

FRANCHISE DISCLOSURE DOCUMENT

Mogavero Investments, LLC

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BORDER MAGIC® METHOD

The Franchisee who purchases the franchise rights to the Border Magic® Method will own a custom concrete curbing, trim and border business and will be licensed to operate the proprietary BM 2000 curb extruder, use the Border Magic® proprietary installation method and operate the business under the "Border Magic®" name. The Franchisee will sell and install quality custom concrete curbing manufactured with equipment leased and purchased from the Franchisor. The total investment necessary to begin operation of a Border Magic® franchise ranges from \$79,345 to \$98,895. This includes \$72,395 that must be paid to us.

> II. BOULDER DESIGNS® METHOD

The Franchisee who purchases the franchise rights to the Boulder Designs® Method will own a custom Boulder Designs® business and will be licensed to operate the proprietary custom stone business, utilize the Boulder Designs® proprietary installation method and operate the business under the "Boulder Designs®" name.

The total investment necessary to begin operation of a Boulder Designs® franchise for new franchisees who are not currently a Border Magic® Franchisee ranges from \$85,595 to \$110,195. This includes \$78,395 to \$83,895 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of both a Border Magic® and Boulder Designs® franchises ranges from \$154,993 to \$160,493. This includes \$145,593 to \$150,793 that must be paid to use.

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 pay any payment to, the franchisor or an affiliate in



connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information contained in this document.

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mogavero Investments, LLC, 2324 Robinson Drive, Waco TX 76706

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully.

Show your contract and this disclosure document to an advisor, such as 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 "<u>A Consumer's Guide</u> 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.

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STATE COVER PAGE

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

Call the state franchise administrator listed in <u>Exhibit D</u> for the information about the franchisor, or about franchising in your state.

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

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

- 1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN TEXAS. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE WITH US IN TEXAS THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. ALL OWNERS AND THEIR SPOUSES MUST SIGN A PERSONAL GUARANTY MAKING JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES EACH OWNER'S AND SPOUSE'S PERSONAL AND MARITAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 4. THE FRANCHISOR HAS MINIMUM PERFORMANCE STANDARDS, CURRENTLY AT LEAST THIRTY PROJECTS PER YEAR THAT YOU MUST MAINTAIN. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCAHSE THIS FRANCHISE OPPORTUNITY.
- 5. THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE JULY 8, 2015. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
- 6. ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES

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