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Department of

Business Oversight

FRANCHISE DISCLOSURE DOCUMENT SOUTHWEST GREENS INTERNATIONAL LLC

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A Georgia limited liability company 185 S. Industrial Blvd. Mail Drop 0DY-01 Calhoun, Georgia 30701 <u>info@southwestgreens.com</u> www.southwestgreens.com (877) 260-7888

SOUTHWEST GREENS

The franchise offered by Southwest Greens International, LLC ("SWGI") is a retail business that designs, sells, installs and maintains artificial turf surfaces for such uses as (by way of example and not limitation) putting greens, tee lines, golf practice facilities, golf driving ranges, lawn turf and other sports and non-sports surfaces and modular tile flooring for such uses as (by way of example and not limitation) tennis, basketball and volleyball courts, roller hockey arenas and gymnasiums.

The total investment necessary to begin operation of a Southwest Greens business ranges from \$83,000 to \$341,500. This includes \$9,000 to \$49,000 that must be paid to the franchisor or its 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, 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 Disclosure Document.

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact Robert Hambrick at SWGI, 185 S. Industrial Blvd., Mail Drop 0DY-01, Calhoun, Georgia 30701 (877) 260-7888; bob.hambrick@shawswg.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 (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., 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.

Issuance Date: May 1, 2019



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 A</u> 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 LITIGATION ONLY IN GEORGIA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN GEORGIA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT GEORGIA 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. EACH OF YOUR OWNERS OF 5% OR MORE AND SPOUSE MUST SIGN A PERSONAL GUARANTEE MAKING YOU AND EACH OF THEM JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS UNDER THIS FRANCHISE AGREEMENT. YOUR SPOUSE MUST SIGN EVEN IF HE OR SHE IS NOT INVOLVED IN THE FRANCHISED BUSINESS. THE PERSONAL GUARANTEE PLACES EACH OWNER'S ASSETS AND BOTH YOUR AND YOUR SPOUSE'S PERSONAL ASSETS AT RISK.
- 4. WE MAY TERMINATE YOUR FRANCHISE AGREEMENT IF (1) YOU DO NOT PAY US THE MINIMUM ROYALTY AMOUNT THROUGH TURF ROYALTIES, OR (2) MORE THAN 50% OF THE TURF ROYALTIES PAID BY YOU DURING ANY CONTRACT YEAR ARE PAID DURING THE LAST MONTH OF THE CONTRACT YEAR. EVEN IF WE TERMINATE YOUR AGREEMENT, YOU MUST ALSO PAY US THE DIFFERENCE BETWEEN THE AMOUNT THAT WE HAVE RECEIVED AND THE MINIMUM ROYALTY AMOUNT ON AN ANNUAL BASIS.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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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 the franchise.

State	Effective Date	State	Effective Date
California		North Dakota	Not Registered
Hawaii	Not Registered	Rhode Island	Not Registered
Illinois	Not Registered	South Dakota	Not Registered
Indiana	Not Registered	Virginia	
Maryland		Washington	Not Registered
Minnesota	Not Registered	Wisconsin	Not Registered
New York	Not Registered		

State-specific Effective Dates

In all the other states, the effective date of this disclosure document is the issuance date of May 1, 2019.

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