development incentive program (the "**Program**") for qualified Veteran-Owned and First-Responder-Owned Businesses (as defined below).

Franchisor and Franchisee are entering into this Addendum to modify the Franchise Agreement because Franchisee's development of the Franchised Business meets the criteria for the Program.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1 Defined Terms. As used in this Addendum, the following terms shall have the applicable meanings:

1.1 "First Responder" shall mean a person who currently works for a law enforcement agency, a fire department, or an emergency medical service or ambulatory care provider.

1.2 "Veteran" shall mean a person who has provided Franchisor with a DD Form 214 or other adequate documentation, as determined by Franchisor, demonstrating honorable discharge from the United States military.

1.3 "First Responder-Owned Business" shall mean a business entity that is at least fifty-one percent (51%) owned, operated and controlled on a daily basis by one or more First Responders.

1.4 "Veteran-Owned Business" shall mean a business entity that is at least fifty-one percent (51%) owned, operated and controlled on a daily basis by one or more Veterans.

2 Eligibility. Franchisee has satisfied the following requirements and is eligible to participate in the Program:

2.1 This Agreement relates to the first ManageMowed business developed by Franchisee or its affiliates.

2.2 Franchisee is a [First Responder-Owned Business] [Veteran-Owned Business]; and

2.3 Franchisee and/or its affiliates are in full compliance with the terms of the Franchise Agreement and any other agreement with Franchisor and/or its affiliates.

3 Call Center Credit. Notwithstanding the provisions of Section 8.17 of the Franchise Agreement, Franchisee shall receive a Five Thousand Dollar (\$5,000) credit ("Call Center Credit") toward the fees Franchisee incurs for the use of Franchisor's call center / lead generation group after the Market Introduction Period is complete.

4 Repayment of Call Center Credit on Transfer or Termination. Franchisee acknowledges and agrees that the Program benefits are specific to Franchisee and its owners. Therefore, if, prior to the first anniversary of the opening date of the Franchised Business, Franchisee transfers the Franchised Business or any equity or ownership interests in Franchisee, or Franchisor terminates the Franchise Agreement, then Franchisee must pay to Franchisor the Call Center Credit in the amount of Five Thousand Dollars (\$5,000).

5 Miscellaneous.

5.1 The Recitals are hereby incorporated into this Addendum by this reference. The captions in this Addendum are for convenience only. Any capitalized term that is not defined in this Addendum shall have the meaning given to it in the Franchise Agreement.

5.2 The parties hereby confirm the Franchise Agreement, as amended by this Addendum, and reaffirm their respective obligations under such Franchise Agreement, as amended by this Addendum. The parties agree that except as specifically set forth herein, the provisions of the Franchise Agreement shall remain unchanged and this Addendum shall be in addition to, and not in lieu of, the provisions of the Franchise Agreement. In the event of any conflict between the terms of the Franchise Agreement and the terms of this Addendum, the terms of this Addendum shall control.

5.3 This Addendum may be signed in counterparts, and signature pages may be exchanged by fax or scanned PDF, each such counterpart, when taken together with all other identical copies of this Agreement also signed in counterpart, shall be considered as one complete agreement.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Addendum effective as of the Effective Date.

**FRANCHISOR:**  
**MANAGEMOWED FRANCHISING, LLC,**  
a Washington limited liability company

**FRANCHISEE:**  
\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EFFECTIVE DATE:** \_\_\_\_\_

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

**EXHIBIT I**  
**FRANCHISEE DISCLOSURE QUESTIONNAIRE**

**FRANCHISEE DISCLOSURE QUESTIONNAIRE  
TO BE COMPLETED BEFORE  
SIGNING A MANAGEMOWED FRANCHISE AGREEMENT**

You are preparing to enter into a ManageMowed Franchise Agreement (“Agreement”) with ManageMowed Franchising, LLC (“we” “our” or “us”). Please review each of the following questions carefully and provide complete responses to each.

Franchise Applicant \_\_\_\_\_

- 1. Have we provided you with a Franchise Disclosure Document at least 14 calendar days (or the earlier of the first personal meeting or 10 business days if you are a prospect based in or will operate in New York; the earlier of the first personal meeting or 14 days if you are a prospect based in or will operate in Iowa; or 10 business days if you are a prospect based in or will operate in Michigan) before you signed any agreements or paid any money or other consideration to us or our affiliates?

Yes \_\_\_ No \_\_\_

- 2. Did you sign a Receipt indicating the date on which you received the Franchise Disclosure Document?

Yes \_\_\_ No \_\_\_

- 3. Please list any questions you have regarding the franchise opportunity that you would like to discuss prior to signing the Agreement. (Attach additional pages, if necessary.)

---



---



---



---



---



---



---

- 4. Please list any information provided to you by any employee or other person speaking on our behalf concerning the sales, revenue, profits, or operating costs of one or more ManageMowed businesses operated by us, our affiliates, or our franchisees or that you may earn or experience that is in addition to the information contained in the Franchise Disclosure Document:

---



---



---



---



---

*All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the California Franchise Investment Law or any other state franchise registration and disclosure law.*

FRANCHISE APPLICANT

\_\_\_\_\_  
[Insert name of Franchise Applicant]

By: \_\_\_\_\_  
[Name of Person signing on behalf of Franchise Applicant]

Its: \_\_\_\_\_  
[Title of Person signing on behalf of Franchise Applicant]

OWNER(S) OF FRANCHISE APPLICANT

\_\_\_\_\_  
[Insert name of Owner]

\_\_\_\_\_  
[Signature of Owner]

**EXHIBIT J**  
**STATE EFFECTIVE DATES**

## State Effective Dates

The following states have franchise laws that 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 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 Date stated below:

<b>STATES</b>	<b>EFFECTIVE DATE</b>
CALIFORNIA	March 20, 2024
ILLINOIS	March 18, 2024
INDIANA	March 18, 2024
MARYLAND	PENDING
MICHIGAN	March 19, 2024
MINNESOTA	PENDING
NEW YORK	April 4, 2024
NORTH DAKOTA	PENDING
RHODE ISLAND	March 20, 2024
SOUTH DAKOTA	March 18, 2024
VIRGINIA	March 25, 2024
WASHINGTON	PENDING
WISCONSIN	March 18, 2024

Other states 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.

**EXHIBIT K**  
**RECEIPTS**

**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 ManageMowed Franchising, LLC offers you a franchise, ManageMowed Franchising, LLC 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 requires that ManageMowed Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration. Iowa requires that ManageMowed Franchising, LLC give you this disclosure document at the earliest of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that ManageMowed Franchising, LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. If ManageMowed Franchising, LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency.

The franchisor is ManageMowed Franchising, LLC, located at 144 Railroad Avenue, Suite 101, Edmonds, WA 98020. Its telephone number is (866) 623-9749.

The issuance date of this Franchise Disclosure Document is March 14, 2024.

The name, principal business address and telephone number of each franchise seller offering the franchise are: James Jakobsen, Co-Founder; Peter Roberts, Co-Founder; Zachary Dynes, Lead Generation Supervisor and Sales Support Specialist, and Amila (Noah) Samarasinghe, Business Development at 144 Railroad Avenue, Suite 101, Edmonds, WA 98020 (866) 623-9749 and Andrew Seifried, 7707 N. 13<sup>th</sup> Street, Phoenix, Arizona 85020 (480) 619-1128. The names, business addresses and phone numbers of other franchise sellers, if any, are:

I have received a Franchise Disclosure Document dated March 14, 2024 that included the following Exhibits.

- A. Franchise Agreement
- B. Manual Table of Contents
- C. Financial Statements
- D. List of State Administrators and Agents for Service of Process in Certain States
- E. State Required Agreement Addenda
- F. Lists of Current and Certain Former Franchisees
- G. Vehicle Lease Agreement
- H. Development Incentive Program Addendum
- I. Franchisee Disclosure Questionnaire
- J. State Effective Dates
- K. Receipts

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Prospective Franchisee

\_\_\_\_\_  
Name (please print)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please sign this copy of the receipt, date your signature, return the signed receipt to Peter Roberts, Co-Founder, ManageMowed Franchising, LLC, at 144 Railroad Avenue, Suite 101, Edmonds, WA 98020.

**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 ManageMowed Franchising, LLC offers you a franchise, ManageMowed Franchising, LLC 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 requires that ManageMowed Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration. Iowa requires that ManageMowed Franchising, LLC give you this disclosure document at the earliest of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that ManageMowed Franchising, LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. If ManageMowed Franchising, LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency.

The franchisor is ManageMowed Franchising, LLC, located at 144 Railroad Avenue, Suite 101, Edmonds, WA 98020. Its telephone number is (866) 623-9749.

The issuance date of this Franchise Disclosure Document is March 14, 2024.

The name, principal business address and telephone number of each franchise seller offering the franchise are: James Jakobsen, Co-Founder; Peter Roberts, Co-Founder; Zachary Dynes, Lead Generation Supervisor and Sales Support Specialist, and Amila (Noah) Samarasinghe, Business Development at 144 Railroad Avenue, Suite 101, Edmonds, WA 98020 (866) 623-9749 and Andrew Seifried, 7707 N. 13<sup>th</sup> Street, Phoenix, Arizona 85020 (480) 619-1128. The names, business addresses and phone numbers of other franchise sellers, if any, are:

I have received a Franchise Disclosure Document dated March 14, 2024 that included the following Exhibits.

- A. Franchise Agreement
- B. Manual Table of Contents
- C. Financial Statements
- D. List of State Administrators and Agents for Service of Process in Certain States
- E. State Required Agreement Addenda
- F. Lists of Current and Certain Former Franchisees
- G. Vehicle Lease Agreement
- H. Development Incentive Program Addendum
- I. Franchisee Disclosure Questionnaire
- J. State Effective Dates
- K. Receipts

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Prospective Franchisee

\_\_\_\_\_  
Name (please print)

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please sign this copy of the receipt, date your signature and retain the signed Receipt for your records.