

FRANCHISE DISCLOSURE DOCUMENT



ManageMowed Franchising, LLC
A Washington Limited Liability Company
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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 \$87,300~~ \$80,800 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.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

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

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. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.~~
43. **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.
54. **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.

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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

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 Fee¹	Amount	Date Due	Remarks
Royalty	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.
Brand Fund Contribution	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 (" Cooperative ") (currently 0% of

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. ~~We also strongly recommend that you seek the assistance of including attorneys and accountants for the initial review and resulting advisories concerning of this franchise opportunity, this disclosure document, and subsequently, the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other 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. ~~We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area. You should review this estimate and work with knowledgeable advisors including lawyers, accountants, business advisors, local contractors, engineers, and architects before making any decision to invest in our franchise opportunity.~~ 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 or 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,

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 ~~and a~~ [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

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 ~~ManagedMowed~~ 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. ~~You should consult with an attorney and other advisors before signing the Franchise Agreement.~~
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***

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
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.

**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]