

FRANCHISE DISCLOSURE DOCUMENT

Mosquito Squad Franchising Corporation
A Delaware Corporation
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**MOSQUITO
SQUAD®**

The franchise described in this disclosure document is for the operation of a MOSQUITO SQUAD® business, which offers certain outdoor pest control services and equipment, including the sales, design, installation and servicing of outdoor misting systems, barrier spray services, and other pest elimination and control systems for both residential and commercial use.

The total investment necessary to begin operation of a MOSQUITO SQUAD franchise is \$14,600 to \$57,125. This includes \$0 to \$25,000 that must be paid to the franchisor or affiliate. If you sign a development agreement, you must pay us a development fee of \$10,000 for each MOSQUITO SQUAD business you agree to develop under your Development Schedule.

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, 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 David Buchel or Tricia Charles at 2924 Emerywood Parkway, Suite 101, Richmond, Virginia 23294, (804) 353-6999.

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.

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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 [Exhibit E](#) for information about the franchisor, or about franchising in your state.

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN VIRGINIA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN VIRGINIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT VIRGINIA 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. IF YOU ARE AN INDIVIDUAL, YOUR SPOUSE MUST SIGN THE GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS, WHICH WILL MAKE THEM JOINTLY AND SEVERALLY LIABLE FOR THE DEBTS OF THE MOSQUITO SQUAD BUSINESS WHETHER OR NOT YOUR SPOUSE IS INVOLVED IN THE OPERATIONS OF THE MOSQUITO SQUAD BUSINESS. THIS REQUIREMENT PLACES YOUR PERSONAL ASSETS AND YOUR SPOUSES ASSETS AT RISK.
4. FOR A STANDARD TERRITORY, YOU MUST PAY US MINIMUM MONTHLY FEES OF \$400 PER MONTH DURING THE 1ST YEAR, \$650 PER MONTH DURING THE 2ND YEAR, \$900 PER MONTH DURING THE 3RD YEAR, \$1,150 PER MONTH DURING THE 4TH YEAR, \$1,400 DURING THE 5TH YEAR, \$1,650 DURING THE 6TH YEAR AND \$1,900 PER MONTH DURING THE 7TH YEAR THROUGH THE BALANCE OF THE INITIAL TERM AND ANY INTERIM PERIOD OF OPERATION OF YOUR FRANCHISE, EVEN IF YOU HAVE NO REVENUE. FOR A MICRO MARKET TERRITORY, YOU MUST PAY US MINIMUM MONTHLY FEES OF \$300 PER MONTH DURING THE 1ST YEAR, \$400 PER MONTH DURING THE 2ND YEAR, \$500 PER MONTH DURING THE 3RD YEAR, \$600 PER MONTH DURING THE 4TH YEAR, \$700 DURING THE 5TH YEAR, \$800 DURING THE 6TH YEAR AND \$900 PER MONTH DURING THE 7TH YEAR THROUGH THE BALANCE OF THE INITIAL TERM AND ANY INTERIM PERIOD OF OPERATION OF YOUR FRANCHISE, EVEN IF YOU HAVE NO REVENUE. YOU ALSO MUST PAY US MINIMUM MONTHLY ADVERTISING FEES.
5. WE AND OUR AFFILIATES MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION, AND MAY SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, UNDER THE SAME AND/OR DIFFERENT TRADEMARKS, IN COMPETITION WITH YOU.
6. YOU, AS A FRANCHISEE, ARE REQUIRED TO ATTAIN CERTAIN SALES QUOTAS. IF YOU FAIL TO DO SO, WE MAY GRANT ADDITIONAL FRANCHISES IN YOUR TERRITORY OR TERMINATE YOUR FRANCHISE.
7. WE ARE A RECENTLY FORMED COMPANY AND FINANCIALLY DEPENDENT ON OUR PARENT COMPANY.
8. PLEASE NOTE THAT 69% OF THE GUARANTOR'S ASSETS ARE INTANGIBLE. YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THE FRANCHISE OPPORTUNITY.
9. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of this franchise.

Effective date: See the next page for state effective dates

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