

FRANCHISE DISCLOSURE DOCUMENT



Spring-Green Lawn Care Corp.
a Delaware corporation
11909 Spaulding School Drive
Plainfield, Illinois 60585
(800) 777-8608
www.spring-green.com
franinfo@spring-green.com

The franchise offered is for the right to operate a business under the name “Spring-Green” offering professional lawn care, pest control, and related services for residential and commercial properties.

The total investment necessary to begin operation of a Spring-Green business is ~~\$116,993~~ 107,273 to ~~\$125,999~~ 119,150. This includes ~~\$89,522~~ 79,454 to ~~\$106,922~~ 96,854 that is payable to us.

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 government 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 Spring-Green Lawn Care Corp., Franchise Development Department, 11909 Spaulding School Drive, Plainfield, Illinois 60585, (800) 777-8608 or (815) 436-8777 or e-mail franinfo@spring-green.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.

ISSUANCE DATE: March ~~31~~ 22, ~~2023~~ 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
How much can I earn?	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 Exhibits D and E.
How much will I need to invest?	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.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Spring-Green business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Spring-Green franchisee?	Item 20 or Exhibits D and E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	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 A.

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 Illinois. 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 Illinois 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.

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.

**THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to:

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	<u>31</u>
2 BUSINESS EXPERIENCE	<u>64</u>
3 LITIGATION.....	<u>75</u>
4 BANKRUPTCY	<u>75</u>
5 INITIAL FEES.....	<u>86</u>
6 OTHER FEES.....	<u>119</u>
7 ESTIMATED INITIAL INVESTMENT.....	<u>1614</u>
8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	<u>1917</u>
9 FRANCHISEE’S OBLIGATIONS	<u>2220</u>
10 FINANCING.....	<u>2322</u>
11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....	<u>3028</u>
12 TERRITORY	<u>3836</u>
13 TRADEMARKS.....	<u>3938</u>
14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	<u>4140</u>
15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	<u>4241</u>
16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	<u>4341</u>
17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	<u>4342</u>
18 PUBLIC FIGURES.....	<u>4846</u>
19 FINANCIAL PERFORMANCE REPRESENTATIONS	<u>4846</u>
20 OUTLETS AND FRANCHISEE INFORMATION	<u>5855</u>
21 FINANCIAL STATEMENTS	<u>6361</u>
22 CONTRACTS.....	<u>6461</u>
23 RECEIPTS	<u>6461</u>

Exhibits

- A List of State Agencies/Agents for Service of Process
- B Franchise Agreement
- C Tables of Contents – Operating Manual
- D List of Franchisees
- E Franchisees Who Have Left the System
- F Financial Statements
- G Spring-Green Lease
- H Guarantee Indemnification Agreement
- I Sample General Release
- J State Addenda and Agreement Riders
- K Disclosure Acknowledgement Statements
- L Flex Start Addendum
- M VetFran Program Addendum
- N [GreenIndustry](#) Associate Program Addendum
- O Multi-Territory Addendum
- P Promissory Note and Security Agreement (Franchise Fee Financing)
- Q Promissory Note and Security Agreement ([GreenIndustry](#) Associate Marketing Financing)
- R Promissory Note and Security Agreement (Initial Property Data Fee Financing)
- S Receipts

Applicable state law might require additional disclosures related to the information contained in this Disclosure Document, and might require a rider to the Franchise Agreement. These additional disclosures and riders, if any, appear in Exhibit J.

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this franchise disclosure document (this “Disclosure Document”), “we,” “us,” and “our” means Spring-Green Lawn Care Corp., the franchisor. “You” means the person or entity that is awarded the franchise. If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement (defined below) and related agreements will also apply to your owners and will be noted.

A. The Company, Our Parent, Predecessors and Affiliates

We are a Delaware corporation organized in January 1977. Our principal business address is 11909 Spaulding School Drive, Plainfield, Illinois 60585 and our telephone number is (800) 777-8608. We conduct business under our corporate name and as “Spring-Green.” Our agents for service of process are disclosed in Exhibit A. We have offered franchises similar to the franchise described in this Disclosure Document since 1977. We have no predecessors.

We do not operate businesses of the type franchised, but our affiliate, Superior Lawns, Incorporated (“Superior Lawns”), operates similar businesses under a franchise agreement with us. Superior Lawns is located at 11927 Spaulding School Drive, Plainfield, Illinois 60585. We operated a company-owned business in Naperville, Illinois for approximately nine months, from March 1977 to November 1977, at which time that business was sold to Superior Lawns. As of December 31, ~~2022~~2023, Superior Lawns owned and operated ~~26~~28 Spring-Green franchise territories from 5 locations.

We are a wholly owned subsidiary of Spring-Green Enterprises, Inc. (“Parent”). Our affiliate, Spring-Green IP, Inc. (“Spring-Green IP”) has licensed to us the right to use and sublicense the Marks to Spring-Green franchisees. Our affiliate, Pet Butler, LLC (“Pet Butler”), offers franchises for businesses that provide pet-waste removal services and other pet-related services under the name “Pet Butler.” Pet Butler has offered such franchises since September 1, 2017. As of December 31, ~~2022~~2023, Pet Butler had 34 franchisees collectively covering ~~95~~92 franchised territories. Our affiliate, SGE Marketing Services, Inc. (“SGE”) provides marketing, advertising, technology and call-center services to Spring-Green franchisees and Pet Butler franchisees. Parent, Spring-Green IP, Pet Butler, and SGE share our principal business address.

Except as described above, we, Parent, and our affiliates have not offered franchises in any other lines of business or conducted businesses of the type offered to you in this Disclosure Document.

B. The Spring-Green Franchise

We award franchises to qualified persons and entities seeking the opportunity to develop and operate a business (the “Franchised Business” or a “Spring Green Franchised Business”) that offers professional lawn care, pest control, and related services (collectively, the “Services”) to residences and businesses within a prescribed geographic market area (the “Territory”) following the methods and techniques we disclose (the “System”) in our confidential operating manual,

videos and other training materials (collectively the “Operating Manual”), under the trademarks and service marks we license periodically, including the trademark “Spring-Green” (the “Marks”).

In the future, we may also approve certain other services, including services not related to lawn care or pest control, which you may provide to residences and businesses. If you offer those other services, the term “Services” as used in this Disclosure Document includes those services. You may not offer any other services under the Marks or using the System.

You must execute a franchise agreement (the “Franchise Agreement”) in the form attached as Exhibit B. This Franchise Agreement governs your operation of the Franchised Business. You must sign the then-current form of franchise agreement for each additional franchise that you purchase.

C. **General Market and Competition**

Your principal customers will be homeowners, although commercial properties (such as industrial parks, office buildings, and apartment complexes) may also use the Services. The market for the Services is developed but expanding. In most areas of the country in which we are offering franchises, the Services may be seasonal. You will have competition from national and regional chains that may be corporate-owned or franchised, and local independent owner/operators of lawn care and pest-control businesses.

D. **Specialized Industry Laws**

There are federal, state and local regulations specific to the operation of businesses that provide lawn care and pest-control services. These regulations include Federal Department of Transportation regulations, Federal OSHA Hazard Communication standards and may include state-specific pesticide application licensing requirements, state-specific pesticide storage and containment regulations, and state-specific posting and notification regulations. In addition, you must comply with any laws and governmental regulations relating to licensing and certification of personnel employed by the Franchised Business and you may be required to secure and maintain in force certain licenses, permits and certificates. We urge you to make further inquiries about these laws. Compliance with such regulations, as well as with all applicable laws, regulations, and ordinances, is your responsibility and may necessitate expenditures by you.

E. **Special Franchise Programs**

1. **Flex Start Program**

Under our Flex Start Program, with our approval you are allowed to open the Franchised Business at any time during the year in which you sign the Franchise Agreement and may delay the date on which you must begin to devote your full-time best efforts to the Franchised Business until January 1 of the following year. (See Item 15) In addition, you will not be required to pay any royalty or advertising fund contributions until the earlier of (i) 180 days after the date you commence operations of the Franchised Business and (ii) January 1st of the year immediately following the date you commence operations of the Franchised Business (“Royalty Exempt

Period”). If you elect to participate in the Flex Start Program, then we and you will sign the Flex Start Addendum (Exhibit L).

2. GreenIndustry Associate Program

We offer our GreenIndustry Associate Program to qualified candidates who are owners of independent “~~Green~~-Industry Associate” businesses that provide professional lawn care services as a component of their existing residential, commercial, or other property maintenance and care services and who want to convert the lawn care services portion of their ~~Green~~-Industry Associate business to a Spring-~~Green~~ Green Franchised Business meeting our standards and specifications. If you qualify, and we approve you, to participate in the GreenIndustry Associate Program, we agree to waive the initial franchise fee (See Item 5), you will qualify for GreenIndustry Associate Marketing Financing (as defined in Item 10), and, if you already provide services that are offered by Franchised Businesses (such as, lawn fertilization and weed control services, pest control services, or tree and shrub services), you may qualify to pay a reduced royalty rate for the first lawn care season after you commence operations as a Spring-~~Green~~ Green Franchised Business (first lawn care season after the expiration of the Royalty Exempt Period in the event you are also participating in the Flex Start Program). (See Item 6) Your “first lawn care season” runs from the date you first provide lawn care services as a Spring-~~Green~~ Green Franchised Business through December 31 of the same calendar year. The franchise fee waiver, GreenIndustry Associate Marketing Financing, and reduced royalty rate are not offered to franchisees that acquire or own existing Franchised Businesses. ~~The Green Associate Program is not available to franchisees that use third-party brokers in connection with the acquisition of a Spring-Green franchise.~~

If you qualify, and we grant you, the opportunity to participate in the GreenIndustry Associate Program, then we and you will sign the GreenIndustry Associate Program Addendum (Exhibit N). For purposes of this Disclosure Document, “~~Green~~-Industry Associate” refers to lawn care professionals, landscape management professionals, outdoor property management services, design/build/installation professionals, pest control professionals, irrigation and water management professionals, interior landscapers, and other complimentary services.

3. VetFran Program

We proudly participate in the International Franchise Association’s VetFran Program. If you are a veteran of the United States Armed Forces and meet the requirements of the VetFran Program, we apply up to \$5,000 of the initial franchise fee to start-up expenses that we designate or approve, which may include your initial marketing campaign fee. The VetFran Program is not available to franchisees that are approved for the GreenIndustry Associate Program. If you qualify for the VetFran Program then we and you will sign the VetFran Program Addendum (Exhibit M).

Item 2

BUSINESS EXPERIENCE

Theodore T. Hofer – Chief Executive Officer and Executive Vice President

Mr. Hofer has served as our Chief Executive Officer and Executive Vice President since July 2010. Before that, he served as our Vice President from February 2008 to July 2010, as our Franchise Start-Up Director from January 2007 to January 2008, as our Start-Up Manager from January 2006 to December 2006, and as our Franchise Support Representative from June 2005 to December 2005. Mr. Hofer has also served in the following roles for our affiliates: Parent (Chief Executive Officer since March 2019 and President from January 2014 to March 2019); Pet Butler (Chief Executive Officer since April 2017); Spring-Green IP (President since January 2014); SGE (President since October 2017); Superior Lawns (President since July 2010 and Vice President from February 2008 to July 2010).

Thomas W. Hofer - Director, Chairman of the Board, Vice President and Treasurer

Mr. Hofer has served as our Treasurer since August 1987 and has served as our Chairman of the Board and Vice President since July 2010. From June 2006 to July 2010, he served as our Chief Executive Officer and Executive Vice President. From 1987 to June 2006, he served as our President. Mr. Hofer became one of our directors in January 1980. Mr. Hofer has also served as Treasurer of Superior Lawns since its incorporation in 1977 and has served as Vice President since July 2010. From 1977 to July 2010, Mr. Hofer served as President of Superior Lawns. Mr. Hofer has also served as Director, Vice President, and Treasurer of Parent and Spring-Green IP since their incorporation in January 2014 and Vice President and Treasurer of SGE since its incorporation in October 2017.

James M. Young – President

Mr. Young joined us in March 2004 as Vice President of Franchise Development, was appointed to the position of Vice President of Marketing in June of 2005 and then to the position of President in June 2006. Mr. Young has also served as Vice President of Superior Lawns since March 2009. Mr. Young has also served as President of Pet Butler since April 2017. Mr. Young has also served as Vice President and Secretary of Parent since its incorporation in January 2014 and Chief Operating Officer of Parent since January 2018. Mr. Young has also served as Vice President and Secretary of Spring-Green IP since its incorporation in January 2014 and Vice President and Secretary of SGE since its incorporation in October 2017.

Jeffrey A. Kastelic – Chief Financial Officer (Parent)

Mr. Kastelic has served as Chief Financial Officer for Parent since May 2018. ~~From September 2005 to April 2018, Mr. Kastelic served as Chief Financial Officer for Strive Logistics, LLC, in Chicago, Illinois.~~

Brad Johnson – Vice President of Operations

Mr. Johnson has been our Vice President of Operations since July 2020. Between March 2020 to July 2020, Mr. Johnson was exploring new opportunities. From September 2005 to March 2020, Mr. Johnson was Director of Franchise Operations for Front Burner Brands in Tampa, Florida.

Gillian Hrycyk – ~~Senior Account~~ Director of Print Procurement & Campaign Management

Ms. Hrycyk has served as our and Pet Butler's [Director of Print Procurement & Campaign Management since January 2024](#). ~~From March 2020 to January 2024, Ms. Hrycyk served as our and Pet Butler's Senior Account Director since March 2020.~~ From January 2014 to March 2020, Ms. Hrycyk served as our Director of Marketing, and she held the same position for Pet Butler from April 2017 to March 2020. From August 2008 to December 2013, she served as Consumer Marketing Manager. From October 2005 to December 2013, she served as our Marketing Coordinator.

Mark Potocki – Vice President of Business Development

Mr. Potocki has served as our Vice President of Business Development since January 2022 after serving as our Director of Business Development from September 2019 to December 2021. Mr. Potocki has also served as Pet Butler's Vice President of Business Development since January 2022 after serving as its Director of Business Development from September 2019 to December 2021. Prior to that, from March 2012 to September 2019, Mr. Potocki served as Senior Vice President of Franchise Dynamics located in Homewood, Illinois.

Jason McConnell – ~~Director of~~ Director of Marketing Strategy and Analytics

Mr. McConnell has served as our and Pet Butler's Director of Marketing Strategy and Analytics since January 2023. Mr. McConnell previously served as our and Pet Butler's Director of Customer Insights & MarTech Integration from June 2021 to December ~~2021~~[2022](#), after serving as our and Pet Butler's Director of Marketing Integration & Business Intelligence from March 2020 to June 2021. From October 2018 to March 2020, Mr. McConnell was the owner of Jay's Media consulting business, based in Aurora, Illinois. ~~From October 2010 to September 2018, Mr. McConnell served as Director of Marketing & Business Development for Sears Holdings in Hoffman Estates, Illinois.~~

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee

To acquire a franchise for a Franchised Business you must pay an initial franchise fee of ~~\$50,000~~40,000 for a geographic territory containing up to 60,000 single family dwelling units (“SFDUs”). However, if you elect, and are eligible, to participate in the ~~Green~~Green~~Industry~~ Associate Program, we will waive the initial franchise fee for a geographic territory containing up to 60,000 SFDUs. If you wish to obtain a geographic territory of more than 60,000 SFDUs, and we approve, you must pay us an additional fee of \$0.50 for each SFDU over 60,000 SFDUs, even if you are eligible to participate in the ~~Green~~Green~~Industry~~ Associate Program. ~~\$35,000~~25,000 of the initial franchise fee due under the Franchise Agreement, plus any portion of the initial franchise fee attributable to additional SFDUs, is due and payable when you sign the Franchise Agreement, and the remaining \$15,000 is due before you attend the initial training program. The initial franchise fee is fully earned and non-refundable upon payment, except as described below in this Item 5.

If you elect, and are eligible, to participate in Spring-~~Green~~ Green Franchise Fee Financing (defined in Item 10) for the initial franchise fee, you will still have to make a down payment of ~~\$35,000~~25,000 of the initial franchise fee, plus pay for any additional SFDUs, upon your signing of the Franchise Agreement. However, the remaining \$15,000 of the initial franchise fee may be financed over 5 years.

If you acquire more than one Territory, even if you already own a Franchised Business, you must pay additional initial franchise fees. The ~~Green~~Green~~Industry~~ Associate Program is not available for any additional Territories or in addition to Franchised Businesses that you or your affiliates own or acquire.

~~Also, as~~As a member of the International Franchise Association, we proudly participate in the IFA’s VetFran Program. If you are a veteran of the U.S. Armed Forces and meet the requirements of the VetFran Program, we apply up to \$5,000 of the initial franchise fee to start-up expenses that we designate or approve, which may include the initial marketing campaign fee. The VetFran Program is not available to franchisees that are approved for the ~~Green~~Green~~Industry~~ Associate Program.

Marketing Fees

New Spring-Green Lawn Care Franchise

If you are purchasing a new Spring-Green Lawn Care franchise, you must pay to us the sum of \$30,000 for an initial marketing campaign. (See Item 7) We will use all of the fee for marketing and advertising in the Territory and will provide you with assistance with the generation of an initial marketing campaign, which may include the following: a prospect database, direct response advertising, name recognition advertising, and print, electronic and other media advertising. For new franchisees the initial marketing campaign fee is payable in a lump sum when you attend the initial training program. However, if you participate in the Flex Start

Program, we may allow you to pay the initial marketing campaign fee in more than one installment, depending on the business season and the timing of your commencement of the Franchised Business. If we agree to do so, we will establish the payment schedule prior to you signing the Franchise Agreement.

If you are eligible to participate in the [GreenIndustry](#) Associate Marketing Financing (defined in Item 10), you may finance the initial marketing campaign fee. In such cases, you will sign a promissory note having a 5-year maturity that begins on a date that we and you mutually agree as of the execution of the Franchise Agreement. You will be required to pay us 50% of the principal that you are financing in equal monthly installments, with interest accruing but not paid, over the first 2 years of the promissory note. Upon the expiration of that two-year period, and if your aggregate Gross Sales during such two-year period exceeds \$175,000 (and you and your affiliates have been in full compliance with your agreements with us and our affiliates), then we will forgive the remaining balance of the promissory note that you owe us. Otherwise, you must pay the remaining 50% of the initial marketing campaign fee, plus interest on such balance, over the remaining three years of the promissory note.

If you acquire more than one Territory, even if you already own a Franchised Business, you must pay additional initial marketing campaign fees in lump sum, and [GreenIndustry](#) Associate Marketing Financing is not available for any additional Territories or additional Franchised Businesses that you or your affiliates own or acquire.

Initial Property Data

You must pay us, or our affiliate, a fee for the collection of property data relevant for marketing within your Territory. Our affiliate, SGE, will collect and provide the property data to you. The initial property data fee will depend on the size of your Territory and the number of SFDUs within your Territory, but we require that at least 50% of the SFDUs in your Territory be measured before the start of your first lawn care season. You will pay us, or our affiliate, the then-current fee (currently \$0.55 per SFDU) for each SFDU that SGE measures in your Territory. Based on a minimum measurement threshold of 50% of the SFDUs measured in your Territory and a maximum Territory size of 60,000 SFDUs, we estimate the total property data fee to be up to \$16,500 for a new Territory. The initial property data fee is payable in a lump sum when you attend the initial training program.

However, if you elect, and are eligible, to participate in the Initial Property Data Fee Financing (defined in Item 10), you may finance the initial property data fee. In such cases, when you attend the initial training program, you will sign a promissory note having a 5-year maturity that begins on a date that we and you mutually agree as of the execution of the Franchise Agreement. The initial property data fee is fully earned and non-refundable upon payment.

Acquisition of Existing Spring-Green Lawn Care Franchise

If you are purchasing a franchise in connection with the acquisition of assets from an existing franchisee, you must pay us a transfer marketing campaign fee equal to 5% of the annual Gross Sales of the Franchised Business being purchased during the 12 full calendar months immediately before the effective date of the assignment or our then-current transfer marketing

campaign fee (currently, \$30,000), whichever is greater, per franchise territory. We will use all of the fee for marketing and advertising in the Territory and will provide you with assistance with the generation of an initial marketing campaign, which may include the following: a prospect database, direct response advertising, name recognition advertising, and print, electronic and other media advertising. The transfer marketing campaign fee is fully earned and non-refundable upon payment. The transfer marketing campaign fee is payable according to the schedule we establish in light of the business season and time of year during which the assignment is completed.

Other Initial Fees - Initial Supply Package, Equipment, and Computer and Printer

We are an approved supplier of your initial supply package (consisting of opening inventory and supplies), which you must acquire before your Franchised Business opens. The amount for the initial supply package varies but is generally not more than ~~\$2,530~~[2,435](#).

Franchisees will also typically lease certain required equipment from us. If you lease the required equipment from us, you will pay us a down payment equal to 20% of the cost of the leased equipment. The down payment is payable in a lump sum before you begin training. We estimate that the down payment for all of the equipment that you can lease from us will be ~~\$5,492~~[5,519](#). (See Item 10.)

In addition, before you begin operating your Franchised Business, you must acquire a computer and printer that meet our specifications. Though you are not required to purchase your computer and printer from us, you may elect to do so. If purchased from us, we estimate the cost for these items will be \$2,400 plus tax and shipping (if applicable).

Payments for the initial supply package are due when you attend the initial training program. Payments for the computer are due when you attend the initial training program, and you may be billed in the future any difference between the computer invoice and the amount collected. These fees are not refundable.

Refund Policy

If, during the initial training program, we determine, that you (or your Managing Owner (defined in Item 11)) did not complete the initial training program to our satisfaction, we will have the right to terminate the Franchise Agreement, effective when we deliver written notice of termination to you. If you (or your Managing Owner) attend the initial training program but do not complete it to our satisfaction, we will refund (without interest and less our costs, including any fees paid to brokers or referral services) all amounts you paid to us for the initial franchise fee and the initial marketing campaign fee (less any portion of the initial marketing campaign fee that we have spent with vendors in connection with the initial marketing of your Franchised Business), provided that you and your owners must have signed general releases, in form and substance satisfactory to us, of claims you and your owners may have against us and our affiliates and our respective owners, officers, directors, shareholders, employees and agents.

Item 6

OTHER FEES

Type of Fee¹	Amount	Due Date	Remarks
Royalty	Sliding scale of 10% to 8% of Gross Sales ⁽²⁾ of the Franchised Business, except for reduced royalty rates under GreenIndustry Associate Program ⁽³⁾⁽¹³⁾	Payable weekly 28 days from the end of the reporting week	Fee percentage decreases as your Gross Sales of the Franchised Business increase ⁽³⁾
Advertising Fund Contributions	2% of Gross Sales of the Franchised Business	Payable weekly 28 days from the end of the reporting week	See Note 13 12 .
Regional Advertising Fee	If established, up to 2% of Gross Sales of Franchised Business	Payable weekly 28 days from the end of the reporting week	We do not currently collect a Regional Advertising Fee.
Local Marketing Shortfall	Will vary	Annually (if incurred)	If your Local Marketing expenditures are less than the minimum amount required, you must pay us the amount of the shortfall and we will contribute such amount to the Fund.
Audit	Cost of inspection or audit	As incurred	If you do not submit required reports or if you understate your Gross Sales of the Franchised Business by 5% more
Transfer Fee	2½% of Gross Sales of the Franchised Business within the 12 months immediately preceding the effective date, but no less than \$7,500 and no more than \$17,500	Before, or at, the closing of the approved transfer	If you obtain our approval to the transfer, you will be required to pay the transfer fee at closing.
National Advisory Council Assessment Fee	Currently \$20 per month for the months of April through November.	When billed	This fee is subject to change.

Type of Fee ¹	Amount	Due Date	Remarks
Indemnification	Will vary under circumstances	As incurred	See Note 4.
Interest	The greater of 1½% per month or 3% over Bank of America Prime Rate, but not above the highest legal rate permitted by applicable law	When billed	Payable on all overdue amounts under the Franchise Agreement and the Spring-Green Lease
Lease of Equipment	\$497,508 to \$637,708 per month	Monthly	You are not required to lease equipment from us. The total amount due under the lease depends on the equipment you choose to lease from us. (See Item 10) Amount is based on operation in only a single Territory
Management Fee	\$300 per day plus costs and expenses	As agreed	Upon death or incapacity of franchisee, if requested or if no competent manager is available
Supplier Testing Fee	An amount not to exceed the cost of inspection and testing	As incurred	If you request approval of a new product or supplier.
Education Fee	Currently \$205 per year.	When billed	See Note 5. This fee is subject to change.
Ongoing / Refresher Training	Not currently charged. If implemented, it will be our then-current fee (currently estimated at \$250 per day).	When billed	If we require that you or your employees attend ongoing and refresher training programs. We may increase the fee during the term of the Franchise Agreement.
Property Data Fee	Our (or our affiliate's) then-current fee (currently \$0.55 per SFDU)	When billed	We may require you to pay us a fee for services we (or our affiliate or other designee) provide in collecting additional and updated property data.
Technology Fee	Currently \$125,225 per month plus individual license cost.	When billed	See Note 6. This fee is subject to change.

Type of Fee ¹	Amount	Due Date	Remarks
Accounting Service Fee	If required, we estimate this cost to be \$300 per month	When billed	See Note 7.
Insufficient Funds	\$100	As incurred	See Note 87.
Failure to Report Gross Sales Fee	Currently \$25	As incurred	See Note 98. This fee is subject to change.
National or Regional Meeting Fee	Currently , \$625 plus expenses for the National Meeting. This fee is subject to change.	As incurred	See Note 109. This fee is subject to change.
Customer Survey Fee	Will vary under the circumstances. Approximately \$1.55 per customer.	As incurred	See Note 110.
Services to Customers	Will vary under the circumstances.	As incurred	See Note 121.
Taxes	Will vary	As incurred	You are responsible for paying taxes arising out of the operation of your business. You must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.
Various Marketing Materials	Actual costs incurred.	As incurred	See Note 1413.
Call Center Fee	\$200 to \$1,650 per month	When Billed	See Note 14.

- 1/ All fees are imposed by and payable to us. All fees are non-refundable and are uniformly imposed unless otherwise noted.
- 2/ “Gross Sales of the Franchised Business” means the amount you bill on sales of services and products authorized to be sold by the Franchised Business, whether or not sold at or

from or under the auspices of the Franchised Business, including the fair market value of any services or products received by the Franchised Business in barter or exchange for the Franchised Business' services or products, but deducting: (1) customer discounts, credits, and other customer sales adjustments; and (2) if not already deducted in the amount billed, the amount of sales, use, service, excise or gross receipt taxes leveled directly on such sales, collected from the purchaser billed on such sales and paid to the appropriate tax authority. Gross sales from Commercial Accounts (defined in Item 12) shall be included in Gross Sales of the Franchised Business.

You must sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the royalty fees, advertising fund contributions, regional advertising fees and other amounts due under the Franchise Agreement, note payments, lease payments and for your purchases from us and/or our affiliates (the "Electronic Depository Transfer Account" or "EDTA"). We will debit the EDTA for these amounts on their due dates. You must ensure that funds are available in the EDTA to cover our withdrawals. We may require automatic debit (e.g., by check) whenever we deem appropriate, and you must comply with our payment instructions.

3/ The royalty is calculated as follows:

(a) 10% of Gross Sales of the Franchised Business in each calendar year up to and including \$250,000 ("First Tier"); or

(b) 9% of Gross Sales of the Franchised Business in each calendar year in excess of \$250,000 up to and including \$500,000 ("Second Tier"); or

(c) 8% of Gross Sales of the Franchised Business in each calendar year in excess of \$500,000 ("Third Tier").

If you qualify, and we approve you, to participate in the ~~Green~~ Industry Associate Program, and, if you already provide, as a component of your existing residential, commercial, or other property maintenance and care business, services that are offered by Franchised Businesses (such as, lawn fertilization and weed control services, pest control services, or tree and shrub services), you may pay a reduced royalty rate for the first lawn care season after you commence operations as a Spring-~~Green~~ Green Franchised Business (first lawn care season after the expiration of the Royalty Exempt Period in the event you are also participating in the Flex Start Program). (See Item 6) Your "first lawn care season" runs from the date you first provide lawn care services as a Spring-~~Green~~ Green Franchised Business through December 31 of the same calendar year. The royalty rate thresholds will be the same as stated above, except that you will only have to pay a royalty of 5% for the First Tier, 4% for the Second Tier and 3% for the Third Tier.

If you own more than one franchise, we may, but are not obligated to, base the royalty rate on the aggregate gross sales of all your Territories under Spring-Green Lawn Care Corp. Franchise Agreements. If we elect to do so, we and you will sign the Multi-Territory Addendum (Exhibit O). Existing franchisees who seek to renew their franchise at the

expiration of the initial term or any renewal term, may pay different royalties than those noted above.

- 4/ Under the Franchise Agreement, you have to indemnify and hold us, our affiliates, officers, agents and employees harmless from all expenses arising out of a violation of the Franchise Agreement by you and from all claims made by third parties for the operation of your Franchised Business. Under the Spring-Green Lease, you must indemnify and hold harmless us, our agents, servants, successors and assigns from all expenses arising out of the use or condition of the equipment. As described in Item 10, if we guarantee your obligations to ALC, we require you to sign a Guarantee Indemnification Agreement under which, you and your owners agree to indemnify, defend and hold us harmless if we must make any payments or performance obligations on your behalf for your ALC Financing.
- 5/ We currently charge this education fee for access to our On-Line Learning Center Website. In addition, we may use a portion of the education fee to pay for membership fees to enroll you or your owners in the National Association of Landscape Professionals. In the future, the education fee may be increased to include additional education expenses.
- 6/ We currently charge this fee for certain maintenance, support or other services we or our designated vendor(s), at our option, furnish to you. Individual license costs will vary depending on type of license franchisees choose for each user and the number of users franchisees have at their location. Currently the two types of licenses franchisees may choose from are Office Online License currently \$16 per user per month or Full Office License currently \$29 per user per month. This fee may be modified periodically.
- ~~7/ If we require you to obtain and use specified accounting services, we or the designated vendor may charge fees for the services. We estimate the cost to be approximately \$300 per month.~~
- 87/ If there are insufficient funds in the EDTA to cover any royalty fees, advertising fund contributions, regional advertising fees and other amounts due under the Franchise Agreement and for your purchases from us and/or our affiliates (or, if you pay any amount by check and a check is returned for insufficient funds), we will charge you a processing fee in accordance with our Operating Manual (currently, \$100) to compensate us for our additional administrative expenses.
- 98/ If you fail to report your Gross Sales, we will charge you a fee in accordance with our Operating Manual (currently, \$25 per incident). In addition, we may debit the EDTA for 120% of the average of the previous 4 weeks of royalty fees and advertising fund contributions that we debited. If the amounts that we debit from your EDTA are less than the amounts you actually owe then we (once we have determined your true and correct Gross Sales) will debit for the balance on the day we specify. If the amounts that we debit from the EDTA are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your EDTA during the following month.

- ~~109~~/ We may require you (or if you are a legal entity, your Managing Owner) and/or your operations manager to attend national and regional meetings. If we require you (or your Managing Owner) and/or your operations manager to attend a national or regional meeting, such attendance is mandatory, and we may charge you a fee for attending these meetings. You will also be responsible for all transportation and living costs incurred to attend such meetings, but for certain regional meetings, lodging and meals may be covered by the attendance fee. This fee may increase during the term of your franchise if our costs increase or if we provide additional features at such national and regional meetings.
- ~~110~~/ You must participate in all customer surveys we require and reimburse us for our costs and expenses associated with the facilitation and management of such customer surveys on your behalf.
- ~~1211~~/ We (or our designee) may, but have no obligation, to service customers of the Franchised Business if you fail to provide service to such customers in accordance with our standards and specifications. If we elect to service such customers in these instances, you must reimburse us for all costs we incur in connection with the services we perform.
- ~~1312~~/ If you participate in our Flex Start Program, you will not be required to pay royalties or advertising fund contributions until the expiration of the Royalty Exempt Period.
- ~~1413~~/ The marketing materials, forms, supplies, reports, and other items used in the operation of the Franchised Business will be supplied by SGE. You will pay SGE for such materials.
- 14/ For the first two years that you operate your Franchised Business under the Franchise Agreement, you must participate in, and pay to us (or our affiliate) our then-current fee for, the use of the call center in connection with your Franchised Business. After your Franchised Business has operated for two years, you may still be required to use the call center services, but this will be decided on a case-by-case basis. If you decide to continue using the call center, you will pay us (or our affiliate) our then-current fee. The cost of the call center will depend on the number of customers of your Franchised Business. We reserve the right to restrict you from using the call center.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure ⁽¹⁾	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽²⁾	\$50,000 <u>40,000</u>	See Item 5	See Item 5	Us
Production Vehicles, Equipment and Fixtures ⁽³⁾	\$5,492 <u>5,519</u>	As Agreed	As Incurred	Us or Outside Suppliers

Type of Expenditure ⁽¹⁾	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Technology Equipment and Software ⁽⁴⁾	\$3,600	As Agreed	As Incurred	Us or Outside Suppliers
Opening Inventory and Supplies	\$2,530 <u>2,435</u>	As Agreed	As Incurred	Us, our Affiliate or Outside Suppliers
Initial Marketing Campaign Fee ⁽⁵⁾	\$30,000	As Agreed	See Item 5	Us or our Affiliate
Initial Property Data Fee ⁽⁶⁾	\$16,500	Lump Sum	At Training	Us or our Affiliate
Training Expenses ⁽⁷⁾	\$0 to \$1,535 <u>1,845</u>	As Incurred	As Incurred	Outside Suppliers
3 Months' Rent ⁽⁸⁾	N/A	N/A	N/A	N/A
Miscellaneous Opening Costs (incl. licenses, insurance, and other prepaid expenses) ⁽⁹⁾	\$1,450 to \$1,550 \$6,200 <u>8,583</u>	As Incurred	As Incurred	Third Parties
Additional Funds - 3 months ⁽¹⁰⁾	\$7,421 <u>7,669</u> to \$10,142 <u>10,668</u>	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT ⁽¹¹⁾	\$116,993 <u>107,273</u> to \$125,999 <u>119,150</u>			

Explanatory Notes

(1) Except where noted, these expenditures are non-refundable.

(2) As described in Item 5, you must pay an initial franchise fee of ~~\$50,000~~40,000 for a geographic territory containing up to 60,000 SFDUs. However, if you elect, and are eligible, to participate in the [GreenIndustry](#) Associate Program, we will waive the initial franchise fee for a geographic territory containing up to 60,000 SFDUs. If you wish to obtain a geographic territory of more than 60,000 SFDUs, and we approve, you must pay us an additional fee of \$0.50 for each SFDU over 60,000 SFDUs, even if you are eligible to participate in the [GreenIndustry](#) Associate Program. ~~\$35,000~~25,000 of the initial franchise fee, plus any portion of the initial franchise fee attributable to additional SFDUs, is due when you sign the Franchise Agreement, and the remaining \$15,000 is due before training. As discussed in Item 10, we provide financing for part of the initial franchise fee. If you elect, and are eligible, to participate in Spring-~~Green~~ [Green](#) Franchise Fee Financing for the initial franchise fee, you will make a down payment of ~~\$35,000~~25,000 of the initial franchise fee upon your signing the Franchise Agreement. The remaining \$15,000 of the initial franchise fee is typically financed over 5 years. The initial franchise fee is non-refundable unless you attend training, but do not complete to our satisfaction. (See Item 5.)

(3) This estimate includes the purchase of a production vehicle and leasing other equipment. A production vehicle can be purchased from a third party with \$0 down and payments over 5 years, depending on your creditworthiness. The estimated cost for a production vehicle is

~~\$42,695~~48,750. Because our franchisees typically lease their equipment, these amounts include the 20% down payment due under the Spring-Green Lease. (See Item 10) The initial lease payment will vary based on the circumstances. We have included the remaining lease payments that would be due during your first 3 months of operation in “Additional Funds.” This includes the monthly rental payments due under the Spring-Green Lease. (See Item 10) Your initial costs will increase if you purchase these items.

If you elect to purchase, rather than lease, the lawn care equipment, we estimate the cost to be approximately ~~\$27,461~~27,596.

(4) We estimate that the total cost of purchasing all required computer hardware and software necessary to begin operating the Franchised Business will be \$3,600, which includes \$700 to purchase a smartphone, \$500 to purchase a tablet, and \$2,400 for the cost of purchasing a computer and printer. Though not required, some franchisees choose to purchase the computer and printer from us. Instead of purchasing the computer, you may choose to lease the required computer from a third party, which we estimate to cost approximately \$200 per month for the computer and associated hardware.

The amounts shown in the table do not include taxes and applicable delivery charges. In addition to your smartphone and tablet device, you must purchase a data plan for your smartphone and tablet from a service provider.

(5) As described in Item 5, you must pay an initial marketing campaign fee of \$30,000. However, if you are eligible to participate in the [GreenIndustry](#) Associate Marketing Financing, you may finance the initial marketing campaign fee. Please see Item 10 for more information related to the [GreenIndustry](#) Associate Marketing Financing.

(6) You must pay us, or our affiliate, a fee for our affiliate, SGE, to collect property data relevant for marketing within your Territory. The fee will depend on the size of your Territory and the number of SFDUs within your Territory, but we require that at least 50% of the SFDUs in your Territory be measured before the start of your first lawn care season. You will pay us, or our affiliate, the then-current fee (currently \$0.55 per SFDU) for each SFDU that they measure in your Territory and SGE will deliver the property data to you. Based on a minimum measurement threshold of 50% of the SFDUs measured in your Territory and a maximum Territory size of 60,000 SFDUs, we estimate the fee to be up to \$16,500 for a new Territory. The initial property data fee is non-refundable. However, if you are eligible to participate in the Initial Property Data Fee Financing, you may finance the initial property data fee. Please see Item 10 for more information related to the Initial Property Data Fee Financing.

(7) If we provide initial training virtually, such as through online video-conferencing software, we do not expect you to incur any travel-related expenses. If we provide initial training in person, we estimate you will incur travel and living costs for sending your trainees to in-person training in the range of ~~\$1,145 to~~1,305 - \$1,5351,845.

(8) You may operate a Franchised Business from locations within the Territory that we have approved, which may include a personal residence, office, or a commercial space. This initial investment table does not reflect the potential cost of renting office or commercial space, or the

costs for any deposits for various utilities such as gas, electricity, sewer, water, telephone and garbage disposal, that you may need to make if you elect to rent office or commercial space. If you participate in the ~~Green~~Industry Associate Program, you may already be renting office or commercial space in connection with your existing ~~Green~~Industry Associate business and any lease payments and costs associated with the renting of that office are not reflected in this initial investment table.

(9) For ~~Green~~Industry Associate franchisees, the lower estimate assumes that such franchisees will have existing licenses and pest supplies upon entering the Franchise Agreement. The higher estimate includes the cost of necessary licenses and pest supply components of the initial supply package.

(10) During the initial phase of your operation, which we estimate to be 3 months, you will need capital to support ongoing expenses such as payroll (excluding your salary and draws), supplies, insurance, gas and maintenance for your service vehicles, one-time and monthly third-party software fees, smartphone and tablet data plan, royalties, and advertising and lease payments to the extent these costs are not covered by the gross sales of the Franchised Business. It is expected that new businesses will usually generate negative cash flow. There is no assurance that you will not need additional working capital. These amounts do not include funds necessary for your personal living expenses. Estimated payments for debt service are not included. We relied on our over 45 years of experience in this business to compile these estimates and on information we have obtained from our franchisees. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

(11) Except for the ALC Financing (defined in Item 10), Spring-~~Green~~ Green Franchise Fee Financing, ~~Green~~Industry Associate Marketing Financing, Initial Property Data Fee Financing, and equipment lease financing described in Item 10, we do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions. This estimate does not include any finance charge, taxes, interest, or debt service obligation.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

You must operate the Franchised Business in compliance with all mandatory specifications, standards and operating procedures relating to the operation of Franchised Businesses. These specifications, standards and operating procedures regulate, among other things: (1) performance, quality and other relevant characteristics of products, equipment, supplies and services utilized in or sold by the Franchised Business; (2) maintenance, cleanliness, function and appearance of the Franchised Business' supplies, office, commercial space, fixtures, equipment, signs, and inventory; (3) appearance and training of Franchised Business employees; (4) use of Marks and use and protection of trade secrets and the confidential information; (5) use

and retention of standard supplies, forms and reports; (6) use of advertising, signs, posters, displays, standard formats and similar items; (7) products and services used in the operation of the Franchised Business; (8) suppliers of products and services; and (9) funding, use and display of advertising materials for the Franchised Business.

Currently, we have developed specifications, standards and operating procedures for all vehicles, equipment, computer hardware and software, inventory and other items used in the operation of the Franchised Business. Specifically, all vehicles, equipment and computer hardware and software currently used in the operation of the Franchised Business must be of the type we approve as meeting our specifications and standards for design, appearance, function, performance, reliability and serviceability. Similarly, all products utilized by the Franchised Business in providing the Services must be of such brands as we periodically approve as having acceptable performance characteristics, quality, warranty, appearances, and other characteristics we determine to be relevant. In addition, the uniforms, supplies, reports, and other items used in the operation of the Franchised Business may be subject to our specifications. We have also reserved the right to approve all your advertising in advance and to establish rules, standards and procedures regarding the content, form, and manner of advertising the System and the Marks.

We include all of our specifications in our Operating Manual and in written communications that we may periodically provide to you.

Purchases from Designated or Approved Suppliers

The reputation and goodwill of Franchised Businesses is based upon, and can be maintained and enhanced only by, the use of high-quality products and services and the satisfaction of customers who rely upon the uniform, high quality of products and services available from Franchised Businesses. Franchised Businesses must utilize only products and services that are approved by us as having acceptable performance characteristics, quality, warranty, appearance and other characteristics determined to be relevant by us and shall purchase such products and services only from suppliers approved by us as meeting our criteria for quality and reliability of service.

Currently, you must purchase or lease the following categories of goods, services, supplies, equipment, vehicles, and inventory from suppliers we approve, which may in some cases be us or our affiliates.

Vehicles, Equipment and Computer Hardware and Software. You must purchase all vehicles, equipment and computer hardware and software used in the operation of the Franchised Business from an approved supplier, which may be us or one of our affiliates. We may offer to you for lease or purchase one or more items of equipment that meet our specifications. However, we are not required to offer to sell or lease such equipment to you. (We describe our current equipment lease terms in Item 10.) Further, you must obtain the Operating Software (defined in Item 11) from our designated supplier. You must also use the credit card processing vendor we specify. You must acquire a computer and printer that meet our specifications. Though you are not required to purchase your computer and printer from us, you may elect to do so. We may periodically change these requirements.

Inventory and Supplies. You must purchase all products utilized by the Franchised Business in providing the Services from suppliers we approve as meeting our criteria for quality and service reliability, which may be us or one of our affiliates. We are currently the only approved supplier of your initial supply package (consisting of opening inventory and supplies) and certain required equipment, which you must acquire before your Franchised Business opens. SGE is currently the only supplier of marketing materials, forms, supplies, reports, and other items used in the operation of the Franchised Business.

Accounting Service. ~~We may~~ You are required ~~you~~ to obtain and use specified accounting services from a designated vendor ~~(which may be, unless otherwise approved by us or our affiliate).~~ The designated vendor may charge fees for the software and services.

Initial Property Data. Before the start of your first lawn care season, we require you to use SGE's services to collect property data relevant for marketing within your Territory. SGE is currently the only supplier for these services.

Call Center. You are required for the first two years that you operate your Franchised Businesses to use the call center in connection with your Franchised Business. After your Franchised Business has operated for two years, you may still be required to use the call center services, but this will be decided on a case-by-case basis. If you decide to continue using the call center, you will pay us (or our affiliate) our then-current fee. We reserve the right to restrict your use of the call center at any time.

Except as described above, neither we nor our affiliates are currently the only approved suppliers of any required goods or services.

Before utilizing a currently unapproved product, service, equipment, vehicle or supplier, you must first notify us of your intent to do so, submit to us technical data, specifications, photographs, samples and/or other information we request, and obtain our written approval. We currently do not share the criteria for approving alternative suppliers, but we may consider doing so on an individual basis. We must, within a reasonable time after your submission of the information we requested, determine whether such product, service, vehicle, piece of equipment and/or supplier is substantially equal in performance characteristics, quality, appearance, reliability, and other relevant characteristics to the products, services, vehicles, equipment or suppliers then approved by us. If we fail to respond to your request within 60 days, your request will be deemed denied. We may revoke supplier approval in a written notice to you.

The Franchise Agreement provides that we may periodically prescribe additional, more specific or different procedures for the submission of requests for approval of products, services, vehicles, equipment or suppliers. The Franchise Agreement further permits us to impose obligations on approved suppliers and the incorporation of those obligations in a written agreement to be executed by suppliers we approve.

We may charge you fees for testing and evaluating proposed products, services, vehicles, equipment and suppliers and may impose limits on the number of approved products, services, vehicles, or equipment.

If you (or any of your owners) at any time determine to sell an interest in the Franchised Business or an ownership interest in you (if you are a legal entity), we may require you to participate in our resale program, which may include using valuation services to value your Franchised Business (the “Resale Program”). In connection with the Resale Program, the designated third-party’s fee is currently, ~~\$500~~700 for the valuation services (the “Third Party Valuation Fee”), which is subject to change.

Purchase Arrangements, Material Benefits and Revenue

We derive revenue from the sale and/or lease of items of inventory, equipment, services, and supplies to you. In our fiscal year ended December 31, ~~2022~~2023, our revenue from the sale and/or lease of these items to our franchisees was ~~\$509,074~~310,698 which was ~~6.73.9~~% of our total revenue of ~~\$7,627,628~~7,965,700. All of your required purchases represent approximately 97% of your total purchases for the establishment of the Franchised Business and 20% of your overall purchases in operating the Franchised Business. None of our officers owns an interest in any supplier for Spring-~~Green Lawn Care~~Green Franchised ~~b~~Businesses, except ownership interest in us and our affiliates.

We receive payments of up to 1.5% from a supplier on purchases of certain fertilizers and control products by affiliate-owned and franchised Spring-Green Lawn Care businesses. This typically averages out to less than 1.5% of the system wide total product purchases. In ~~2022~~2023, we received ~~\$70,470~~99,794 from this supplier. We currently contribute these amounts to the Fund and may contribute to regional and national meetings or conferences in the future, but have no obligation to contribute such payments to the Fund or to use it for any purpose that benefits you. (See Item 11) We do negotiate purchase arrangements with suppliers for your benefit for the Operating Software, uniforms, forms, marketing services, fertilizers, and other lawn care products. We do not provide any material benefits to you based on your use of designated or approved sources. There are no purchasing or distribution cooperatives.

Except as disclosed above, neither we nor our affiliates currently receive payments from approved suppliers based on your purchases, but we may do so in the future.

Insurance

You must, at all times during the term of the franchise, maintain in force at your sole expense comprehensive public, product, and motor vehicle liability insurance against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the operation of the Franchised Business or otherwise in conjunction with the conduct of business by you under the Franchise Agreement. Insurance coverage shall be maintained under one or more policies of insurance containing minimum liability protection of \$1,000,000 for each occurrence for bodily and personal injury, death, and property damage (or such greater amounts as are required under the lease for any office or commercial space from which the Franchised Business is operated, if any) issued by insurance carriers rated A- or better by Alfred M. Best & Company, Inc. You must also obtain any insurance specified by us in our Operating Manual or otherwise periodically by us in writing, or otherwise required by law, including workers’ compensation insurance.

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	Section 2.A	Item 11
(b) Pre-opening purchases/leases	Section 2	Items 5, 7, 8 and 11
(c) Site development and other pre-opening requirements	Section 2	Item 11
(d) Initial and ongoing training	Section 3.A	Items 5 and 11
(e) Opening	Section 2.E	Item 11
(f) Fees	Section 2.C, 4.A-F, 7.K, 9.A-C, 14.C-D and 16.C; Paragraph 3 of Spring-Green Lease	Items 5, 6 and 7
(g) Compliance with standards and policies/Operating Manual	Sections 3.C and 7	Items 11 and 16
(h) Trademarks and proprietary information	Sections 5 and 11	Items 13 and 14
(i) Restrictions on products/services offered	Section 7.E	Items 8, 11 and 16
(j) Warranty and customer service requirements	Section 7.H	Item 11
(k) Territorial development and sales quotas	Not applicable	Not applicable
(l) On-going product/service purchases	Sections 7.E-F	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 7.A-D; Paragraph 5 of Spring-Green Lease	Item 11
(n) Insurance	Section 8; Paragraph 10 of Spring-Green Lease	Item 8
(o) Advertising	Section 9	Items 6, 7, 8 and 11
(p) Indemnification	Section 10.D; Paragraph 11 of Spring-Green Lease; Paragraph 4 of GreenIndustry Associate Program Addendum; Guarantee Indemnification Agreement	Items 6 and 10
(q) Owner's participation/management/staffing	Section 7.J	Item 15

Obligation	Section in Franchise Agreement	Disclosure Document Item
(r) Records and reports	Section 12; Paragraph 7 of Green Industry Associate Program Addendum	Item 6
(s) Inspections and audits	Section 13	Item 6
(t) Transfer	Section 14; Paragraph 15 of Spring-Green Lease	Item 17
(u) Renewal	Section 15	Item 17
(v) Post-termination obligations	Section 17; Paragraph 13 of Spring-Green Lease	Item 17
(w) Non-competition covenants	Sections 6.A and 17.F	Item 17
(x) Dispute resolution	Section 18; Paragraph 16 of Spring-Green Lease	Item 17
(y) Owners/Shareholders and Spousal Guarantee	Section 1.D; Paragraph 2 and Guaranty and Assumption of Obligations	Item 15

Item 10

FINANCING

We assist franchisees who meet our qualifications with the financing options described below.

Spring-~~Green~~ Green Franchise Fee Financing

We currently provide financing where we will finance part of the initial franchise fee (“Spring-~~Green~~ Green Franchise Fee Financing”). Spring-~~Green~~ Green Franchise Fee Financing is provided only if we determine that the franchisee satisfies our then-current criteria for Spring-~~Green~~ Green Franchise Fee Financing. Not all franchisees will meet such criteria, and we have no obligation to provide Spring-~~Green~~ Green Franchise Fee Financing. We may cease offering Spring-~~Green~~ Green Franchise Fee Financing at any time. If we approve of such financing, you will sign the Promissory Note (“Franchise Fee Financing Promissory Note”) and Security Agreement (“Security Agreement”) attached as Exhibit P to this Disclosure Document.

If you participate in Spring-~~Green~~ Green Franchise Fee Financing, at the time you sign the Franchise Fee Financing Promissory Note, you will be required to make a down payment to us of at least \$25,000 of the initial franchise fee. However, you may elect to pay more than \$25,000 of the initial franchise fee up front. The entire balance will be due on the maturity date if not paid in full prior to the maturity date. The typical term of the Franchise Fee Financing Promissory Note is 5 years; however, we and you may agree on a shorter or longer term. The current monthly installment depends on the amount financed, the amount of your down payment and the interest rate. Interest shall accrue monthly on the outstanding principal balance of the Franchise Fee Financing Promissory Note at the annual interest rate of 5% over the Bank of America Prime Rate

as of the date you sign the Franchise Fee Financing Promissory Note. (As an example, as of March ~~21~~10, ~~2023~~2024, the Prime Rate was ~~7.75~~8.50%, so the annual interest rate if you signed the Franchise Fee Financing Promissory Note on that date would be ~~12.75~~13.50%. We anticipate the Prime Rate will fluctuate, so the Prime Rate on the date you sign the Franchise Fee Financing Promissory Note is likely to be different than ~~7.75~~8.50%.) We automatically debit your monthly installment from your business checking account. The Franchise Fee Financing Promissory Note may be prepaid, in whole or in part, at any time without penalty or prepayment fee. If you do not pay on time or an event of default occurs under the Franchise Agreement, the Franchise Fee Financing Promissory Note, the Security Agreement, or any other agreement with us or our affiliates, we can demand immediate payment of the full outstanding balance.

Under Spring-~~Green~~ Green Franchise Fee Financing, we require you to sign the Security Agreement granting us a security interest in all of your Franchised Business' assets. We may file a financing statement to record our security interest. You shall be in default of the Security Agreement in the event that: (a) you default in the payment or performance of any of the obligations under the Security Agreement; (b) any warranty, representation or statement made or furnished to us by you or on your behalf in connection with the Security Agreement proves to have been false in any material respect when made or furnished; (c) any substantial loss, theft, destruction or damage to the secured assets of the Franchised Business occurs; (d) you make a general assignment for the benefit of creditors, suspend business or commit any act amounting to business failure, or make a voluntary assignment or transfer of your interest in any of the secured assets of the Franchised Business (except as expressly authorized by us in writing or as authorized by the Security Agreement) or in all or substantially all of your property; (e) a petition under any chapter of the Bankruptcy Code or for the appointment of a receiver of all or any part of your property, or under any other proceeding for the relief of creditors is filed by or against you; or (f) you default in the payment or performance of your obligations under the Franchise Agreement or the Franchise Fee Financing Promissory Note. In addition, upon a default of the Security Agreement or any other agreement with us or our affiliates, you must pay all costs incurred by us in protecting and enforcing our rights under the Security Agreement, including reasonable attorneys' fees and legal expenses and all expenses of insuring, taking possession, holding, preparing for disposition, and disposing of the secured assets of the Franchised Business. You also agree to pay all costs of collection and foreclosure (including reasonable attorneys' fees). We also have the right to terminate the Franchise Agreement if you default under the Franchise Fee Financing Promissory Note.

The Franchise Fee Financing Promissory Note requires you to waive demand, presentment, protest, notice of protest, suit and all other requirements necessary to hold you liable. Under the Security Agreement, in the event of default, you waive to the extent allowed by law all personal property rights of exemption under the Constitution, the laws of Illinois or any other jurisdiction, in connection with the indebtedness secured by the Security Agreement, whether by garnishment, levy, attachment or any other process of law. Additionally, upon a default of the Security Agreement, you waive and release us from any and all claims you may have in connection with our removal of any of the secured assets from your Franchised Business. Except as provided in the previous sentence, neither the Franchise Fee Financing Promissory Note nor the Security Agreement requires you to waive any defenses or legal rights, and they do not prevent you from asserting a defense against us. Under the Franchise Fee Financing Promissory Note and Security

Agreement, any action relating to the Franchise Fee Financing Promissory Note or the Security Agreement must be commenced in a court of general jurisdiction in the Northern District of Illinois. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such courts. The Franchise Fee Financing Promissory Note and Security Agreement will be governed by and construed in accordance with the laws of the State of Illinois without regard to such state's conflict of laws principles.

We may sell, assign or discount any Franchise Fee Financing Promissory Note or other obligation arising out of the Franchise Agreement to a third party.

GreenIndustry Associate Marketing Financing

We currently provide financing to eligible participants of the GreenIndustry Associate Program where we will finance the initial marketing campaign fee (“GreenIndustry Associate Marketing Financing”). GreenIndustry Associate Marketing Financing is provided only if we determine that the franchisee satisfies our then-current criteria for GreenIndustry Associate Marketing Financing. Not all franchisees will meet such criteria, and we have no obligation to provide GreenIndustry Associate Marketing Financing. We may cease offering GreenIndustry Associate Marketing Financing at any time. If we approve of such financing, you will sign the Promissory Note (“GreenIndustry Associate Marketing Financing Promissory Note”) and Security Agreement attached as Exhibit Q to this Disclosure Document.

The GreenIndustry Associate Marketing Financing Promissory Note will have a 5-year maturity beginning on a date that we and you mutually agree as of the execution of the Franchise Agreement. You will be required to pay us 50% of the principal that you are financing in equal monthly installments, with interest accruing but not paid, over the first 2 years of the GreenIndustry Associate Marketing Financing Promissory Note. Upon the expiration of that two-year period, and if your aggregate Gross Sales during such two-year period exceeds \$175,000 (and you and your affiliates have been in full compliance with your agreements with us and our affiliates), then we will forgive the remaining balance of the promissory note that you owe us. Otherwise, you must pay the remaining 50% of the initial marketing campaign fee, plus interest on such balance, over the remaining three years of the promissory note. The monthly installments will depend on the amount financed and the interest rate. Interest shall accrue monthly on the outstanding principal balance of the GreenIndustry Associate Marketing Financing Promissory Note at the annual interest rate of 5% over the Bank of America Prime Rate as of the date you sign the GreenIndustry Associate Marketing Financing Promissory Note, but will be waived for the interest accruing during the first 2 years if you and your affiliates have been in full compliance with your agreements with us and our affiliates during the entire term of the GreenIndustry Associate Marketing Financing Promissory Note. (As an example, as of March ~~21~~10, ~~2023~~2024, the Prime Rate was ~~7.75~~8.50%, so the annual interest rate if you signed GreenIndustry Associate Marketing Financing the Promissory Note on that date would be ~~12.75~~13.50%. We anticipate the Prime Rate will fluctuate, so the Prime Rate on the date you sign the GreenIndustry Associate Marketing Financing Promissory Note is likely to be different than ~~7.75~~8.50%.) We automatically debit your monthly installment from your business checking account. The GreenIndustry Associate Marketing Financing Promissory Note may be prepaid, in whole or in part, at any time without penalty or prepayment fee. If you do not pay on time or an event of default occurs under the Franchise Agreement, the GreenIndustry Associate Marketing Financing Promissory Note, the

Security Agreement, or any other agreement with us or our affiliates, we can demand immediate payment of the full outstanding balance, plus any waived interest during the initial two-year period.

Under [GreenIndustry](#) Associate Marketing Financing, we require you to sign the Security Agreement granting us a security interest in all of your Franchised Business' assets. We may file a financing statement to record our security interest when you sign the [GreenIndustry](#) Associate Marketing Financing Promissory Note. You shall be in default of the Security Agreement in the event that: (a) you default in the payment or performance of any of the obligations under the Security Agreement; (b) any warranty, representation or statement made or furnished to us by you or on your behalf in connection with the Security Agreement proves to have been false in any material respect when made or furnished; (c) any substantial loss, theft, destruction or damage to the secured assets of the Franchised Business occurs; (d) you make a general assignment for the benefit of creditors, suspend business or commit any act amounting to business failure, or make a voluntary assignment or transfer of your interest in any of the secured assets of the Franchised Business (except as expressly authorized by us in writing or as authorized by the Security Agreement) or in all or substantially all of your property; (e) a petition under any chapter of the Bankruptcy Code or for the appointment of a receiver of all or any part of your property, or under any other proceeding for the relief of creditors is filed by or against you; or (f) you default in the payment or performance of your obligations under the Franchise Agreement or the [GreenIndustry](#) Associate Marketing Financing Promissory Note. In addition, upon a default of the Security Agreement or any other agreement with us or our affiliates, you must pay all costs incurred by us in protecting and enforcing our rights under the Security Agreement, including reasonable attorneys' fees and legal expenses and all expenses of insuring, taking possession, holding, preparing for disposition, and disposing of the secured assets of the Franchised Business. You also agree to pay all costs of collection and foreclosure (including reasonable attorneys' fees). We also have the right to terminate the Franchise Agreement if you default under the [GreenIndustry](#) Associate Marketing Financing Promissory Note.

The [GreenIndustry](#) Associate Marketing Financing Promissory Note requires you to waive demand, presentment, protest, notice of protest, suit and all other requirements necessary to hold you liable. Under the Security Agreement, in the event of default, you waive to the extent allowed by law all personal property rights of exemption under the Constitution, the laws of Illinois or any other jurisdiction, in connection with the indebtedness secured by the Security Agreement, whether by garnishment, levy, attachment or any other process of law. Additionally, upon a default of the Security Agreement, you waive and release us from any and all claims you may have in connection with our removal of any of the secured assets from your Franchised Business. Except as provided in the previous sentence, neither the [GreenIndustry](#) Associate Marketing Financing Promissory Note nor the Security Agreement requires you to waive any defenses or legal rights, and they do not prevent you from asserting a defense against us. Under the [GreenIndustry](#) Associate Marketing Financing Promissory Note and Security Agreement, any action relating to the [GreenIndustry](#) Associate Marketing Financing Promissory Note or the Security Agreement must be commenced in a court of general jurisdiction in the Northern District of Illinois. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such courts. The [GreenIndustry](#) Associate Marketing Financing Promissory Note and Security Agreement will be governed by and construed in accordance with the laws of the State of Illinois without regard to such state's conflict of laws principles.

We may sell, assign or discount any [GreenIndustry](#) Associate Marketing Financing Promissory Note or other obligation arising out of the Franchise Agreement to a third party.

Initial Property Data Fee Financing

We currently provide financing where we will finance the initial property data fee that you are required to pay, as provided in Item 5 above (“Initial Property Data Fee Financing”). Initial Property Data Fee Financing is provided only if we determine that you satisfy our then-current criteria for Initial Property Data Fee Financing. Not all franchisees will meet such criteria, and we have no obligation to provide Initial Property Data Fee Financing. We may cease offering Initial Property Data Fee Financing at any time. If we approve of such financing, you will sign the Promissory Note (“Initial Property Data Fee Financing Promissory Note”) and Security Agreement attached as Exhibit R to this Disclosure Document.

The Initial Property Data Fee Financing Promissory Note will have a 5-year maturity beginning on a date that we and you mutually agree as of the execution of the Franchise Agreement. The entire balance will be due on the maturity date if not paid in full prior to the maturity date. Interest shall accrue monthly on the outstanding principal balance of the Initial Property Data Fee Financing Promissory Note at the annual interest rate of 5% over the Bank of America Prime Rate as of the date you sign the Initial Property Data Fee Financing Promissory Note. (As an example, as of March ~~21~~10, ~~2023~~2024, the Prime Rate was ~~7.75~~8.50%, so the annual interest rate if you signed the Initial Property Data Fee Financing Promissory Note on that date would be ~~12.75~~13.50%. We anticipate the Prime Rate will fluctuate, so the Prime Rate on the date you sign the Initial Property Data Fee Financing Promissory Note is likely to be different than ~~7.75~~8.50%. We automatically debit your monthly installment from your business checking account. The Initial Property Data Fee Financing Promissory Note may be prepaid, in whole or in part, at any time without penalty or prepayment fee. If you do not pay on time or an event of default occurs under the Franchise Agreement, the Initial Property Data Fee Financing Promissory Note, the Security Agreement, or any other agreement with us or our affiliates, we can demand immediate payment of the full outstanding balance.

Under Initial Property Data Fee Financing, we require you to sign the Security Agreement granting us a security interest in all of your Franchised Business’ assets. We may file a financing statement to record our security interest. You shall be in default of the Security Agreement in the event that: (a) you default in the payment or performance of any of the obligations under the Security Agreement; (b) any warranty, representation or statement made or furnished to us by you or on your behalf in connection with the Security Agreement proves to have been false in any material respect when made or furnished; (c) any substantial loss, theft, destruction or damage to the secured assets of the Franchised Business occurs; (d) you make a general assignment for the benefit of creditors, suspend business or commit any act amounting to business failure, or make a voluntary assignment or transfer of your interest in any of the secured assets of the Franchised Business (except as expressly authorized by us in writing or as authorized by the Security Agreement) or in all or substantially all of your property; (e) a petition under any chapter of the Bankruptcy Code or for the appointment of a receiver of all or any part of your property, or under any other proceeding for the relief of creditors is filed by or against you; or (f) you default in the payment or performance of your obligations under the Franchise Agreement or the Initial Property Data Fee Financing Promissory Note. In addition, upon a default of the Security Agreement or

any other agreement with us or our affiliates, you must pay all costs incurred by us in protecting and enforcing our rights under the Security Agreement, including reasonable attorneys' fees and legal expenses and all expenses of insuring, taking possession, holding, preparing for disposition, and disposing of the secured assets of the Franchised Business. You also agree to pay all costs of collection and foreclosure (including reasonable attorneys' fees). We also have the right to terminate the Franchise Agreement if you default under the Initial Property Data Fee Financing Promissory Note.

The Initial Property Data Fee Financing Promissory Note requires you to waive demand, presentment, protest, notice of protest, suit and all other requirements necessary to hold you liable. Under the Security Agreement, in the event of default, you waive to the extent allowed by law all personal property rights of exemption under the Constitution, the laws of Illinois or any other jurisdiction, in connection with the indebtedness secured by the Security Agreement, whether by garnishment, levy, attachment or any other process of law. Additionally, upon a default of the Security Agreement, you waive and release us from any and all claims you may have in connection with our removal of any of the secured assets from your Franchised Business. Except as provided in the previous sentence, neither the Initial Property Data Fee Financing Promissory Note nor the Security Agreement requires you to waive any defenses or legal rights, and they do not prevent you from asserting a defense against us. Under the Initial Property Data Fee Financing Promissory Note and Security Agreement, any action relating to the Initial Property Data Fee Financing Promissory Note or the Security Agreement must be commenced in a court of general jurisdiction in the Northern District of Illinois. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such courts. The Initial Property Data Fee Financing Promissory Note and Security Agreement will be governed by and construed in accordance with the laws of the State of Illinois without regard to such state's conflict of laws principles.

We may sell, assign or discount any Initial Property Data Fee Financing Promissory Note or other obligation arising out of the Franchise Agreement to a third party.

Spring-Green Lease

In order to provide you with additional financing options, we offer a lease program under which we will purchase certain equipment and lease it to you. At your option you may purchase or lease certain of the required equipment from us or a third party. If you lease equipment from us, you and we will sign the Spring-Green Lease which is attached as Exhibit G. The total amount due under the Spring-Green Lease will depend upon which equipment you select. At the time you sign the Spring-Green Lease, you will make a down payment to us of at least 20% of the total cost of the equipment (though you may elect to pay for more than 20% of the equipment up front). You will also pay to us a UCC filing fee in the amount of \$50. You will pay rent under the Spring-Green Lease in equal monthly installments over the term of the Spring-Green Lease. We will debit your business checking account automatically for the rent due. Typically, the term of the Spring-Green Lease is 5 years, though we and you may agree on a shorter or longer term. The current monthly lease payment for all equipment that can be leased from us (under a 5-year lease with a 20% down payment) ranges from ~~\$497508~~ to ~~\$637708~~, including interest. Your monthly lease payment will be lower if you elect to lease only a portion of the equipment we provide or to pay more than 20% as your down payment. Also, the rent amount may vary based on when you sign

the Spring-Green Lease with fluctuations in interest rates. The annual percentage rate of interest will be 5% over the Bank of America Prime Rate. (As an example, as of March ~~21~~10, ~~2023~~2024, the Prime Rate was ~~7.75~~8.50%, so the annual interest rate if you signed the Promissory Note on that date would be ~~12.75~~13.50%. We anticipate the Prime Rate will fluctuate, so the Prime Rate on the date you sign the Promissory Note is likely to be different than ~~7.75~~8.50%.) The exact amount of your monthly lease payment will be filled in the Spring-Green Lease before you sign it, and will remain the same for the entire term of your lease. You may prepay all or part of the total amount due under the Spring-Green Lease at any time without penalty or prepayment fee. At the end of the lease term (or, if you prepay the total amount due under the Spring-Green Lease, on such date) you will purchase the equipment for \$1. You cannot assign the Spring-Green Lease without our approval. We may sell, assign or transfer the Spring-Green Lease without your approval. The Spring-Green Lease is terminable if you: fail to make a lease payment within 10 days after the due date; fail to cure any default within 10 days after receiving notice; make an assignment of the benefit of creditors, file for bankruptcy protection, become insolvent or take other similar actions; or the Franchise Agreement is terminated. On default, all lease payments are accelerated and become due immediately.

ALC Financing Program

In order to provide franchisees with additional financing options, we have entered into a financing program with Advantage Leasing Corp. (“ALC”) under which these franchisees may be able to obtain financing from ALC in an amount between \$25,000 to \$100,000 (“ALC Financing”) to be repaid within 36 to 60 months, depending on the amount of the principal. ALC is an independent third party. We do not receive any compensation from ALC. Financing obtained under ALC Financing can be used for down payments on vehicles, equipment, supply packages, computer software, marketing, and working capital. Terms of ALC Financing will be negotiated between you and ALC. Based on your creditworthiness, we may elect to guarantee franchisees’ payments under ALC Financing if we approve the amount of the principal and payment terms. If we guarantee your obligations to ALC, we require you to sign a Guarantee Indemnification Agreement attached as Exhibit H to this Disclosure Document. Under the Guarantee Indemnification Agreement, you and your owners agree to indemnify, defend and hold us harmless if we must make any payments or performance obligations on your behalf for your ALC Financing. We may cease offering this guarantee program at any time.

In addition to ALC Financing, we may also periodically agree with other third-party lenders to make financing available to qualified Spring-~~Green~~ Green franchisees, and we may refer you to a third-party lender for financing. We have no control over whether financing will be offered to you by any third-party lender. The lender is not obligated to provide financing to you or to any other Spring-~~Green~~ Green franchisee that the third-party lender finds that does not meet its credit requirements or loan criteria. We do not currently derive revenue from referrals or placement of financing with any third-party lender, including ALC Financing.

Except as described above, neither we nor any of our agents or affiliated companies provide or offer, directly or indirectly, any financing arrangement to new franchisees. Furthermore, we are unable to estimate whether you will be able to obtain financing for any part or all of your investment and, if so, the terms of such financing, which will depend on your credit worthiness. Except as described above, we do not guarantee any note, lease or obligation.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Before you open the Franchised Business, we will:

- (a) Provide, at our expense, the services of an instructor to assist you during the opening of the Franchised Business (Section 3.A of the Franchise Agreement);
- (b) Approve the quantity and quality of equipment and inventory, insurance coverage, and such other features as we may elect to approve to which mandatory specifications, standards or operating procedures relating to the operation of a Franchised Business pertain (Section 2.E of the Franchise Agreement);
- (c) Offer for sale or lease to you any items for which we are an approved supplier, including equipment, software, inventory, marketing materials, forms and supplies (Section 2.B of the Franchise Agreement); and
- (d) Provide the initial training program described later in this Item 11 (Section 3.A of the Franchise Agreement).

During your operation of the Franchised Business, we will:

- (a) Advise you periodically regarding the Franchised Business based on information disclosed by reports you submit or inspections we make with respect to: (1) standards, specifications, and operating procedures and methods that Franchised Businesses use; (2) purchasing required and authorized operating equipment, and other products and services; (3) advertising and marketing materials and programs; and (4) administrative, bookkeeping, accounting, and financial management. We will furnish such advice in the form of the Operating Manual, handbooks, other written materials, audio/visual and electronic materials (Section 3.B – 3.C of the Franchise Agreement).

Site Selection

You will only be allowed to conduct the Franchised Business from locations within the Territory that we have approved, which approval we will not unreasonably withhold. In determining whether to approve a proposed location, we consider factors such as whether the location is clean, orderly, and capable of supporting the Franchised Business. We anticipate that you will operate the Franchised Business from a personal residence, but you may also choose to operate your Franchised Business from an office or a commercial space located in the Territory. We do not provide any assistance in locating a site from which you will operate the Franchised Business. There is no time limit within which we must approve or disapprove the proposed location for the Franchised Business. We do not typically own the site where your Franchised Business is located and lease it to you. (Section 2.A of the Franchise Agreement).

Advertising Fund

We maintain and administer an advertising fund (the “Fund”)— (Section 4.D of the Franchise Agreement). You will be required to contribute 2% of the Gross Sales of the Franchised Business to the Fund. (However, if you participate in our Flex Start Program, you will not be required to pay Fund contributions until the expiration of the Royalty Exempt Period.) We may use the Fund to meet any and all costs of maintaining, administering, directing, and preparing national, regional, or local advertising materials, programs and public relations activities, including the costs of preparing and conducting video, audio, and written materials and electronic media; employing advertising agencies; conducting market research and testing to determine consumer trends and the suitability of new products and services; providing promotional brochures, decals, and other marketing materials to all Franchised Businesses; and developing and maintaining websites or other electronic applications that promote Franchised Businesses and/or related strategies. We have no fiduciary obligation to you or any other franchisee in connection with the establishment of the Fund or the collection, administration, or disbursement of monies paid into the Fund. We may cause the Fund to be incorporated or operated through an entity separate from us as we deem appropriate, and such successor entity will have the same rights and duties in connection with the management of the Fund as we do.

The Franchised Businesses owned by our affiliates must currently contribute to the Fund on the same basis as our other franchisees. Any Franchised Businesses we may own in the future will also contribute to the Fund on the same basis as our franchisees. We may contribute rebates and other payments received from suppliers to the Fund. We must account for the Fund separately from our other funds. We are prohibited from using the Fund to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, and overhead as we may incur in activities reasonably related to the administration or direction of the Fund and its advertising programs (including conducting market research, preparing advertising and promotional materials, and collecting and accounting for contributions to the Fund). We also must see that an annual audit of the operations of the Fund is prepared by an independent certified public accountant, and provide that audit to you at your written request. The cost of the audit is paid by the Fund.

The Fund may be used to pay for the expenses associated with marketing services to communicate with both prospective customers and customers and is currently conducted on a local basis. We use our in-house and affiliate staff and outside services to create and place advertising. The National Advisory Council (the “NAC”) provides input on marketing strategy and programs. The NAC chairperson is a National Advisory Council representative selected by the National Advisory Council. NAC members are voted in by their franchise owner peers via an election process. The NAC serves in an advisory capacity only, but we cannot form, change, or dissolve the NAC without changing the National Advisory Council by-laws.

During the fiscal year ending on December 31, ~~2022~~2023, ~~0.9~~1.6% of the money paid out by the Fund was spent on administrative expenses, ~~1.2~~0.6% was spent on media placement, ~~35.1~~35.4% was spent on production of advertisements and other promotional materials, and ~~62.8~~62.4% was spent on other expenses, which includes money spent in local market areas for call center support, direct mail campaigns, internet advertising campaigns and search engine optimization. We are not obligated to spend any particular amount on advertising in your Territory. In any fiscal year, on behalf of the Fund, we may spend an amount greater or less than

the aggregate contribution of all Franchised Businesses to the Fund in that year and the Fund may borrow from us or others to cover deficits or invest any surplus for future use. We will not spend any Fund monies on advertising that is principally for the solicitation and sale of franchises. With our approval, we may rebate franchisees up to 0.5% of the Fund contributions for approved local advertising expenditures (see below).

Regional Advertising Program

We may create and administer a regional advertising program (“Regional Advertising”) for the benefit of Franchised Businesses located within a particular region if at least 50% of the Franchised Businesses located within such region vote in favor of the formation of the regional advertising program. The amounts collected for a particular region will be spent on advertising principally focused on such region. For purposes of voting, franchisees with multiple territories within the geographic region designated by us under multiple franchise agreements will be entitled to cast a vote for each territory operated under a franchise agreement. If a Regional Advertising program is established, you will be required to contribute up to 2% of the Gross Sales of the Franchised Business to the Regional Advertising program. We have the right to determine the composition of all geographic territories and market areas for the implementation of Regional Advertising programs and to require that you participate in such Regional Advertising program if established. The fees collected under the Regional Advertising program may be used to pay regional, multi-regional or national marketing expenses, including administrative costs we or our designees (including its affiliates) incurred in maintaining and administering the Regional Advertising programs. We and our designees also reserve all other rights with respect to the use of the Regional Advertising fees, and the conduct of Regional Advertising programs, as those retained with respect to the Fund. The Franchise Agreement does not require that a Regional Advertising program prepare financial statements or provide them to franchisees. We and our designees may at any time, upon 30 days’ prior written notice to you, suspend a Regional Advertising program for 1 or more periods of any length and terminate the Regional Advertising program.

Local Advertising

Each calendar year, you are required to spend an amount equal to 5% of the Gross Sales of the Franchised Business for the previous calendar year or \$17,500, whichever is greater, for advertising and promotion in your Territory (“Local Advertising Expenditure”). The Local Advertising Expenditure applies to each Territory you operate. This amount is in addition to your Fund contributions (subject to the local advertising rebate discussed above), Regional Advertising program contributions, if any. You must also provide documentation that you have met the Local Advertising Expenditure and, if you fail to meet the Local Advertising Expenditure, you must pay us the shortfall which we will contribute to the Fund. You must use only advertising and promotion materials that we have approved. Before using any advertising and promotional materials not previously approved by us, you must submit samples to us for approval. If you do not receive our written approval within 15 days from the date we receive such materials, we will be deemed not to have approved such materials. We will furnish you with approved advertising plans and materials on the same terms and conditions as such plans and materials are furnished to other Franchised Businesses.

Websites

Except as approved by us in writing, you must not directly or indirectly maintain, develop, authorize or contribute to a website, domain name, URL address, email address, user name, profile, screen name, social network account, other online presence or presence on any electronic medium (“Online Presence”) that in any way references the Franchised Business, the Marks or the business conducted by you under the Franchise Agreement, other than a website administered, maintained or managed by us. We will own the rights to each Online Presence. You must grant us access to each Online Presence and to take whatever action we request to prove our ownership of the Online Presence, or to help us obtain control of the Online Presence. If you post messages relating to the Franchised Business on other websites, you will do so only in accordance with our guidelines detailed in the System Standards or otherwise in writing by us periodically. If we approve the use of any Online Presence, including social networking websites (such as LinkedIn[®], Twitter[®]X[™], Facebook[®], Instagram[®], TikTok[®], or YouTube[®]) in the operation of the Franchised Business, or the posting of messages relating to the Franchised Business on other websites, you will do so only in accordance with our guidelines detailed in the Operating Manual or otherwise in writing by us periodically. We may require our approval of any message or commentary related to the Franchised Business you compose for a social networking website or any other website before you post such message or commentary. At our direction, you shall participate in and contribute to a website administered, maintained and/or managed by us in the manner we periodically prescribe.

Technology System

You must obtain and use in the development and operation of the Franchised Business those and only those brands, types and/or models of computer hardware, software, Internet and other electronic connectivity, data warehousing, security, e-commerce and other computer and technology equipment, support and other services we designate (the “Technology System”). The Technology System may only be used for the operation of the Franchised Business, and you may not use any other computer hardware or software to conduct the Franchised Business other than the Technology System. You must input and maintain only the data and information in your Technology System that we prescribe in the Operating Manual, our software programs and otherwise. You must purchase from us, or our designated vendor, new or upgraded hardware, software, equipment, services or other items whenever we determine to adopt these new or upgraded items as part of the Technology System and there is no contractual limitation on the frequency and cost of this obligation. We currently require you to subscribe to an e-mail account that you must use exclusively for the Franchised Business. We may additionally require you to subscribe to a social networking website account (such as LinkedIn[®], Twitter[®]X[™], Facebook[®], Instagram[®], TikTok[®], or YouTube[®]). You must sign any software license agreement, user agreement or similar document that we or our designated vendor prescribes for the software and other components of the Technology System.

Our modifications of specifications for the Technology System, and/or other technological developments or events, may require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Technology System. Although we cannot estimate the future costs of the Technology System or required service or support, and although these costs might not be fully amortizable over the remaining term of the Franchise Agreement, you may be required to incur the costs of obtaining the computer hardware

and software compromising the Technology System (or additions and modifications) and the necessary service or support. We have no obligation to reimburse you for any Technology System costs. Within 60 days after receiving notice from us, we may require you to obtain the Technology System components that we designate and confirm for us that the Technology System, as modified, is functioning properly.

Upon termination or expiration of the Franchise Agreement, all items containing software or other intellectual property licensed to you by us, including various forms of digital storage media shall be returned to us in good condition allowing for normal wear and tear.

We or our designated vendor(s) may charge reasonable fees for hardware, software, data backup, equipment, services or other items that are sold or licensed to you. We currently charge the Technology Fee for certain maintenance, support or other services we or our designated vendor(s), at our option, furnish to you. The current fee is ~~\$100~~225 per month. As our Technology System develops, it may become necessary for us to increase the Technology Fee.

Currently, our minimum computer hardware requirements include a Dell® desktop (Optiplex 3000 Micro) or laptop system (Vostro 3410) with an Intel® Core™ i5 processor, 8GB RAM and hard disk capacity to run the Windows® ~~10~~11 operating system, our Operating Software package and additional required software components, dual monitor video card, two 22" flat panel color monitors, and an HP® LaserJet Pro M406dn printer with an additional 500 sheet tray. Other hardware requirements include a smartphone and Android® or Apple® tablet device that is capable of running our Operating Software and a data plan for each of the smartphone and tablet device. You may purchase or lease most of this hardware and software through suppliers of computer equipment.

You must obtain a license to use the customer relationship management (CRM) software that we require (the "Operating Software") from the third-party developer of the Operating Software. The current version of the Operating Software is offered as a "software as a service." The monthly charge, as of the date of this Disclosure Document, which is payable via a monthly subscription service to the developer, consists of (a) a user fee equal to \$125 per month for the first user plus \$55 per month for each additional user, (b) a truck routing fee of \$6.00 per truck per month, (c) Routing Assistant fee of \$23 per month and (d) Mobile Live fee of \$31 per month per device. Mobile Live requires users to have a monthly data plan with their provider. Printer, mount, and power inverter are sold separately at market price and are optional.

Our On-Line Learning Center Website has been developed by a third party in cooperation with us. You must pay an annual education fee to access the On-Line Learning Center. In addition, we may use a portion of the education fee to pay for membership fees to enroll you or your owners in the National Association of Landscape Professionals. The current fee is \$205 per year, although this fee may be increased to include additional education expenses.

Under our current specifications for the Technology System, you must also acquire and maintain QuickBooks Online, Microsoft Office 365, and high-speed Internet access. We provide an e-mail account that you must use exclusively for the Franchised Business. [This email account is included in the cost of Microsoft Office 365.](#)

We estimate the total cost of the computer system necessary to begin operating the Franchised Business will be approximately \$3,600, which includes the \$700 cost of purchasing a smartphone, the \$500 cost (per tablet) for the tablet device, and the \$2,400 cost of purchasing a computer and printer that meet our specifications. You must install and maintain a tablet device with Mobile Live connectivity in each of your service vehicles. You may choose to lease the required computer hardware which we estimate to cost approximately \$200 per month from a third party for a desktop or laptop computer and associated hardware. However, the computer and hardware do not include a smartphone, a tablet device, QuickBooks Online, or Office 365. These items cannot be leased through us or any of our suppliers. In addition to your smartphone and tablet device, you must purchase a data plan for your smartphone and tablet from a service provider. The cost of such data plans varies by service providers, but we estimate that it will cost approximately \$60 per month for the smartphone and tablet device.

We will have independent access to data and records of your Franchised Business that are generated or stored by the Technology System. There is no contractual limitation on our right to access these data and records.

Accounting Services

You are required to use a bookkeeping service that we designate. However, if you currently operate a similarly situated business that uses a bookkeeping service, you may provide us with a written request to continue using such bookkeeping service. We estimate the cost to be approximately between \$300 to \$500 per month, but will depend on a number of factors including the size of the business, the length of operation, and the services selected from the vendor.

Manual

Our Operating Manual is maintained online in our intranet system. The Table of Contents of our Operating Manual is attached as Exhibit C. The total number of pages in our Operating Manual is ~~629~~655.

Training

We will provide an initial training program to you (or, if you are an entity, a natural person with at least fifty-one percent (51%) ownership interest and voting power in the entity and who will have the authority of a chief executive officer (the “Managing Owner”)) and your proposed operating manager of the Franchised Business on the operation of the Franchised Business either at our headquarters or at a designated local venue we select. The initial training program will take place before you commence operations of the Franchised Business. However, certain portions of the initial training program may also take place within the 30 days following the date you commence operations. The training will typically be conducted monthly but may be adjusted in light of the business season and time of year during which the Franchised Business is purchased. You (or your Managing Owner) and your proposed operating manager must complete this training to our satisfaction. Although there are no additional fees for this training, you will be responsible for all of the out-of-pocket and payroll expenses you (or your Managing Owner) and your proposed operating manager incur, including lodging, travel, and meals. The table below describes our training program as of our most recent fiscal year end.

TRAINING PROGRAM

Subject ^{1,2}	Hours of Classroom Training	Hours of On the Job Training ³	Location ⁴
S-G Franchise System	2	0	Our headquarters, a local venue, or virtually
Basics of Franchise Operations	2	0	Our headquarters, a local venue, or virtually
One and Five Year Goals	1	0	Our headquarters, a local venue, or virtually
Managing Goals & Priorities	1	0	Our headquarters, a local venue, or virtually
Programs & Services	1	0	Our headquarters, a local venue, or virtually
Marketing and Sales	16	16	Our headquarters, a local venue, or virtually
Agronomics & Horticulture	6	8	Our headquarters, a local venue, or virtually
Commercial Services	1	0	Our headquarters, a local venue, or virtually
Franchise Administration	3	0	Our headquarters, a local venue, or virtually
Equipment Operations	3	2	Our headquarters, a local venue, or virtually
Safety	3	0	Our headquarters, a local venue, or virtually
Software Operations	0	6 <u>12</u>	Our headquarters, a local venue, or virtually
Office Administration	2	8	Our headquarters, a local venue, or virtually
Sales Technique	4	8	Our headquarters, a local venue, or virtually
Application Techniques	1	12 <u>8</u>	Our headquarters, a local venue, or virtually
Customer Service	3	2	Our headquarters, a local venue, or virtually
Vendor Training – Operations Software	4	4	A local venue or virtually
Vendor Training – Financial Vendor	2	2	A local venue or virtually
Total	55	78 <u>70</u>	

1/ Brad Johnson, Vice President of Operations, supervises the initial training program. Mr. Johnson has two years of experience with us and ~~17~~18 years of experience or training in the subjects taught. Below is a list of the instructors and their years of experience with us and years of experience or training in the subjects taught.

- James Young, President, has ~~19~~20 years of experience with us and ~~25~~26 years of experience or training in the subjects taught.
- Gillian Hrycyk, ~~Senior Account~~ Director, ~~has 17 of Print Procurement & Campaign Management,~~ has 18 years of experience with us and ~~24~~25 years of experience or training in the subjects taught.
- Brian Kish, Vice President of ~~Business Intelligence,~~ ~~has 39~~Special Projects, has 40 years of experience with us and ~~25~~26 years of experience or training in the subjects taught.

- Ted Hofer, Chief Executive Officer, and Executive Vice President, has ~~18~~19 years of experience with us and ~~25~~26 years of experience or training in the subjects taught.
 - Gary Yunker, Equipment Specialist, has ~~39~~40 years of experience with us and ~~54~~55 years of experience or training in the subjects taught.
 - ~~Paul McDonald, Director~~Matthew Jevne, Vice President of Information Technology, has ~~9~~3 years of experience with us and ~~23~~22 years of experience or training in the subjects taught.
 - Jason McConnell, Director of ~~Customer Insights & MarTech Integration~~, ~~has 3 years~~Marketing Strategy and Analytics, has ~~4~~years of experience with us and ~~12~~13 years of experience of training in the subjects taught.
 - ~~David Dawson~~Heath Holmes, Director of Training Operations, has ~~15~~less than 1 years of experience with us and ~~17~~12 years of experience or training in the subjects taught.
- 2/ Printed manuals, books, videos, online computer programs and PowerPoint presentations will be used as the principal instructional materials.
 - 3/ On-the-job training, as of the date of this Disclosure Document, consists of at least two days follow-up field training conducted by us or a third party of the subjects covered in the classroom.
 - 4/ We may provide initial training virtually, such as through an online video-conference service.

We may require you, your employees and other previously trained individuals to attend and complete, to our satisfaction, ongoing and refresher training programs (including programs provided by third parties) designated by us in our Operating Manual or otherwise in writing. Such training programs may be held at one of our affiliate-owned businesses or at other locations that we designate or may be conducted remotely through the Internet or other means we specify. You will be responsible for all costs incurred for you and your employees to attend such training and must pay us our then-applicable charge for attending any such training.

We may also require you (or if you are a legal entity the Managing Owner) and/or your operations manager to attend national and regional meetings. If we require you (or the Managing Owner) and/or your operations manager to attend a national or regional meeting, such attendance is mandatory, and we may charge you a fee for holding these meetings. You will also be responsible for all transportation and living costs incurred to attend such meetings, but for certain meetings, lodging and meals may be covered by the attendance fee.

~~In addition, we may require you to hire a certified public accountant or to attend accounting and bookkeeping training if we determine that your books and records do not meet the requirements prescribed by us periodically.~~

Upon the completion of the initial training program to our satisfaction, you must commence operation of the Franchised Business. When you and we sign the Franchise Agreement, we will indicate in the Franchise Agreement the date by which you must successfully complete the initial training program. We estimate that there will be an interval of 1 to 2 months between the time you and we sign the Franchise Agreement and successfully complete the initial training program and

commence business, but the interval may vary based upon factors such as the delivery schedule for equipment and vehicles, advertising placement, and participation in the Flex Start Program.

Item 12

TERRITORY

The Franchise Agreement grants you the right to operate a Franchised Business within the designated Territory. Territory designations are based on such factors as population density, market statistics, competition and other factors and will be described by reference to census tracts as established by the United States Census Bureau. We do not guarantee any particular minimum area will be included in your Territory. Your Territory will include up to 60,000 SFDUs. If you wish to obtain a geographic territory of more than 60,000 SFDUs, and we approve, you must pay us an additional fee of \$0.50 for each SFDU over 60,000 SFDUs. A Territory description is furnished to you and attached to the Franchise Agreement as an exhibit. We may elect to grant multiple Territories to qualified candidates. If we elect to grant you multiple Territories, you will sign a Franchise Agreement for each Territory.

Subject to our approval, you will select the premises where you will operate your Franchised Business. You will only be allowed to conduct the Franchised Business from a personal residence, office or commercial space located in the Territory and from a site we have approved, which approval we will not unreasonably withhold. You will be permitted to relocate the premises from which you operate the Franchised Business to other locations within the Territory we have approved. However, relocation outside the Territory will not generally be allowed. You may apply for additional franchises, but the Franchise Agreement does not grant you an option, right of first refusal or similar right to acquire additional franchises in contiguous territories.

If you are in full compliance with the terms and conditions of the Franchise Agreement and all other agreements with us and our affiliates, we and our affiliates will not operate or grant a franchise for the operation of another ~~Spring-Green~~ Green Franchised ~~b~~Business that sells the Services to Residential Accounts (as defined below) located within the Territory. As such, we grant you an exclusive territory with respect to providing the Services to Residential Accounts in the Territory. You may not solicit or sell to Residential Accounts located outside of the Territory. As defined in the Franchise Agreement, the term “Residential Account” means and includes all single-family homes and such other properties as we may, periodically and in our sole discretion, reasonably determine to be a Residential Account.

You will also have the nonexclusive right to sell one or more of the Services that we have authorized to accounts other than a Residential Account (a “Commercial Account”) located within and outside the Territory.

Except with respect to the website administered, maintained or managed by us, you may not engage in any promotional or similar activities, whether directly or indirectly, via any Online Presence.

We and our affiliates retain all other rights with respect to our business activities, including:

- (1) the right to establish and operate, and allow others to establish and operate, other Franchised Businesses using the Marks or the Franchise System, at any location outside the Territory, and on any terms and conditions we approve;
- (2) the right to establish, and allow others to establish, other distribution channels (including, but not limited to, Internet and retail stores) wherever located or operating, including within the Territory, regardless of the nature or location of the customers, with whom such other distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Franchised Businesses, and that sell products and/or services that are identical or similar to, and/or competitive with, those that Franchised Businesses customarily sell under any terms and conditions we approve; provided, that we agree that we will not operate businesses that offer the Services under the Marks or any other trademarks and service marks within the Territory;
- (3) the right to sell, or grant the right to sell, the Services to Commercial Accounts using the Marks or any other trade names, trademarks, service marks, or commercial symbols located within and outside the Territory; and
- (4) engage in all other activities not expressly prohibited by your Franchise Agreement.

Although we have the right to do so, we have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under different trademarks.

Continuation of your territorial exclusivity does not depend on your achieving a certain sales volume, market penetration or other contingency. We may not alter your Territory without your consent during the term of your Franchise Agreement.

Item 13

TRADEMARKS

Under an Intellectual Property License Agreement dated January 1, 2014, Spring-Green IP granted to us the right to use and to permit others to use the Marks. The term of the Intellectual Property License Agreement is for 99 years starting on January 1, 2014. Spring-Green IP may terminate the Intellectual Property License Agreement if we materially breach the terms of the agreement or cease to be an affiliate of Spring-Green IP. If we were ever to lose our rights under the Intellectual Property License Agreement to the Marks, Spring-Green IP must allow our existing franchisees to maintain their rights to use the Marks through the terms of their franchise agreements, including any renewal terms. Other than the Intellectual Property License Agreement, there are no agreements currently in effect which limit our right to use or license the use of any of the Marks in a manner that is material to the franchise.

The following table sets forth the registrations filed with the United States Patent and Trademark Office (“USPTO”) on the Principal Register of the principal marks licensed to you.

Description of Mark	Registration Number	Registration Date
SPRING-GREEN	1,374,312	December 3, 1985
	4,342,298	May 28, 2013
America's Neighborhood Lawn Care Team	2,812,235	February 10, 2004
Your Neighborhood Lawn Care Professional	3,522,104	October 21, 2008
	5,406,993 7050327	February 20, 2018 May 09, 2023
	5,563,653 7050329	September 18, 2018 May 09, 2023

All required renewals and affidavits of use have been filed in a timely manner.

~~Spring-Green IP has also filed applications to register the following service marks on the Principal Register of the USPTO:~~

Description of Mark	Serial Number	Filing Date
SPRINGGREEN	97/072,008	October 13, 2021
	97/072,025	October 13, 2021

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

You may use the Marks only in the way and where we say and only for the sale and performance of products and Services we expressly authorize in writing. You shall promote and identify the Services in the Territory and only in the Territory and shall not use the Marks for the

sale of unauthorized products or services. On receipt of notice from us that the Marks are being used in an unauthorized manner, you must immediately cease the unauthorized use. You may not alter or add to the form or content of the Marks in any manner nor use the mark “Spring-Green” or any colorable imitation of it in any corporate or trade name. On receipt of our prior written consent and performance by you of conditions we specify, you may include “Spring-Green” as part of a fictitious name filing required by state law. You may not file or acquire any registration (state or federal) for the Marks or any trademark or service mark (or any variation) confusingly similar to the Marks. You may not use the Marks as part of the domain name, electronic mailing address or electronic address of any website or in any user name, screen name or profile in connection with any social networking sites, such as LinkedIn[®], ~~Twitter~~[®] ~~X~~[™], Facebook[®], ~~TikTok~~[®], Instagram[®], or YouTube[®], except in accordance with our guidelines stated in the Operating Manual or otherwise in writing periodically.

We may alter or replace the principal identifying characteristics of the Franchised Business, including the trade dress and principal trademark and service mark identification of the services and of the Franchised Business as franchised by the Franchise Agreement. We will not however withdraw the license to use the “Spring-Green” trademark. You must make these changes on notice from us. You shall prominently identify yourself in your office and on your forms and advertisements as an independent business operated under a license from us in the form and content as we may direct.

You must advise us of all uses by others of names, symbols and devices comprising, consisting of, or similar to the name “Spring-Green” or any of the Marks, including any variations or colorable imitations of them. We will solely determine whether these uses are unauthorized uses and whether action should be commenced to curtail these uses. All lawsuits and actions for trademark infringement or dilution and/or unfair competition shall be brought by us; however, if we request, you must consent to be named as a party in any lawsuit or action and lend your full cooperation and assistance in the preparation and prosecution of such lawsuit or action. We will reimburse you for all reasonable out-of-pocket expenses incurred by you at our request in regard to the foregoing. You may not institute any legal action alleging infringement of the Marks. You are specifically prohibited from charging other entities with infringement, from initiating suit for infringement, or dilution of the Marks.

We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks in any state.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents that are material to the franchise. We have no pending patent applications that are material to the franchise. We or our affiliates claim copyright protection of our written materials, videotapes, DVDs, the contents of our intranet including the Operating Manual, and other written and electronic materials, electronic communications and media related to our franchise system, including our marketing, technology and software programs and systems, although these materials and media have not been registered with the United States Registrar of Copyrights. These materials and media are considered proprietary and confidential and are

considered our or our affiliates' property and may be used by you only as provided in the Franchise Agreement.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights.

We or our affiliates have developed, and will continue to develop and acquire, certain confidential information for the operation of a Franchised Business, including: the Operating Manual; the know-how; market research, promotional, marketing and advertising programs for Franchised Businesses; knowledge of specifications for, and suppliers of, equipment, products and supplies; any computer software or similar technology which is proprietary to us or our affiliates; and knowledge of the operating results and financial performance of Franchised Businesses other than your Franchised Business.

You and we jointly own any contact information, buying habits, preferences, demographic information, and any other information relating to current, former and prospective customers of the Franchised Business, including persons who have inquired about the services offered by the Franchised Business (collectively, the "Business Customer Information"). However, you must (a) use the Business Customer Information only for the operation, advertisement and promotion of the Franchised Business, (b) refrain from using the Business Customer Information in any other business or capacity (other than in connection with the Franchised Business) unless we have provided our prior written consent to such use and (c) maintain the confidentiality of the Business Customer Information.

You may use certain confidential or proprietary materials for the advertising and sale of the Services under the Marks. Any information, knowledge, or know-how, including without limitation, drawings, materials, equipment, marketing, videotapes, and all other data which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

While we recommend that you (or, if you are an entity, your owners) participate personally in the actual operation of the Franchised Business, you are not obligated by the terms of the Franchise Agreement or other practice to do so. However, you (or your Managing Owner) and your proposed operations manager of the Franchised Business (if such individual is not the Managing Owner) must successfully complete the initial training program described in Item 11. The Franchise Agreement provides that the Franchised Business shall be under the direct full-time supervision of you or of a trained and competent operations manager who has completed our initial training program or equivalent training to our satisfaction. You must keep us informed at all times of the identity of the operations manager or of any supervisory employee(s) acting as manager(s) of the Franchised Business. As described in Item 1, participants in the Flex Start Program can

delay the date on which they are obligated to devote their full-time best efforts to the operation of the Franchised Business. Supervisory employees you hire after the opening of the Franchised Business may enroll in training programs we conduct, subject to reasonable limitations we prescribe and at your expense for room, meals, living, and travel costs.

We require your employees to sign a non-disclosure agreement in a form acceptable to us before they participate in training.

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement as stated in the Guaranty and Assumption of Obligations attached to the Franchise Agreement. Also, we require the spouses of your owners to consent to the Guaranty and Assumption of Obligations.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Franchise Agreement prohibits you from using or selling any product or service that we have not authorized and approved for use or sale by the Franchised Business. The Franchise Agreement also prohibits the use of the Franchised Business or the premises from which it is operated for any purpose other than the operation of a Franchised Business without our prior written approval.

You must, throughout your Territory and during the seasons we specify periodically, offer all services we authorize for sale by the Franchised Businesses. You may elect to not offer those approved services that we designate as “optional services.” You must maintain an inventory of authorized and approved products sufficient in variety and quality to satisfy customer demand.

You are limited to offer or sell authorized and approved products and services only to residential customers in your Territory but are not limited to offer or sell authorized and approved products and services to commercial customers in the Territory, except to the extent that your obligation to operate the Franchised Business primarily within your Territory so limits you. We may change the products and services that you are required and/or authorized to offer and promote, and there are no limits on our right to do so.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists 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	Section 1.C	10 years.
b. Renewal or extension of the term	Sections 15.A and 15.B	One renewal term of 10 years on new terms and conditions is permitted if you meet certain requirements unless we are no longer granting franchises for Franchised Businesses anywhere in the state(s) in which the Territory is located.

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 15.A	<p>You are substantially in compliance; give us written notice not more than 18 months or less than 1 year before expiration; allow us or our representative to inspect the Franchised Business; sign then current form of Franchise Agreement and ancillary agreements, within 30 days of delivery; sign a general release within 30 days of delivery; make necessary modifications within 90 days of our notice; and you and any required manager and/or employees attend renewal/refresher training.</p> <p>Renewal will be without payment of initial or renewal franchise fee except that we have the right to charge for services we render and expenses we incur in connection with renewal.</p> <p>In the event the total number of SFDUs within the Territory has increased to twice the then-current minimum Territory size being offered by us, we may require you to sign multiple franchise agreements for the Territory so that the territory under each franchise agreement does not exceed the maximum territory for new franchises then being offered by us.</p> <p>If you seek to renew your franchise at the expiration of the initial term or any renewal term, you will sign a new franchise agreement that may contain terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights. Although all renewing franchisees will sign our current form of franchise agreement, we may change certain terms for renewing franchisees, including financial terms.</p>
d. Termination by franchisee	Section 16.B	If we have materially failed to comply and you provide 30 days' notice to cure (subject to state law).
e. Termination by franchisor without cause	Not applicable	We may not terminate the Franchise Agreement without cause.
f. Termination by franchisor with cause	Section 16.A	We can terminate only if you commit any one of several violations. (Termination of the Franchise Agreement also terminates the Spring-Green Lease and/or Promissory Note and Security Agreement. See Item 10)
g. "Cause" defined – curable defaults	Section 16.A	You have 72 hours to cure a violation of a health, safety, or sanitation law; 10 days to cure any failure to make payments due to us or our affiliates; and 30 days cure for all other defaults. Includes a default under a lease or other agreement with us and failure to cure within the applicable cure period for that other agreement.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined - non-curable defaults	Section 16.A	Material misrepresentation or omission, abandonment, surrender, unauthorized transfers, unauthorized disclosure of know-how, failure to comply with Business Customer Information use, confidentiality and assignment provisions and restrictions, failure to promptly pay third-party suppliers or make payments under the Spring-Green Lease and/or Promissory Note and Security Agreement, insolvency, understate royalty fees by more than 5% at least two times, failure to provide financial statements, reports or other information twice within a 12-month span, failure to comply with any material provision twice within a 12-month span, conviction of a felony, injure the goodwill of the Marks or the System, failure to maintain insurance, failure to complete training, failure to commence the Franchised Business, failure to provide service to customers in accordance with standards and specifications.
i. Franchisee's obligations on termination/non-renewal	Section 17	<p>Cease operating Franchised Business, cease use of System and Marks, cancel assumed or similar name registrations, return materials, cancel or transfer telephone number and/or P.O. Box or de-identify, pay outstanding amounts, cease operation and cancel any rights or accounts of any website or online presence related to the Franchised Business.</p> <p>If the Franchise Agreement is terminated by us or expires because you elect not to exercise your renewal right, or if you fail to comply with any renewal conditions, you must relinquish your right to the Business Customer Information and deliver all copies of the Business Customer Information to us in the format we request. In the event we elect not to renew your franchise because we have ceased offering franchises for Franchised Businesses in the state(s) in which the Territory is located, (i) we will, at your request, relinquish our rights to the Business Customer Information and provide the Business Customer Information to you in a format you request, and (ii) you will not be obligated to comply with the post term non-competition covenants (see (r) below) or required to change your telephone numbers.</p>
j. Assignment of contract by franchisor	Section 14.A; Paragraph 15 of the Spring-Green Lease	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section 14.B	Includes assignment of any right or interest in the Agreement, the Franchised Business or you.

Provision	Section in Franchise Agreement	Summary
l. Franchisor's approval of transfer by franchisee	Section 14.B	We have the right to approve all assignments, including assignments of the Business Customer Information; provided that you may pledge the assets of the Franchised Business to a third-party lender if required by such lender for the purpose of obtaining a loan for use in connection with the Franchised Business.
m. Conditions for franchisor approval of transfer	Section 14.D	You are not in default, assignee qualifies and provides required documents, assumes all your obligations, transfer marketing fee paid, you pay final advertising fund, royalty fees, transfer fee paid by you or assignee; Franchised Business meets then-current standards, you transfer all copies of Business Customer Information, you execute and deliver release, training completed, monetary obligations subordinated; assignee's owners sign guaranty; transferee signs then-current form of franchise agreement; transfer or destroy all materials related to the Marks, return or destroy the Operating Manual; transferee's proof of insurance; transferee pays any software transfer and training fee (if applicable); and transferee is of good moral character with sufficient business experience.
n. Franchisor's right of first refusal to acquire franchisee's Franchised Business	Section 14.G	We have right to match offer.
o. Franchisor's option to purchase franchisee's Franchised Business	Not applicable	Not applicable
p. Franchisee's death or disability	Section 14.E	Franchise must be transferred to an approved buyer within 12 months.
q. Non-competition covenants during the term of the franchise	Section 6.A	No involvement in any Competitive Business. "Competitive Business" means (i) any business (other than Spring-Green lawn care <u>Green Franchised</u> BB businesses operated under franchise agreements previously entered into between you and us) engaging in (a) lawn care services, (b) pest control, and/or (c) any other services or products approved by us for Spring-Green Lawn Care <u>Green Franchised</u> BB businesses or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i).

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 17.F	No involvement for 2 years in any Competitive Business; for 2 years no diversion or solicitation of current customers of Franchised Businesses anywhere or current or former customers (within the past 24 months) of the Franchised Business located anywhere to any Competitive Business; no purchase of products, equipment or services approved for Franchised Businesses from any of our approved suppliers for 2 years.
s. Modification of the agreement	Section 18.L; Paragraph 16 of the Spring-Green Lease	No modifications without writing.
t. Integration/merger clause	Section 18.M	Only terms of Franchise Agreement are binding (subject to state law). However, nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Not applicable	Not applicable
v. Choice of forum	Section 18.G; Paragraph 16 of the Spring-Green Lease	Litigation generally must be in courts of Illinois (subject to state law)
w. Choice of law	Section 18.F; Paragraph 16 of the Spring-Green Lease	Except for federal laws, laws of state of Illinois (subject to state law)

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit J.

Item 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise.

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.

We use historical financial information submitted by our franchisees to compile the information contained in these Tables. The financial information submitted by our franchisees is also used for calculating the Royalty described in Item 6. Franchised Businesses did not typically submit copies of all of the invoices for each customer or list each customer in their period reports to us. The information contained in these Tables is based upon the financial information and other data entered by each Franchised Business into the software system described in Item 11.

INDEPENDENT FRANCHISE OWNERS – COST AND GROSS PROFIT MARGIN

Table A

Statement of Gross Profit Margin Results as a Percentage of Gross Sales for Franchised Businesses in Operation 1 Full Year or More⁽¹⁾ ~~(2)~~ ~~(7)~~ ~~(6)~~

Line Item		Average	Median	Number and Percentage of Franchised Businesses that Attained or Surpassed the Average ⁽⁸⁾		
<u>Year</u>	2022	2021 <u>2023</u>	2022 <u>2023</u>	2021	2022	2021 <u>2023</u>
Material Costs (See Note 3 <u>2</u>)	17.1%	15.4 <u>14.7</u> %	16.9 <u>15.4</u> %	14.6%	35 of 66 (53%) had lower than average Material Costs	36 <u>32</u> of 65 (55 <u>49</u> %) had lower than average Material Costs
Direct Labor Costs (See Note 4 <u>3</u>)	18.9%	18.9 <u>18.4</u> %	17.9%	18.2%	39 of 66 (59%) had lower than average Direct Labor Costs	37 <u>33</u> of 65 (57 <u>51</u> %) had lower than average Direct Labor Costs
Cost of Sales (See Note 5 <u>4</u>)	35.9%	34.3 <u>33.1</u> %	35.8 <u>32.5</u> %	33.7%	33 of 66 (50%) had lower than average Cost of Sales	34 <u>33</u> of 65 (52 <u>51</u> %) had lower than average Cost of Sales

INDEPENDENT FRANCHISE OWNERS – COST AND GROSS PROFIT MARGIN						
Table A						
Statement of Gross Profit Margin Results as a Percentage of Gross Sales for Franchised Businesses in Operation 1 Full Year or More ⁽¹⁾ (2) (76)						
Line Item		Average	Median	Number and Percentage of Franchised Businesses that Attained or Surpassed the Average ⁽⁸⁾		
<u>Year</u>	2022	2021 <u>2023</u>	2022 <u>2023</u>	2021	2022	2021 <u>2023</u>
Gross Profit Margin (See Note 65)	64.1%	65.7 <u>66.9%</u>	64.2 <u>67.5%</u>	66.3%	33 of 66 (50%) had higher than average Gross Profit Margin	34 <u>33</u> of 65 (52 <u>51%</u>) had higher than average Gross Profit Margin

Notes to Table A:

(1) Table A shows 2023 results for ~~two sets of 65~~ Franchised Businesses, ~~2022~~ results for those Franchised Businesses in that operationed for at least the full 20222023 calendar year under the same ownership for the entire year, and ~~2021~~ results for those Franchised Businesses in operation for at least the full ~~2021~~ calendar year under the same ownership for the entire 2023 fiscal year. As of December 31, ~~2022~~, and December 31, ~~2021~~, we had the following Franchised Businesses:

2023, there were 124 ~~December 31, 2022: 128~~ franchised Territories ~~were~~ in operation, ~~126~~122 of which had been in operation for at least the full 20222023 calendar year under the same ownership for the entire year. These ~~126~~122 Territories were owned by ~~75~~72 Franchised Businesses. We did not receive sufficient information from franchisees of 7 Franchised Business, so those have been excluded from Table A above. We do not know whether the inclusion of such data, if available, would have a material effect on the gross profit margin percentages. We included data from 65 Franchised Businesses of the 72 Franchised Businesses that were in operation for at least the full calendar year as of December 31, 2023. These 65 Franchised Businesses operated 110 of the 124 Territories that were operational during the entire 2023 calendar year under the same ownership.

~~December 31, 2021: 126 franchised Territories were in operation, 124 of which had been in operation for at least the full 2021 calendar year under the same ownership for the entire year. These 124 Territories were owned by 74 Franchised Businesses.~~

(In some cases, a franchised Territory is “split” during the middle of a calendar year, for instance in connection with a renewal, and in this case, each of the “split” Territories is counted as having been operated for the entire year.) For reporting purposes, we consolidated the financial information for all Territories operated by such Franchised Businesses. Certain franchisees also own multiple Territories but aggregate the reporting of their financial information as one Franchised Business.

~~(2) We included data from the following Franchised Businesses:~~

~~December 31, 2022: We included data from 66 Franchised Businesses of the 75 Franchised Businesses that were in operation for at least the full calendar year as of December 31, 2022. These 66 Franchised Businesses operated 114 of the 126 Territories that were operational during the entire 2022 calendar year under the same ownership.~~

~~December 31, 2021: We included data from 65 Franchised Businesses of the 74 Franchised Businesses that were in operation for at least the full calendar year as of December 31, 2021. These 65 Franchised Businesses operated 111 of the 124 Territories that were operational during the entire 2021 calendar year under the same ownership.~~

~~Data concerning the remaining 9 Franchised Businesses that were in operation for at least one full year as of December 31, 2022, and 9 Franchised Businesses that were in operation for at least one full year as of December 31, 2021 was not included in Table A due to insufficient information from the franchisees that owned them. We do not know whether the inclusion of such data, if available, would have a material effect on the gross profit margin percentages.~~

(3) We attribute variances in material costs to franchisee variances in pricing of lawn care applications. Additionally, we believe that inconsistency in the manner in which franchisees account for their inventory purchases may contribute to the variances. Some franchisees use the “last in first out” method of accounting for inventory, and others use the “first in first out” method.

(4) Direct Labor includes compensation (excluding payroll taxes, medical insurance, and fringe benefits) for employees who perform lawn care services and excludes compensation for franchisee and other administrative and office personnel. We attribute the variance in Direct Labor primarily to the extent to which franchisees employed others to perform application services. Franchisees who performed all application services themselves incurred no direct labor costs and franchisees that employ others to perform some or all of the application services incurred higher Direct Labor cost. We also believe that some franchisees may have employees who perform administrative functions as well as application functions, but charged those employees’ entire payroll to Direct Labor rather than splitting out that portion more appropriately charged to administration.

(5) Cost of Sales is the Sum of Material Costs and Direct Labor Costs.

(6) We obtained the stated Gross Profit Margin percentages by subtracting the Cost of Sales from 100% (Gross Sales).

(7) Franchised Businesses typically use the accrual method of accounting.

(87) With respect to Material Costs, Direct Labor Costs, and Cost of Sales, because these are expense categories, attaining or surpassing the average means that the Franchised Business reported lower expense for that category than the average.

INDEPENDENT FRANCHISE OWNERS							
Table B							
Statement of Annual Gross Sales Results for Franchised Businesses in Operation for 1 Full Calendar Year or More ⁽¹⁾							
		Average		Median		Number and Percentage that Attained or Surpassed the Average:	
	2022	2021	2023	2022	2021	2023	
Average Gross Sales Per Franchised Business ⁽²⁾ ⁽⁷⁾	\$943,404	\$865,790	\$1,036,371	\$746,948	\$684,865	\$845,531	31 of 75 Franchised Businesses (41%) 31 29 of 74 72 Franchised Businesses (42 40 %)
Average Gross Sales Per Franchised Business – Single Territory ⁽³⁾ ⁽⁷⁾	\$603,490	\$558,853	\$668,827	\$457,765	\$463,415	\$535,937	15 of 41 Franchised Businesses (37%) 14 of 40 39 Franchised Businesses (35 36 %)
Average Gross Sales Per Franchised Business – Multiple Territories ⁽⁴⁾ ⁽⁷⁾	\$1,353,300	\$1,226,892	\$1,470,742	\$1,174,099	\$1,093,596	\$1,343,132	13 of 34 Franchised Businesses (38%) 15 12 of 34 33 Franchised Businesses (44 36 %)
Average Revenue Per Customer ⁽⁵⁾	\$478	\$446	\$518	\$487	\$470	\$528	39 of 75 Franchised Businesses (52%) 44 38 of 74 72 Franchised Businesses (54 53 %)
Average Gross Sales Per Full-Time	\$172,574	\$168,601	\$187,956	\$179,490	\$162,748	\$175,244	183 of 410 Full-Time Production 153 of 380 155 of 397 Full-Time

Production Vehicle ⁽⁶⁾					Vehicles (45%)	Production Vehicles (4039%)
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Notes to Table B:

(1) Table B shows ~~results for two sets of Franchised Businesses, 2022 annual~~2023 results for those Franchised Businesses that ~~were in business~~operated for 1 full calendar year or more as of December 31, ~~2022 and operated for the full calendar year in 2022, and 2021 annual results for those Franchised Businesses that were in business for 1 full calendar year or more as of December 31, 2021 and operated for the full calendar year in 2021. We compiled information contained in Table B from the following information:~~

~~2023. December 31, 2022: We compiled information from 75 Franchised Businesses that were in business for 1 full calendar year or more as of December 31, 2022 and operated for the full calendar year in 2022. These 75~~These 72 Franchised Businesses operate with a total of ~~410~~397 full-time production vehicles.

~~December 31, 2021: We compiled information from 74 Franchised Businesses that were in business for 1 full calendar year or more as of December 31, 2021 and operated for the full calendar year in 2021. These 74 Franchised Businesses operate with a total of 380 full-time production vehicles.~~

Each Franchised Business reports annual Gross Sales on an aggregate basis for all Territories. Due to various demographic factors such as population changes, differences in climate, and the need for the services in the Territory, the Gross Sales among Territories will vary. Further, the number of Territories within a Franchised Business does not necessarily correlate with the Gross Sales of that Franchised Business.

Gross Sales of the Franchised Business means the amount billed by the Franchised Business on the sales of the services and products authorized to be sold by the Franchised Business under the Franchise Agreement, whether or not sold at or from or under the auspices of the Franchised Business, including the fair market value of any services or products received by the Franchised Business in barter or exchange for services or products, but deducting: (1) customer discounts and credits; and (2) the amount of any sales, use, service, excise, or gross receipts taxes leveled directly on such sales, collected from the purchaser billed on such sales, and paid to the appropriate taxing authorities.

(2) ~~Gross Sales per Franchised Business were as follows:~~

~~December 31, 2022: (2)~~ The Gross Sales per Franchised Business for the ~~75~~72 Franchised Businesses ranged from \$~~86,480~~147,748 (72,173 SFDUs in the applicable Territory) to \$~~4,030,984~~4,734,698 (281,257 SFDUs in the applicable Territories). For the ~~31 of 75~~29 of 72 Franchised Businesses that met or exceeded the average Gross Sales per Franchised Business, the average SFDU count in the applicable Territory(ies) was ~~182,674~~182,047 and the median SFDU count was 156,230. Of those ~~31~~29 Franchised Businesses, ~~46~~15 Franchised Businesses met or exceeded ~~182,674~~182,047 SFDUs.

~~December 31, 2021: The Gross Sales per Franchised Business for the 74 Franchised Businesses ranged from \$121,824 (60,656 SFDUs in the applicable Territory) to \$3,562,899 (281,257 SFDUs in the applicable Territories). For the 31 of 74 Franchised Businesses that met or exceeded the average Gross Sales per Franchised Business, the average SFDU count in the applicable Territory(ies) was 179,122 and the median SFDU count was 154,028. Of those 31 Franchised Businesses, 16 Franchised Businesses met or exceeded 179,122 SFDUs.~~

(3) ~~Gross Sales per Franchised Business that operated in only 1 Territory were as follows:~~

~~December 31, 2022: 41(3) 39 of the 7572 Franchised Businesses operated in only 1 Territory consisting of fewer than 130,000 SFDUs. The Gross Sales per Franchised Business for the 41 39 Franchised Businesses ranged from \$86,480147,748 (72,173 SFDUs in the applicable Territory) to \$1,607,6211,808,116 (98,104 SFDUs in the applicable Territory). For the 15 of 4114 of 39 Franchised Businesses that met or exceeded the average Gross Sales per Franchised Business, the average SFDU count in the applicable Territory was 93,67487,879 and the median SFDU count was 90,78687,791. Of those 1514 Franchised Businesses, 7 Franchised Businesses met or exceeded 93,67487,879 SFDUs. Within this subset of 4139 Franchised Businesses, 5 Franchised Businesses operated in 1 Territory of 60,000 or fewer SFDUs. Of these 5 Franchised Businesses, the Gross Sales per Franchised Business ranged from \$233,820235,092 to \$739,190835,441, with an average of \$498,011572,332 and a median of \$502,037558,260. 32 of those 5 (6040%) Franchised Businesses met or exceeded the average of \$498,011572,332. Of the 32 that met or exceeded the average, the average SFDU count in the Territory was 52,82554,968 and the median SFDU count in the Territory was 52,75154,968. Of those 3 Franchised Businesses, 1 (33%) Franchised Businesses met or exceeded 52,82554,968 SFDUs.~~

~~December 31, 2021: 40 of the 74 Franchised Businesses operated in only 1 Territory consisting of fewer than 130,000 SFDUs. The Gross Sales per Franchised Business for the 40 Franchised Businesses ranged from \$121,824 (60,656 SFDUs in the applicable Territory) to \$1,579,996 (119,139 SFDUs in the applicable Territory). For the 14 of 40 Franchised Businesses that met or exceeded the average Gross Sales per Franchised Business, the average SFDU count in the applicable Territory was 92,553 and the median SFDU count was 89,571. Of those 14 Franchised Businesses, 6 Franchised Businesses met or exceeded 92,553 SFDUs. Within this subset of 40 Franchised Businesses, 5 Franchised Businesses operated in 1 Territory of 60,000 or fewer SFDUs. Of these 5 Franchised Businesses, the Gross Sales per Franchised Business ranged from \$193,803 to \$677,731, with an average of \$466,075 and a median of \$487,129. 3 of those 5 (60%) Franchised Businesses met or exceeded the average of \$466,075. Of the 3 that met or exceeded the average, the average SFDU count in the Territory was 52,825 and the median SFDU count in the Territory was 52,751. Of those 3 Franchised Businesses, 1 (33%) Franchised Businesses met or exceeded 52,825 SFDUs.~~

As described in Item 12, your Territory will include up to 60,000 SFDUs. However, if you wish to obtain a geographic territory of more than 60,000 SFDUs, and we approve, you will pay us an additional fee of \$0.50 for each SFDU over 60,000 SFDUs. In addition, Territories can also increase beyond 60,000 SFDUs during the term of a franchise agreement as population counts in the Territories increase or with changes to census tract maps.

(4) ~~Gross Sales per Franchised Business that operated in multiple Territories were as follows:~~

~~December 31, 2022:~~ 34 of the 75 Franchised Businesses operated a Franchised Business in more than 1 Territory (consisting of a range of 168,421 to 281,257 SFDUs). For the 13 of 34 Franchised Businesses that met or exceeded the average Gross Sales per Franchised Business, the average SFDU count in the applicable Territory(ies) was 210,087 and the median SFDU count was 190,266. Of those 13 Franchised Businesses, 5 (38%) Franchised Businesses met or exceeded 210,087 SFDUs. The Gross Sales per Franchised Business for the 34 Franchised Businesses ranged from \$358,979 (168,421 SFDUs in the applicable Territories) to \$4,030,984 (281,257 SFDUs in the applicable Territories).

~~December 31, 2021:~~ 34(4) 33 of the 7472 Franchised Businesses operated a Franchised Business in more than 1 Territory (consisting of a range of 238,704 to 281,257 SFDUs). For the 15 of 3412 of 33 Franchised Businesses that met or exceeded the average Gross Sales per Franchised Business, the average SFDU count in the applicable Territory(ies) was 208,746238,704 and the median SFDU count was 190,266281,257. Of those 1512 Franchised Businesses, 64 (4033%) Franchised Businesses met or exceeded 208,746238,704 SFDUs. The Gross Sales per Franchised Business for the 3433 Franchised Businesses ranged from \$309,606368,974 (238,704 SFDUs in the applicable Territories) to \$3,562,8994,734,698 (281,257 SFDUs in the applicable Territories).

(5) The Revenue per Customer per Franchised Business for the 7572 Franchised Businesses measured as of December 31, 20222023, ranged from \$310374 to \$832 and for the 74 Franchised Businesses measured as of December 31, 2021 ranged from \$312 to \$742945. To compute the average Revenue per Customer, we totaled all invoices for all services for each Franchised Business in Table B for the 2022 or 20212023 calendar year, as applicable, and divided by the number of Customers invoiced during that same calendar year for a spring lawn care service application, not by the total number of Customers served in the entire year.

(6) ~~December 31, 2022:~~ The Gross Sales per Full-Time Production Vehicle for the 7572 Franchised Businesses with a total of 75 397 full-time production vehicles ranged from \$86,48093,361 to \$267,882381,383. To compute the Average Gross Sales per full-time production vehicle, we totaled the Gross Sales for all 7572 Franchised Businesses and divided it by the 410397 full-time production vehicles used by such businesses.

~~December 31, 2021:~~ The Gross Sales per Full-Time Production Vehicle for the 74 Franchised Businesses with a total of 380 full-time production vehicles ranged from \$96,902 to \$361,933. To compute the Average Gross Sales per full-time production vehicle, we totaled the Gross Sales for all 74 Franchised Businesses and divided it by the 380 full-time production vehicles used by such businesses.

(7) To compute Average Gross Sales per Franchised Business, we totaled the Gross Sales for all Franchised Businesses measured and divided it by the number of Franchised Businesses. To compute the Average Gross Sales for the Franchised Businesses that operate in only 1 Territory consisting of fewer than 130,000 SFDUs, we totaled the Gross Sales for all such Franchised Businesses and divided it by the number of such Franchised Businesses. To compute

the Average Gross Sales for the Franchised Businesses that operate in more than 1 Territory, we totaled the Gross Sales for all such Franchised Businesses and divided it by the number of such Franchised Businesses.

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MARKETING INVESTMENT, NEW SERVICES SALES REVENUE, AND CUSTOMER RETENTION – INDEPENDENT FRANCHISE OWNERS

Table C

Statement of Average Marketing Investment, New Services Revenue Generated from Marketing Investment, and Customer Retention during the ~~2022 and 2021~~2023 Calendar Years ⁽¹⁾

Franchised Businesses That Operated in 1 or More Territories

	Average			Median	Number and Percentage of Franchised Businesses That Attained or Surpassed the Average			Range
	2022 <u>2023</u>	2021	2022	2021 <u>2023</u>	2022 <u>2023</u>	2021	2022	2021 <u>2023</u>
Marketing Investment – Percentage of Revenue ⁽²⁾	7.0 <u>6.9</u> %	7.3	7.8	7.9 <u>7.2</u> %	34 <u>32</u> of the 72 <u>68</u> (47%) had lower than average marketing investment percentage.	31 of the 74 (42%) had lower than average marketing investment percentage.	2.7% to 34.9%	2.9 <u>3.0</u> % to 26.9 <u>22.0</u> %
Revenue from New Services Sold and Billed to Customers ⁽³⁾	\$198,538 <u>216,298</u>	\$225,855	\$157,427	\$174,380 <u>178,164</u>	25 <u>24</u> of the 72 <u>68</u> (35%) had higher than average of new services sold and billed to customers.	30 of the 74 (41%) had higher than average of new services sold and billed to customers.	\$39,461 to \$918,984	\$35,694 <u>24,739</u> to \$1,119,784 <u>981,578</u>

Return on each \$1 Invested in Marketing ⁽⁴⁾	\$2.99	\$3.55	\$2.78	\$3.43 <u>2.87</u>	31 <u>32</u> of the 72 <u>68</u> (43 <u>47</u> %) had higher than average return on each \$1 invested in marketing.	34 of the 74 (46%) had higher than average return on each \$1 invested in marketing.	\$1.17 to \$7.20	\$1.34 <u>0.75</u> to \$8.12 <u>19.64</u>
Retention of Customers ⁽⁵⁾	77.2 <u>79.3</u> %	80.5%	76.9%	80.1 <u>79.2</u> %	35 <u>34</u> of the 72 <u>68</u> (49 <u>50</u> %) had higher than average retention of customers.	34 of the 74 (46%) had higher than average retention of customers.	62.4% to 90.1%	62.2 <u>66.8</u> % to 89.5 <u>89.9</u> %

[Remainder of page intentionally blank.]

Franchised Businesses That Operated in Only 1 Territory										
		Average			Median	Number and Percentage of Franchised Businesses That Attained or Surpassed the Average		Range		
	2022	2021	2023	2022	2021	2022	2023	2022		
Marketing Investment – Percentage of Revenue ⁽²⁾	7.5%	7.7%	6.7%	8.8%	8.4%	15 of the 40 (38%) had lower than average marketing investment percentage. 7.7%	20	19 of the 42 (48%) had lower than average marketing investment percentage.	3.2% to 34.9%	2.6% to 32.0%
Revenue from New Services Sold and Billed to Customers ⁽³⁾	\$128,415	\$142,539	\$150,974	\$101,079	\$124,776	16 of the 40 (40%) had higher than average of new services sold and billed to customers. \$131,142	17	13 of the 42 (40 (33%) had higher than average of new services sold and billed to customers.	\$39,461 to \$376,395	\$35,694 to \$44,739 to \$394,350 to \$446,366
Return on each \$1 Invested in Marketing ⁽⁴⁾	\$2.84	\$3.26	\$3.27	\$2.72	\$3.35	17 of the 40 (43%) had higher than average return on each \$1 invested in marketing. \$2.95	23	17 of the 42 (40 (43%) had higher than average return on each \$1 invested in marketing.	\$1.17 to \$5.97	\$1.34 to \$4.75 to \$7.46 to \$19.64
Retention of Customers ⁽⁵⁾	78.9%	81.7%	80.3%	78.8%	80.6%	19 of the 40 (48%) had higher than average retention of customers. 79.9%	16	18 of the 42 (40 (38 (45%) had higher than average retention of customers.	62.4% to 90.1%	67.4% to 70.3% to 89.5% to 89.9%

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Notes to Table C:

(1) Table C shows ~~results for two sets of Franchised Businesses, 2022~~2023 results for those Franchised Businesses that operated for at least one full year as of December 31, ~~2022 and participated in a marketing campaign approved by us, and 2021 results for those Franchised Businesses that operated for at least one full year as of December 31, 2021~~2023, and participated in a marketing campaign approved by us. We compiled ~~the information contained in Table C as follows:~~

~~December 31, 2022: We compiled~~ information from ~~72~~68 of the ~~74~~72 Franchised Businesses that operated for at least one full year as of December 31, ~~2022~~2023, and participated in a marketing campaign approved by us. In addition to the 72 Franchised Businesses, we also included results for a subset of 40 (~~out of 41 total~~) of the 72 Franchised Businesses that operated in only 1 Territory in ~~2021~~.

~~December 31, 2021: We compiled information from 74 of the 74 Franchised Businesses that operated for at least one full year as of December 31, 2021 and participated in a marketing campaign approved by us. In addition to the 74 Franchised Businesses, we also included results for a subset of 42 (out of 42 total) of the 74 Franchised Businesses that operated in only 1 Territory in 2021.~~

Data concerning the remaining 24 Franchised Businesses that operated for at least one full year as of December 31, ~~2021~~2023, and participated in a marketing campaign approved by us, was not included in Table C due to insufficient information from the franchisees that owned them. We do not know whether the inclusion of such data, if available, would have a material effect on the figures shown in Table C. We are not aware of any unique characteristics of the Franchised Businesses described in Table C that would materially differ from the franchise being offered in this disclosure document.

(2) Table C includes information regarding the average percentage of total gross sales invested in approved marketing campaigns by these Franchised Businesses. These figures reflect local marketing expenditures, not a franchisee's contribution to the Fund. With respect to the marketing investment, because this is an expense, attaining or surpassing the average means that the Franchised Business reported a lower expense than the average.

(3) Table C includes information regarding the average amount of revenue derived from new services sold and billed to customers by these Franchised Businesses in calendar year ~~2022 and calendar year 2021~~2023. This includes revenue from customers who have not previously used the Franchised Business's services and revenue from existing customers who sign up for additional services they had not requested in the previous calendar year ("New Services Revenue"). Accordingly, this category does not include revenue derived from an existing customer who has renewed the same services he or she requested in the previous calendar year.

(4) Table C includes the average return in New Services Revenue from customers sold in calendar year ~~2022 and calendar year 2021~~2023 for each \$1 invested in approved marketing campaigns. We calculated this figure by dividing a Franchised Business's New Services Revenue by its total investment in approved marketing campaigns.

(5) Table C includes the average rate of retention of all customers by these Franchised Businesses. Rate of retention is calculated by taking a Franchised Business's customer count at the beginning of the year and adding the number of new customer sales during the calendar year and then subtracting the number of customers who cancelled during the calendar year. This sum is then divided by the sum of the customer count at the beginning of the year plus new customer sales.

Some Franchised Businesses have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representations, 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 outlet, however, we may provide you with the actual records of that outlet. 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 Theodore T. Hofer, Chief Executive Officer, 11909 Spaulding School Drive, Plainfield, Illinois 60585, (800) 777-8608, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE FRANCHISE TERRITORY SUMMARY FOR
YEARS ~~2020~~2021 to ~~2022~~2023⁽¹⁾

Outlet Type	Year	Franchise Territories at the Start of the Year	Franchise Territories at the End of the Year	Net Change
Franchised ⁽²⁾	2020	126	126	0
<u>Franchised</u> ⁽²⁾	2021	126	126	0
	2022	126	128	+2
Affiliate-Owned ⁽³⁾	2020 <u>2023</u>	26 <u>128</u>	26 <u>124</u>	0 <u>-4</u>
<u>Affiliate-Owned</u> ⁽³⁾	2021	26	26	0
	2022	26	26	0
Total Outlets	2020 <u>2023</u>	152 <u>26</u>	152 <u>28</u>	0 <u>+2</u>
<u>Total Outlets</u>	2021	152	152	0
	2022	152	154	+2
	<u>2023</u>	<u>154</u>	<u>152</u>	<u>-2</u>

1/ The numbers are as of December 31 of each year.

- 2/ The numbers in the table above represent the number of Territories. Franchisees sign a Franchise Agreement for each Territory they operate. As of December 31, ~~2022~~2023, there were ~~75~~72 Franchised Businesses (not affiliate-owned) that operated the ~~128~~124 Territories.
- 3/ As of December 31, ~~2022~~2023, our affiliate, Superior Lawns, operated its ~~26~~28 territories from 5 locations.

TABLE NO. 2

**TRANSFERS OF FRANCHISE TERRITORIES FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS ~~2020~~2021 to ~~2022~~2023⁽¹⁾**

State	Year	Number of Transfers
Idaho Arkansas	2020 2021	0
	2022	0
	2023	2
Idaho	2021	0
	2022	1
Indiana	2020 2023	0
Indiana	2021	1
	2022	0
Oklahoma	2020 2023	0
Oklahoma	2021	0
	2022	1
South Carolina	2020 2023	1 0
South Carolina	2021	2
	2022	0
Texas	2020 2023	1 0
Washington	2021	04
	2022	01
Washington	2020 2023	0
Total	2021	47
	2022	13
Total	2020 2023	2
	2021	7
	2022	3

- 1/ The numbers are as of December 31 of each year.

TABLE NO. 3

**STATUS OF FRANCHISE TERRITORIES
FOR YEARS ~~2020~~2021 to ~~2022~~2023⁽¹⁾**

State	Year	Franchise Territories at Start of Year	Franchise Territories Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Franchise Territories at End of Year
Alabama	2020 2021	3	0	0	0	0	0	3
	2021 2022	3	0	0	0	0	0	3
	2022 2023	3	0	0	0	0	0	3
Arkansas	2020 2021	2	0	0	0	0	0	2
	2021 2022	2	0	0	0	0	0	2
	2022 2023	2	0	0	0	0	0	2
Delaware ⁽²⁾	2020 2021	1	0	0	0	0	0	1
	2021 2022	1	0	0	0	0	0	1
	2022 2023	1	0	0	0	0	0	1
Georgia	2020 2021	2	0	0	0	0	0	2
	2021 2022	2	0	0	0	0	0	2
	2022 2023	2	0	0	0	0	0	2
Idaho	2020 2021	1	0	0	0	0	0	1
	2021 2022	1	0	0	0	0	0	1
	2022 2023	1	0	0	0	0	0	1
Illinois	2020	12	0	0	0	0	0	12
<u>Illinois</u>	2021	12	0	0	0	0	0	12
	2022	12	0	0	0	0	0	12
Indiana	2020 2023	12	0	0	0	0	0	12
<u>Indiana</u>	2021	12	0	0	0	0	0	12
	2022	12	0	0	0	0	0	12
Iowa	2020 2023	4 <u>12</u>	0	0	0	0	0	4 <u>12</u>
<u>Iowa</u>	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Kansas	2020 2023	14	0	0	0	0	0	14
<u>Kansas</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Kentucky	2020 2023	1	0	0	0	0	0	1
<u>Kentucky</u>	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Louisiana	2020 2023	3 <u>1</u>	0	0	0	0	0	3 <u>1</u>
<u>Louisiana</u>	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Michigan	2020 2023	3	0	0 <u>1</u>	0 <u>2</u>	0	0	3 <u>0</u>
<u>Michigan</u>	2021	3	0	0	0	0	0	3

State	Year	Franchise Territories at Start of Year	Franchise Territories Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Franchise Territories at End of Year
	2022	3	0	0	0	0	0	3
Minnesota	2020 2023	10 <u>3</u>	0	0 <u>1</u>	0	0	0	10 <u>2</u>
<u>Minnesota</u>	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
Missouri	2020 2023	3 <u>10</u>	0	0	0	0	0	3 <u>10</u>
<u>Missouri</u>	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
New Jersey	2020 2023	4	0	0	0	0	0	4
<u>New Jersey</u>	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
North Carolina	2020 2023	14 <u>4</u>	0	0	0	0	0	14 <u>4</u>
<u>North Carolina</u>	2021	14	0	0	0	0	0	14
	2022	14	0	0	0	0	0	14
Ohio⁽⁴⁾	2020 2023	3 <u>14</u>	0	0	0	0	0	3 <u>14</u>
<u>Ohio⁽⁴⁾</u>	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Oklahoma	2020 2023	3 <u>4</u>	0	0	0	0	0	3 <u>4</u>
<u>Oklahoma</u>	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Pennsylvania	2020 2023	5 <u>3</u>	0 <u>2</u>	0	0	0	0	5
<u>Pennsylvania</u>	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
South Carolina⁽³⁾	2020 2023	8 <u>5</u>	0	0	0	0	0	8 <u>5</u>
<u>South Carolina⁽³⁾</u>	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
Tennessee	2020 2023	3 <u>8</u>	0	0	0	0	0	3 <u>8</u>
<u>Tennessee</u>	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Texas	2020 2023	4 <u>3</u>	0	1 <u>0</u>	0	0	0	3
<u>Texas</u>	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Virginia	2020 2023	9 <u>3</u>	0	0	0	0	0	9 <u>3</u>
<u>Virginia</u>	2021	9	0	0	0	0	0	9

State	Year	Franchise Territories at Start of Year	Franchise Territories Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Franchise Territories at End of Year
	2022	9	0	0	0	0	0	9
Washington	2020 2023	7 9	0	0	0	0	0	7 9
<u>Washington</u>	2021	7	0	1	0	0	0	6
	2022	6	0	0	0	0	0	6
Wisconsin⁽⁵⁾	2020 2023	8 6	1 0	0	0	0	0	9 6
<u>Wisconsin⁽⁵⁾</u>	2021	9	0	0	0	0	0	9
	2022	9	1	0	0	0	0	10
Total⁽⁶⁾	2020 2023	126 10	1 0	1 0	0	0 2	0	126 8
<u>Total⁽⁶⁾</u>	2021	126	1	1	0	0	0	126
	2022	126	2	0	0	0	0	128
	<u>2023</u>	<u>128</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>124</u>

- 1/ The numbers are as of December 31 of each year.
- 2/ A portion of a Delaware franchisee's Territory is located in Pennsylvania.
- 3/ A portion of a South Carolina franchisee's Territory is located in North Carolina. A portion of another South Carolina franchisee's Territory is located in Georgia.
- 4/ A portion of the franchisee's Territory is located in West Virginia.
- 5/ A portion of a Wisconsin franchisee's Territory is located in Illinois. A portion of another Wisconsin franchisee's Territory is located in Minnesota.
- 6/ The numbers in the table above represent the number of Territories. Franchisees sign a Franchise Agreement for each Territory they operate. As of December 31, ~~2022~~2023, there were ~~75~~72 Franchised Businesses (not affiliate-owned) that operated the ~~128~~124 Territories.

TABLE NO. 4
STATUS OF AFFILIATE-OWNED BUSINESSES⁽¹⁾
FOR YEARS ~~2020~~2021 to ~~2022~~2023⁽²⁾

State	Year	Affiliate-Owned Businesses at Start of Year	Affiliate-Owned Businesses Opened	Affiliate-Owned Businesses Reacquired from Franchisee	Affiliate-Owned Businesses Closed	Affiliate-Owned Businesses Sold to Franchisee	Affiliate-Owned Businesses at End of Year
Illinois	2020 2021 <u>1</u>	20	0	0	0	0	20

State	Year	Affiliate-Owned Businesses at Start of Year	Affiliate-Owned Businesses Opened	Affiliate-Owned Businesses Reacquired from Franchisee	Affiliate-Owned Businesses Closed	Affiliate-Owned Businesses Sold to Franchisee	Affiliate-Owned Businesses at End of Year
	2021 <u>2022</u>	20	0	0	0	0	20
	2022 <u>2023</u>	20	0	0	0	0	20
Wisconsin	2020 <u>2021</u>	6	0	0	0	0	6
	2021 <u>2022</u>	6	0	0	0	0	6
	2022 <u>2023</u>	6	0	0 <u>0</u>	0	0	6 <u>6</u>
Total	2020 <u>2021</u>	26	0	0	0	0	26
	2021 <u>2022</u>	26	0	0	0	0	26
	2022 <u>2023</u>	26	0	0 <u>0</u>	0	0	26 <u>26</u>

1/ These businesses are owned by Superior Lawns. The numbers provided above indicate the total number of Territories owned by Superior Lawns, which it operates from 5 locations.

2/ The numbers are as of December 31 of each year.

TABLE NO. 5

**PROJECTED OPENINGS
AS OF DECEMBER 31, ~~2022~~2023**

State	Franchise Agreements Signed But Franchised Business Not Opened	Projected New Franchised Businesses in the Next Fiscal Year	Projected New Affiliate-Owned Franchised Businesses in the Next Fiscal Year
Illinois	0	1	0
Kentucky	0	1	0
Nebraska <u>Missouri</u>	0	1	0
Oklahoma <u>Ohio</u>	0	1	0
South Carolina	0	1	0
Total	0	5 <u>4</u>	0

A list of the names of all franchisees and the addresses and telephone numbers of their Franchised Businesses is attached as Exhibit D to this Disclosure Document. A list of the names, cities and states and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a franchise terminated, assigned, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document is attached as Exhibit E. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, some franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Spring-~~Green~~ Green franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

The National Advisory Council is sponsored by us, but its members are elected by franchisees. You can reach the National Advisory Council by contacting Daniel Hillenbrand, 807 Evergreen Street, Edmond, Oklahoma 73033 or by phone at (405) 340-7171.

Item 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit F are our audited financial statements as of December 31, ~~2022~~2023, December 31, ~~2021~~2022, and December 31, ~~2020~~2021, and the related statements of income and expense, retained earnings and changes in financial position for the years then ended.

Item 22

CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

- Franchise Agreement – Exhibit B
- Spring-Green Lease – Exhibit G
- Guarantee Indemnification Agreement – Exhibit H
- Sample General Release– Exhibit I
- State Riders to Franchise Agreement – Exhibit J
- Disclosure Acknowledgment Statement – Exhibit K
- Flex Start Addendum – Exhibit L
- VetFran Program Addendum – Exhibit M
- ~~Green~~Industry Associate Program Addendum – Exhibit N
- Multi-Territory Addendum – Exhibit O
- Promissory Note and Security Agreement (Franchise Fee Financing) – Exhibit P

- Promissory Note and Security Agreement
(~~Green~~[Industry](#) Associate Program Financing) – Exhibit Q
- Promissory Note and Security Agreement
(Initial Property Data Fee Financing) – Exhibit R

Item 23

RECEIPTS

Our and your copies of the Disclosure Document Receipt are attached as Exhibit S to this Disclosure Document.

EXHIBIT A
**LIST OF STATE AGENCIES/
AGENTS FOR SERVICE OF PROCESS**

**LIST OF STATE AGENCIES/AGENTS
FOR SERVICE OF PROCESS**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws. We may not be registered to sell franchises in any or all of these states.

California

Department of Financial Protection &
Innovation
Commissioner of Department of Financial
Protection & Innovation
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90005
(213) 576-7500

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

Hawaii

(for service of process)
Commissioner of Securities
of the Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 548-2722

(for other matters)
Business Registration Division
Department of Commerce and Consumer
Affairs
P. O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

Illinois

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana

(for service of process)
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)
Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

Maryland

(state agency)
Office of the Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(for service of process)
Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

Michigan

(state agency)
Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

(for service of process)
Michigan Department of Commerce,
Corporations and Securities Bureau
6546 Mercantile Way
Lansing, MI 48909

Minnesota

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
Phone: (212) 416-8236

(for other matters)
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
Phone: (518) 473-2492

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 5th 14th Floor, Dept. 414
Bismarck, North Dakota 58505
(701) 328-2910

Oregon

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

Rhode Island

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

South Dakota

Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, SD 57501
Phone: (605) 773-3563

Virginia

(for service of process)
Clerk, State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington

(for service of process)

Director Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

(for other matters)

Department of Financial Institutions
Securities Division
P. O. Box ~~9033~~[41200](mailto:41200@dfi.wa.gov)
Olympia, Washington ~~98507-9033~~[98504-1200](mailto:98504-1200@dfi.wa.gov)
(360) 902-8760

Wisconsin

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4022 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-1064

(agent for service of process)

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT B
FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

ADDRESS OF BUSINESS

TABLE OF CONTENTS

1.	GRANT OF FRANCHISE.....	1
1.A.	PREAMBLES.....	1
1.B.	ACKNOWLEDGMENTS.....	1
1.C.	GRANT AND TERM OF FRANCHISE.....	2
1.D.	CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.....	2
1.E.	TERRITORY.....	3
1.F.	TERRITORIAL RIGHTS WE RESERVE.....	3
2.	DEVELOPMENT AND OPENING OF YOUR BUSINESS.....	4
2.A.	LOCATION FOR YOUR BUSINESS.....	4
2.B.	OPERATING EQUIPMENT.....	4
2.C.	TECHNOLOGY SYSTEM.....	5
2.D.	TELEPHONE NUMBERS.....	6
2.E.	COMMENCEMENT OF OPERATION OF YOUR BUSINESS.....	6
3.	TRAINING AND OPERATING ASSISTANCE.....	7
3.A.	INITIAL AND ONGOING TRAINING.....	7
3.B.	GENERAL GUIDANCE.....	8
3.C.	OPERATING MANUAL.....	8
4.	FEES.....	9
4.A.	INITIAL FRANCHISE FEE.....	9
4.B.	ROYALTY FEE.....	9
4.C.	INITIAL OR TRANSFER MARKETING CAMPAIGN FEE.....	10
4.D.	ADVERTISING FUND CONTRIBUTION.....	10
4.E.	INITIAL PROPERTY DATA FEE.....	10
4.F.	INTEREST ON LATE PAYMENTS.....	11
4.G.	APPLICATION OF PAYMENTS.....	11
4.H.	METHOD OF PAYMENT.....	11
5.	CONFIDENTIAL INFORMATION.....	12
6.	EXCLUSIVE RELATIONSHIP DURING TERM.....	14
6.A.	COVENANTS AGAINST COMPETITION.....	14
6.B.	NON-DISPARAGEMENT.....	15
6.C.	BUSINESS CUSTOMER INFORMATION.....	15
7.	SYSTEM STANDARDS.....	16
7.A.	COMPLIANCE WITH SYSTEM STANDARDS.....	16
7.B.	VARIATION AND MODIFICATION OF SYSTEM STANDARDS.....	17
7.C.	CONDITION OF YOUR PREMISES.....	17
7.D.	CONDITION AND APPEARANCE OF YOUR OPERATING EQUIPMENT.....	18
7.E.	APPROVED PRODUCTS AND SERVICES.....	18

7.F.	APPROVED DISTRIBUTORS AND SUPPLIERS.	18
7.G.	COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.	19
7.H.	CUSTOMER SERVICE.	20 <u>21</u>
7.I.	INFORMATION SECURITY.	20 <u>21</u>
7.J.	MANAGEMENT OF YOUR BUSINESS.	21 <u>22</u>
7.K.	ACCOUNTING SOFTWARE AND SERVICES.	21 <u>22</u>
7.L.	TEST MARKETING AND CUSTOMER SURVEYS.	21 <u>22</u>
8.	INSURANCE.	21 <u>23</u>
9.	MARKETING.	23 <u>24</u>
9.A.	ADVERTISING FUND.	23 <u>24</u>
9.B.	REGIONAL MARKETING PROGRAM.	24 <u>25</u>
9.C.	LOCAL MARKETING.	24 <u>26</u>
9.D.	OUR APPROVAL OF MARKETING MATERIALS.	25 <u>26</u>
9.E.	ONLINE PRESENCE.	25 <u>26</u>
10.	RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.	26 <u>28</u>
10.A.	INDEPENDENT CONTRACTORS.	26 <u>28</u>
10.B.	NO LIABILITY FOR ACTS OF THE OTHER PARTY.	27 <u>28</u>
10.C.	TAXES. 27 <u>28</u>	
10.D.	INDEMNIFICATION BY YOU.	27 <u>28</u>
11.	MARKS.	28 <u>29</u>
11.A.	OWNERSHIP AND GOODWILL OF MARKS.	28 <u>29</u>
11.B.	LIMITATIONS ON YOUR USE OF THE MARKS.	28 <u>29</u>
11.C.	NOTIFICATION OF INFRINGEMENT AND CLAIMS.	28 <u>30</u>
11.D.	DISCONTINUANCE OF USE OF MARKS.	29 <u>30</u>
11.E.	INDEMNIFICATION FOR USE OF THE MARKS.	29 <u>30</u>
12.	RECORDS AND REPORTS.	29 <u>31</u>
13.	INSPECTION AND AUDITS.	30 <u>32</u>
13.A.	OUR RIGHT TO INSPECT YOUR BUSINESS.	30 <u>32</u>
13.B.	OUR RIGHT TO AUDIT.	31 <u>32</u>
14.	TRANSFER OF INTEREST.	31 <u>33</u>
14.A.	BY US. 31 <u>33</u>	
14.B.	BY YOU.	31 <u>33</u>
14.C.	RESALE PROGRAM.	32 <u>33</u>
14.D.	CONDITIONS FOR APPROVAL OF TRANSFER.	32 <u>34</u>
14.E.	DEATH OR DISABILITY.	35 <u>37</u>
14.F.	TRANSFER TO A LEGAL ENTITY.	36 <u>37</u>
14.G.	OUR RIGHT OF FIRST REFUSAL.	36 <u>37</u>
15.	EXPIRATION OF THIS AGREEMENT.	37 <u>38</u>
15.A.	YOUR CONDITIONAL RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.	37 <u>38</u>

15.B.	GRANT OF A SUCCESSOR FRANCHISE.....	38 <u>39</u>
16.	TERMINATION.....	38 <u>39</u>
16.A.	TERMINATION BY US.....	38 <u>39</u>
16.B.	TERMINATION BY YOU.....	40 <u>41</u>
16.C.	ASSUMPTION OF MANAGEMENT	40 <u>INTERIM</u>
	<u>OPERATIONS</u>	<u>41</u>
17.	OBLIGATIONS UPON TERMINATION OR EXPIRATION.	41 <u>42</u>
17.A.	PAYMENT OF AMOUNTS OWED TO US.....	41 <u>42</u>
17.B.	MARKS.....	41 <u>42</u>
17.C.	CONFIDENTIAL INFORMATION.....	42 <u>43</u>
17.D.	BUSINESS CUSTOMER INFORMATION.....	42 <u>44</u>
17.E.	CONTINUING OBLIGATIONS.....	42 <u>44</u>
17.F.	POST-TERM COVENANT NOT TO COMPETE.....	43 <u>44</u>
18.	ENFORCEMENT.....	43 <u>45</u>
18.A.	SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.	43 <u>45</u>
18.B.	WAIVER OF OBLIGATIONS.....	44 <u>45</u>
18.C.	SPECIFIC PERFORMANCE / INJUNCTIVE RELIEF.....	45 <u>46</u>
18.D.	RIGHTS OF PARTIES ARE CUMULATIVE.	45 <u>46</u>
18.E.	COSTS AND ATTORNEYS' FEES.....	45 <u>47</u>
18.F.	GOVERNING LAW.....	45 <u>47</u>
18.G.	EXCLUSIVE JURISDICTION.....	46 <u>47</u>
18.H.	VARIANCES.....	46 <u>47</u>
18.I.	LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.....	46 <u>48</u>
18.J.	WAIVER OF PUNITIVE DAMAGES; LIMITATION OF LIABILITY.....	47 <u>48</u>
18.K.	WAIVER OF JURY TRIAL.....	47 <u>49</u>
18.L.	BINDING EFFECT.....	47 <u>49</u>
18.M.	CONSTRUCTION.....	47 <u>49</u>
19.	NOTICES AND PAYMENTS.....	48 <u>50</u>
20.	BUSINESS JUDGMENT.....	49 <u>50</u>

Attachment and Exhibits:

Exhibit A	-	Territory
Exhibit B	-	Franchisee and Its Owners
Exhibit C	-	EDTA Form
Exhibit D	-	Guaranty and Assumption of Obligations

SPRING-GREEN LAWN CARE CORP.

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into by and between SPRING-GREEN LAWN CARE CORP., a Delaware corporation, with its principal business address at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“**we,**” “**us,**” or “**our**”), and _____, a _____ whose principal business address is _____ (“**you**” or “**your**”) as of the date signed by us and set forth opposite our signature on this Agreement (the “**Effective Date**”).

1. GRANT OF FRANCHISE.

1.A. PREAMBLES.

(1) We and our affiliates have, with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity to establish, operate and promote a unique program of businesses using the “Spring-Green” name and Marks (“**Spring-Green Green Businesses**”) that offer professional lawn care, pest control, and related services for residential and commercial properties (collectively, the “**Services**”).

(2) We and our affiliates use and promote, and license others to use and promote, certain trademarks, service marks, and other commercial symbols in operating Spring-Green Green Businesses, which have gained and may continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols to identify Spring-Green Green Businesses (collectively, the “**Marks**”).

(3) Spring-Green Green Businesses will offer the services and goods we authorize, and use our distinctive business formats, business system, methods, procedures, signs, designs, layouts, standards, specifications, and the Marks, all of which we may improve, further develop, or otherwise modify from time to time (collectively, the “**Franchise System**”).

(4) We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort to own and operate Spring-Green Green Businesses, and you have applied and been approved for a franchise to own and operate a Spring-Green Green Business.

1.B. ACKNOWLEDGMENTS.

You acknowledge that:

(1) you have independently investigated this franchise opportunity and recognize that, like any other business, the nature of the business that a Spring-Green Green Business conducts may (and probably will) evolve and change over time;

(2) we do not guarantee the success of a Spring-~~Green~~ Green Business, an investment in a Spring-~~Green~~ Green Business involves business risks that could result in the loss of a significant portion or all of your investment;

(3) our officers, directors, employees, and agents act only as representatives of us, and not as individuals, and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us;

(4) to induce our entry into this Agreement, you have represented to us that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise;

(5) we have the right to restrict and expand your sources of goods and services, as provided in various sections of this Agreement, including Section 7.E below; and

(6) none of the Company Parties (defined below) shall have any responsibility for the operation of your Business (defined below) or any aspect of the operation of your Business, including the mixing, application, storage, and disposal of chemical preparations or other products (even if furnished by us). Further, none of the Company Parties shall be responsible for any decisions which may be made in connection with the operation of your Business.

1.C. GRANT AND TERM OF FRANCHISE.

Subject to this Agreement's terms, we grant you a franchise to use the Franchise System and the Marks to operate a Spring-~~Green~~ Green Business ("your Business"). The term of this Agreement begins on the Effective Date and expires ten (10) years from the Effective Date, unless sooner terminated as provided herein.

You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote your Business.

1.D. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.

If you are a corporation, limited liability company, or general or limited partnership (collectively, an "Entity"), you agree and represent that:

(1) you are validly existing and in good standing under the laws of the state in which you were formed, and have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements;

(2) your organizational documents state that this Agreement restricts the issuance and transfer of any of your ownership interests, and all certificates and other documents representing your ownership interests will bear a legend referring to this Agreement's restrictions;

(3) Exhibit B to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date and each of your owners during this Agreement's term must sign and deliver to us our then-standard form of Guaranty and Assumption of Obligations, the current form of which is attached as Exhibit D to this Agreement. The spouse of each owner will also be required to acknowledge and consent to the Guaranty and Assumption of Obligations. Subject to our rights and your obligations under Section 14, you and your owners agree to sign and deliver to us a revised Exhibit B to reflect any permitted changes in the information that Exhibit B now contains;

(4) You shall not use any Mark as part of your Entity name;

(5) Your Business and other Spring-~~Green~~ Green Businesses, if applicable, will be the only business(es) you operate (although your owners may have other, non-competitive business interests); and

(6) You must identify on Exhibit B one of your owners who is a natural person with at least fifty-one percent (51%) ownership interest and voting power in you and who will have the authority of a chief executive officer (the "**Managing Owner**"). Your Managing Owner may have less than fifty-one percent (51%) ownership interest and voting power in you only with our prior written approval. You must obtain our written consent prior to changing the Managing Owner and agree to deliver to us a revised Exhibit B to accurately identify the Managing Owner.

1.E. TERRITORY.

Provided you are in full compliance with the terms and conditions of this Agreement and all other agreements with us and our affiliates, we and our affiliates will not operate or grant a franchise for the operation of another Spring-~~Green~~ Green Business that sells the Services to Residential Accounts (as defined below) located within the territory described on Exhibit A attached hereto (the "**Territory**"). You shall be prohibited from soliciting or selling the Services to Residential Accounts located outside of the Territory. For the purposes of this Agreement, the term "**Residential Account**" shall mean and include all single-family homes and such other properties as we may periodically in our sole discretion, reasonably determine to be a Residential Account.

You shall have the nonexclusive right to sell one or more of the Services that have been authorized by us to Commercial Accounts (as defined below) located within and outside the Territory. The term "**Commercial Account**" means and includes any account other than a Residential Account.

1.F. TERRITORIAL RIGHTS WE RESERVE.

You acknowledge and agree that the franchise granted under this Agreement is non-exclusive. Other than with respect to Residential Accounts in the Territory, you have no territorial protection and we (and our affiliates) retain all rights with respect to the placement of Spring-~~Green~~ Green Businesses and other businesses using the Marks, the sale of similar or dissimilar products and services, and any other activities. These rights include:

(1) the right to establish and operate, and allow others to establish and operate, other Spring-~~Green~~ Green Businesses using the Marks or the Franchise System, at any location outside the Territory, and on any terms and conditions we approve;

(2) the right to establish, and allow others to establish, other distribution channels (including Internet and retail stores) wherever located or operating, including within the Territory, regardless of the nature or location of the customers, with whom such other distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Spring-~~Green~~ Green Businesses, and that sell products and/or services that are identical or similar to, and/or competitive with, those that Spring-~~Green~~ Green Businesses customarily sell under any terms and conditions we approve; provided, that we agree that we will not operate businesses that offer the Services under the Marks or any other trademarks and service marks within the Territory;

(3) sell, or grant the right to sell, the Services to Commercial Accounts using the Marks or any other trade names, trademarks, service marks, or commercial symbols located within and outside the Territory; and

(4) engage in all other activities not expressly prohibited by this Agreement, both within and outside of the Territory.

2. DEVELOPMENT AND OPENING OF YOUR BUSINESS.

2.A. LOCATION FOR YOUR BUSINESS.

You shall only conduct your Business from locations (the “**Premises**”) within the Territory that we have approved, which may include a personal residence, office, or commercial space. You agree to send us any information that we require for any proposed location(s). Upon receipt of our prior written approval, you shall be permitted to relocate the Premises to other locations within the Territory that we have approved in writing. Notwithstanding the foregoing, you agree to obtain a P.O. Box for the operation of your Business within the Territory.

2.B. OPERATING EQUIPMENT.

(1) Before you commence operation of your Business, you agree to obtain the Operating Equipment (defined below), Technology System (as defined in Section 2.C), inventory, supplies, products, and other assets that we approve for Spring-~~Green~~ Green Businesses as meeting our specifications and standards for quality, design, appearance, function, and performance.

(2) The term “**Operating Equipment**” shall mean and include the service vehicles, trailers, and equipment, both attached to and separate from, the service vehicle(s), used for the operation of your Business, including the service vehicles, trailers and equipment you use to make sales calls on customers and prospective customers.

(3) You agree to use exclusively in the conduct of your Business the brand, make, model and color of Operating Equipment that meets our specifications and standards for design, function, performance, reliability and serviceability. You shall not attach or use, prior to receiving our written approval therefor, any item or device on the Operating Equipment, which item or device is not provided for in System Standards (as defined in Section 3.C below). You agree to purchase or lease the brands, types, and models of Operating Equipment that we designate or approve. You agree to purchase or lease the Operating Equipment only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

(4) You further agree to display on the Operating Equipment used in your Business only such signs, emblems, lettering and logos that we have specified or approved in writing. The color, size, design and location of said signs, emblems, lettering and logos shall be as we specify. You shall not place any other markings, designs, or decals on the Operating Equipment without our written consent. You agree to remove or obliterate all of the Marks from the Operating Equipment prior to its sale or other disposition.

2.C. TECHNOLOGY SYSTEM.

You agree to obtain and use in the development and operation of your Business those and only those brands, types and/or models of computer hardware, software, printer, Internet and other electronic connectivity, data warehousing, security, e-commerce and other computer and technology equipment, support and other services designated by us (the “**Technology System**”). The Technology System may only be used for the operation of your Business and you may not use any other computer hardware or software to conduct the operation of your Business other than the Technology System. You shall input and maintain only such data and information in the Technology System that we prescribe in the Operating Manual and our software and computer programs. You shall purchase or obtain from us, or our designated vendor, such new or upgraded hardware, software, equipment, services or other items whenever we determine to adopt such new or upgraded items as part of the Technology System. We may require you to subscribe to an account with an Online Presence (defined in Section 9.E.(2)) that you must use exclusively for your Business. You agree to sign any agreement that we or our designated vendor (which may be us or our affiliates) prescribe for the Technology System and any component thereof.

Our modification of specifications for the Technology System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Technology System. Although we cannot estimate the future costs of the Technology System or required service or support, and although these costs might not be fully amortizable over this Agreement’s remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Technology System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Technology System costs. Within sixty (60) days after you receive notice from us, you agree to obtain the Technology System components that we designate and to ensure that your Technology System, as modified, is functioning properly.

Although you agree to buy, use, and maintain the Technology System according to our standards and specifications, you will have sole and complete responsibility unless otherwise

designated by us for: (1) the acquisition, operation, maintenance, and upgrading of the Technology System; (2) the manner in which your Technology System interfaces at our specified levels of connection speed with our and any third party's computer system; and (3) any and all consequences if the Technology System is not properly operated, maintained, and upgraded. Upon termination or expiration of this Agreement, all items containing software or other intellectual property licensed to you by us or our affiliates or a designated vendor whose software contains Confidential Information, including various forms of digital storage media that we have provided, shall be returned to us in good condition allowing for normal wear and tear.

You agree that we or our affiliates may condition any license of software to you, or your use of technology that we or our affiliates develop or maintain, on you signing the software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology.

You further acknowledge and agree that we or our designated vendor (which may be us or our affiliates) has the right to charge reasonable fees for hardware, software, equipment, services or other items that are sold or licensed to you and other maintenance, support or other services that are furnished to you related to the Technology System. Without limiting the generality of the foregoing, we or our affiliates have the right to charge an ongoing technology fee for maintenance, support or other services that we, at our option, furnish to you related to the Technology System (the "**Technology Fee**"). We may increase the amount of the Technology Fee during the term of this Agreement.

We shall have unlimited access to and the right to electronically retrieve all data and information generated or stored by your Technology System, which may include sales information, Business Customer Information (defined in Section 6.C), and other information related to your Business.

2.D. TELEPHONE NUMBERS.

You must obtain a telephone number for your Business that is not used in any other business operation and that is different from your personal telephone number. You agree that each telephone or facsimile number and any other type of contact information used by or that identifies or is associated with your Business (any "**Contact Identifiers**") will be used solely to identify your Business in accordance with this Agreement. You acknowledge and agree that, as between us and you, we have the sole rights to, and interest in, all Contact Identifiers and Online Presences. You hereby authorize us and irrevocably appoint us or our designee as your attorney-in-fact to direct the telephone company, postal service, registrar, Internet service provider, and all listing agencies to transfer such Contact Identifiers and Online Presences to us.

2.E. COMMENCEMENT OF OPERATION OF YOUR BUSINESS.

Upon your completion of the initial training program (described in Section 3.A) to our satisfaction, which you acknowledge and agree must occur on or before _____, you agree to commence the operation of your Business. You further agree at your expense to do or cause to be done all those things necessary to operate your Business, beginning on the date of its commencement, in accordance with this Agreement.

Before you commence operation of your Business, we must approve the quantity and quality of the equipment and inventory, insurance coverage, and we have the right to approve or not approve in our sole discretion other features of your Business to which mandatory specifications, standards or operating procedures relating to the operation of a Spring-~~Green~~ Green Business pertain. You agree to secure such approval before you commence operation of your Business. We will not unreasonably withhold our approval for commencement of your Business.

Once you have commenced operation of your Business, you must operate your Business continuously for the remainder of the term of this Agreement.

3. TRAINING AND OPERATING ASSISTANCE.

3.A. INITIAL AND ONGOING TRAINING.

(1) As soon as is mutually agreeable to you and us after execution of this Agreement, we will provide an initial training program in the operation of a Spring-~~Green~~ Green Business for a maximum of two (2) individuals designated by you, one of whom must be you (or your Managing Owner) (“**Trainees**”). Trainees must complete such initial training to our satisfaction before you commence the operation of your Business. We will provide initial training at a location we designate, or we may provide initial training virtually (such as through a video-conferencing service). You will be responsible for your Trainee’s travel, lodging, meals, living expenses, wages, and workers’ compensation insurance while attending initial training.

(2) If, during any training program, we determine, in our sole discretion, that any proposed operations manager is not qualified to manage your Business, we will notify you thereof and permit you to select and enroll a substitute operations manager in such training program.

(3) If, during the initial training program, we determine, in our sole discretion, that you (or your Managing Owner) are not qualified to manage a Spring-~~Green~~ Green Business, we shall have the right to terminate this Agreement, effective upon delivery of written notice thereof to you. Upon such termination, we will refund (without interest and less our costs, including any fees paid to brokers or referral services) the initial franchise fee paid pursuant to Section 4.A, and the initial marketing campaign fee paid pursuant to Section 4.C (less any portion of the initial marketing campaign fee that we have spent with vendors in connection with the initial marketing of your Business), so long as you and your owners execute and provide us with general releases, in form and substance satisfactory to us, of any and all claims you and your owners may have against us and our affiliates, officers, directors, shareholders, employees, and agents.

(4) We may require that previously trained individuals and other of your employees and agents attend and complete to our satisfaction the ongoing and refresher training programs designated by us in the Operating Manual or otherwise in writing, including programs provided by third parties we designate. Such training may be conducted in person at a location we designate, virtually, or a combination of both. You will be responsible for all costs you and your employees incur in attending such training programs

and agree to pay us our then-applicable fees for any such training. You also agree that, notwithstanding any ongoing and refresher training that we may require previously trained individuals to participate in, you are exclusively responsible for the terms and conditions of employment of your employees, and neither we nor our affiliates will be deemed the employer of such individuals.

(5) You agree to provide to your employees the ongoing and refresher training programs designated by us in the Operating Manual or otherwise in writing which relate to the products and services offered by Spring-~~Green~~ Green Businesses. Such training programs may be held at the location or locations we designate or may be conducted remotely through the Internet or by other means specified by us.

(6) We may periodically organize, produce and present national or regional meetings and may require you (or your Managing Owner) and/or an operations manager to attend such national and regional meetings. If we require you (or your Managing Owner) and/or an operations manager to attend a national or regional meeting, such attendance is mandatory. You will be responsible for all costs you (or your Managing Owner) and your operations manager incur in attending such meetings and agree to pay us our then-applicable fees for any such meetings.

(7) You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

3.B. GENERAL GUIDANCE.

We will advise you from time to time regarding your Business's operation based on your reports or our inspections and will guide you with respect to: (1) standards, specifications, and operating procedures and methods that Spring-~~Green~~ Green Businesses use; (2) purchasing required and authorized Operating Equipment, and other products and services; (3) advertising and marketing materials and programs; and (4) administrative, bookkeeping, accounting, and financial management.

We will not be required to send any of our personnel to the Territory to provide any training, assistance, or services if we determine it is unsafe to do so. Such determination by us will not relieve you from your obligations under this Agreement, including your obligation to pay monies owed to us, and will not serve as a basis for your termination of this Agreement.

3.C. OPERATING MANUAL.

We will, during the term of this Agreement, provide you access to an operating manual, which may consist of one or more handbooks, manuals and other written, audio/visual, and/or electronic materials (collectively, the "**Operating Manual**"), for Spring-~~Green~~ Green Businesses. We post the Operating Manual on our intranet or a restricted website to which you will have access. The Operating Manual contains mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for operating Spring-~~Green~~ Green Businesses ("**System**

Standards”) and suggested procedures for Spring-~~Green~~ Green Businesses and information relative to your other obligations hereunder and the operation of a Spring-~~Green~~ Green Business. We have the right to add to and otherwise modify the Operating Manual periodically. You must monitor and access our intranet or website for any updates to the Operating Manual.

You shall at all times treat the contents of the Operating Manual as confidential and shall not at any time disclose, copy, duplicate, record or otherwise reproduce, in whole or in part, or otherwise make such contents available to any unauthorized person.

You acknowledge that we (or our affiliate) claim copyright protection of our written materials, including the Operating Manual, and that such materials are our (or our affiliates’) valuable property. You acknowledge that your right to use the copyrighted works is derived solely from this Agreement and is limited to the use of such copyrighted works pursuant to and in compliance with this Agreement.

4. FEES.

4.A. INITIAL FRANCHISE FEE.

You agree to pay us a non-recurring initial franchise fee in the amount of ~~\$50,000~~40,000 for a geographic territory containing up to 60,000 single family dwelling units (“SFDUs”). If you wish to obtain a geographic territory of more than 60,000 SFDUs, and we approve, you must pay us an additional fee of \$0.50 for each SFDU over 60,000 SFDUs. ~~\$35,000~~25,000 of the initial franchise fee, plus any portion of the initial franchise fee attributable to additional SFDUs, is due and payable when you sign this Agreement and the remaining \$15,000 is due before you attend the initial training program described in Section 3.A. Except as otherwise provided in Section 3.A, the initial franchise fee is nonrefundable.

4.B. ROYALTY FEE.

You agree to pay us a recurring royalty fee based on Gross Sales (as defined below), payable weekly on the twenty-eighth (28th) day following the end of each reporting week on such Gross Sales for such reporting week. The amount of the royalty fee will be as follows:

- (1) Ten percent (10%) of Gross Sales in each calendar year up to and including \$250,000;
- (2) Nine percent (9%) of Gross Sales in each calendar year in excess of \$250,000 up to and including \$500,000;
- (3) Eight percent (8%) of Gross Sales in each calendar year in excess of \$500,000.

The term “**Gross Sales**” means the amount billed by you on sales of the services and products authorized to be sold by you pursuant to this Agreement, whether or not sold at or from or under the auspices of your Business, including the fair market value of any services or products received by you in barter or exchange for your Business’s services or products, but deducting: (1) customer discounts, credits and other customer sales adjustments; and (2) if not already deducted in the amount billed, the amount of any sales, use, service, excise, or gross receipts taxes

leveled directly on such sales, collected from the purchaser billed on such sales, and paid to the appropriate taxing authorities.

4.C. INITIAL OR TRANSFER MARKETING CAMPAIGN FEE.

(1) If you are purchasing a new franchise in connection with the execution of this Agreement, you agree to pay us, or our affiliate, \$30,000 for assistance with an initial marketing campaign. Unless otherwise agreed to by us, the initial marketing campaign fee is payable in a lump sum at the time your Trainees attend the initial training program. Except as otherwise provided in Section 3.A, the initial marketing campaign fee is nonrefundable.

(2) If you are purchasing an existing Spring-~~Green~~ Green Business in connection with the execution of this Agreement, you agree to pay us, or our affiliate, a transfer marketing campaign fee equal to the greater of: (a) 5% of annual Gross Sales of the purchased business in the preceding 12 months or (b) our then-current transfer marketing campaign fee (currently, \$30,000). If you are acquiring multiple Territories from an existing Spring-~~Green~~ Green Business, you must pay a transfer marketing campaign fee for each Territory. Unless otherwise agreed to by us, the transfer marketing campaign fee shall be payable in full on or before the date that you close on the purchase of the existing Spring-~~Green~~ Green Business. The transfer marketing campaign fee is fully earned when paid and is not refundable under any circumstances.

(3) Upon receipt of the initial marketing fee or transfer marketing fee, we, or our affiliate, will use all of the fee for marketing and advertising in the Territory and will provide you a prospect database and assistance with the generation of an initial marketing campaign, which may include, but is not limited to, the following: direct-response marketing, name-recognition marketing, and print, electronic and other media marketing.

4.D. ADVERTISING FUND CONTRIBUTION.

You agree to pay us a contribution to the Fund (defined in Section 9.A), payable weekly on the 28th day following each reporting week, in an amount as periodically determined by us but which shall be no greater than two percent (2%) of Gross Sales.

4.E. INITIAL PROPERTY DATA FEE.

In addition to paying the initial marketing fee described in Section 4.C, you agree to pay to us, or our affiliate, the then-current fee for us (or our affiliate or other designee) to collect property data relevant for marketing within the Territory. The “initial property data fee” will vary depending on the size of the Territory, the number of SFDUs within the Territory, and the availability of additional relevant data within the Territory. The initial property data fee is payable in a lump sum at the time your Trainees attend the initial training program. The initial property data fee is nonrefundable. During the term of this Agreement, we may require you to pay us a fee for services we (or our affiliate or other designee) provide in collecting additional and updated property data.

4.F. INTEREST ON LATE PAYMENTS.

All amounts that you owe us for any reason shall bear interest after their due date at the greater of: (i) one and one-half percent (1-1/2%) per month; or (ii) an annual interest rate of three percent (3%) in excess of the then-current Prime Rate announced by Bank of America; provided that in no event will the interest rate be greater than the highest commercial contract interest rate the law allows. We may debit your bank account automatically for service charges and interest. You acknowledge that this Section 4.F is not our agreement to accept any payments after they are due or our commitment to extend credit to you, or finance the operation of your Business.

4.G. APPLICATION OF PAYMENTS.

Despite any designation you make, we may apply any of your payments to us or our affiliates to any of your past due indebtedness to us or our affiliates. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

4.H. METHOD OF PAYMENT.

You authorize us and our affiliates to initiate debit entries and credit correction entries to your checking, savings or other account for the payment of royalty fees and Fund contributions, and any other amounts due from you (the “**Electronic Depository Transfer Account**” or “**EDTA**”). You shall comply with our procedures and instructions in connection with the direct debit process, and shall sign any document or take any action that may be required to effect this authorization. (Our current EDTA authorization form is attached as Exhibit C hereto. We may change the form at any time and you may be required to sign such new version of the form.) To ensure continuity of your payments, you shall provide at least thirty (30) days’ prior written notice to us if you wish to change your bank or the account from which we debit your payments, and you will thereafter execute a new EDTA form to reflect any such changes. If there are insufficient funds in the EDTA to cover any such amount owed (or, if you are paying by check and a check is returned for insufficient funds), we will charge you the processing fee set forth in the Operating Manual to compensate us for our additional administrative expenses. If you fail to report Gross Sales, we will charge you the late reporting fee set forth in the Operating Manual and may debit the EDTA for one hundred twenty percent (120%) of the average of the previous four (4) weeks of royalty fees and Fund contributions that we debited. If the amounts that we debit from your EDTA are less than the amounts you actually owe us (once we have determined the true and correct Gross Sales), we will debit your EDTA for the balance on the day we specify. If the amounts that we debit from the EDTA are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your EDTA during the following month. All amounts payable by you or your owners to us or our affiliates must be in United States Dollars (\$USD), unless we specify otherwise.

If, at any time during the term of this Agreement, you fail to timely pay amounts due hereunder to us, our affiliates, or any third-party vendors, you authorize us and our affiliates to obtain a consumer credit report through a credit reporting agency chosen by us or our affiliates. You shall sign any document or take any action that may be required to effect this authorization.

You understand and agree that we or our affiliates intend to use the consumer credit report for the purposes of evaluating your financial status. You also acknowledge and agree that if you fail to pay amounts when due, we may report your delinquent payments to credit bureaus.

We may require you to pay the royalty fee, Fund contributions, and other amounts due to us or our affiliates, by means other than automatic debit whenever we deem appropriate, and you agree to comply with our payment instructions.

5. CONFIDENTIAL INFORMATION.

In connection with your franchise under this Agreement, you and your owners and personnel may from time to time have access to, be provided with, or otherwise be exposed to certain information about the Franchise System and the operation of Spring-~~Green~~ Green Businesses, including your Business (some, but not all, of which may be “trade secrets” under applicable law), that we consider and protect as confidential (regardless of whether they are marked as such), including the following (collectively, the “**Confidential Information**”):

- (1) training and operations materials, including the Operating Manual;
- (2) technical information and proprietary know-how comprising methods, techniques, drawings, specifications, procedures, information, marketing know-how, systems, and knowledge of and experience in performing the Services;
- (3) the formulation and application of products, including fertilizers and pesticides;
- (4) the design and operation of Spring-~~Green~~ Green Businesses and the purchase and sale of authorized and approved products and services;
- (5) market research, information regarding potential promotional, marketing and advertising programs including list selection, analysis and methods for communication for Spring-~~Green~~ Green Businesses;
- (6) knowledge of specifications for, and suppliers of, Operating Equipment, and other inventory, products, and supplies;
- (7) any computer software or similar technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (8) knowledge of the operating results and financial performance of Spring-~~Green~~ Green Businesses, other than your Business;
- (9) the terms, conditions and exclusions set forth in any applicable “Green-Industry Business Consent Agreement”;

(10) strategic plans, including expansion strategies and targeted demographics;
and

(11) any other information designated as confidential or proprietary by us.

All Confidential Information will be owned by us (other than Restricted Data, as defined in Section 7.1). You acknowledge and agree that: (i) you will not acquire any interest in any of our Confidential Information, other than the right to use it as we specify in operating your Business during the term of this Agreement, and (ii) that our Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you and your owners will protect it. You acknowledge that any unauthorized use or disclosure of our Confidential Information would be an unfair method of competition and a breach of trust and confidence and will result in irreparable harm to us and our affiliates. You (and if you are conducting business as an Entity, each of your owners) therefore agree that during and after the term you will, and to cause your spouses, immediate family members, affiliates, and assigns to:

~~(a) will not use Confidential Information in any other business or capacity;~~

~~(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the term of this Agreement and then thereafter;~~

(a) process, retain, use, collect, and disclose our Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of your Business in accordance with this Agreement, and not for any other purpose of any kind;

(b) process, retain, use, collect, and disclose our Confidential Information strictly in accordance with the privacy policies and System Standards we establish from time to time, and our and our representative's instructions;

(c) keep confidential and not disclose, sell, distribute, or trade our Confidential Information to any person other than those of your employees and representatives who need to know such Confidential Information for the purpose of assisting you in operating your Business in accordance with this Agreement; and you agree that you will be responsible for any violation of this requirement by any of your representatives or employees;

(d) ~~(e) will~~ not make unauthorized copies of any of our Confidential Information ~~disclosed via electronic medium or in written or other tangible form;~~

(e) ~~(d) will~~ adopt and implement reasonable procedures maintain administrative, physical and technical safeguards to prevent unauthorized access, use or disclosure of any of our Confidential Information, including by establishing reasonable security and access measures including, restricting its disclosure to key personnel, and/or by requiring persons who have access to the such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve our rights

and controls in such Confidential Information, ~~including all of your employees, to execute a confidentiality agreement in a form designated or approved by us. You shall send executed copies of such confidentiality agreements to us at any time upon our request; and in each case that are no less protective or beneficial to us than the terms of this Agreement; and~~

~~(f)~~ (e) will not sell, trade or otherwise profit in any way from at our request, destroy or return any of the Confidential Information, ~~except using methods approved by us.~~

Without limiting the generality of the foregoing obligations, we reserve the right to require that any employee, agent, or designated ~~third-party~~third party vendor or supplier that you hire execute a confidentiality agreement to protect the Confidential Information. We reserve the right to regulate the form of confidentiality agreement that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You acknowledge that any form of confidentiality agreement that we require you to use, provide to you, or regulate the terms of (including any forms of confidentiality agreement we may provide you) may or may not be enforceable in a particular jurisdiction. You agree that you are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of any confidentiality agreement that your employees, agents and designated ~~third-party~~third party vendors and supplier's sign.

Confidential Information does not include information, knowledge, or know-how, which ~~you can demonstrate (i) is~~ lawfully ~~came to your attention before we provided it to you, (ii) has already lawfully become~~ known to ~~you through~~the publication or communication by others (without violating ~~an obligation to us or our affiliates) before we disclosed it to you, or (iii) after we disclosed it to you, lawfully becomes known through publication or communication by others (without violating an obligation to us or our affiliates).~~ However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

We are not making any representations or warranties, express or implied, with respect to the Confidential Information. We and our affiliates have no liability to you and your affiliates for any errors or omissions from the Confidential Information.

All ideas, concepts, techniques, or materials relating to a Spring-Green Business and/or the System created by you, your owners or your employees (or for you, your owners or your employees), whether or not protectable intellectual property ~~and whether created by or for you or your owners or employees~~, must be promptly disclosed to us and will be our sole and exclusive property, part of the ~~Franchise~~-System, and works made-for-hire for us. To the extent that any item does not qualify as a "work made-for-hire" for us, you hereby waive all moral rights in that item, assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item.

6. EXCLUSIVE RELATIONSHIP DURING TERM.

6.A. COVENANTS AGAINST COMPETITION.

You acknowledge that we have granted you a franchise in consideration of and reliance on your agreement to deal exclusively with us. You therefore agree that, during the term of this Agreement, neither you, any of your owners, nor any of your or your owners' immediate family members will:

- (1) have any direct or indirect interest as an owner (whether of record or beneficially) in a Competitive Business (defined below), wherever located or operating;
- (2) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating;
- (3) divert or attempt to divert any actual or potential business or customer (including offering or selling Business Customer Information (defined in Section 6.C)) to any unauthorized person of your Business to a Competitive Business; or
- (4) engage in any other activity which might injure the goodwill of the Marks and Franchise System.

A “**Competitive Business**” means (i) any business (other than Spring-~~Green~~ Green Businesses operated under franchise agreements heretofore entered into by you and us) engaging in (a) lawn care services, (b) pest control services, and/or (c) any other services or products which we may periodically authorize for Spring-~~Green~~ Green Businesses, or (ii) any business granting franchises or licenses to others to operate the type of business specified in clause (i).

You agree to obtain similar covenants from the personnel we specify, including officers, directors, and other employees having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

You further agree that, during the term of this Agreement, you, your owners, and your or your owners' immediate family members will not solicit, interfere, or attempt to interfere with our or our affiliates' relationships with any customers, vendors, or consultants.

6.B. NON-DISPARAGEMENT.

You agree not to (and to use your best efforts to cause your current and former owners, officers, directors, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) (i) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives or affiliates, the “Spring-~~Green~~®” brand, the Franchise System, any Spring-~~Green~~ Green Business, any business using the Marks, or (ii) take any other action which would, directly or indirectly, subject the “Spring-~~Green~~®” brand to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us or the “Spring-~~Green~~®” brand or constitute

an act of moral turpitude. The obligations of this Section 6.B shall survive any expiration or termination of the Agreement.

6.C. BUSINESS CUSTOMER INFORMATION.

You and we acknowledge and agree that “**Business Customer Information**” will be jointly owned by both you and us. However, you agree to (a) use the Business Customer Information only for the operation, advertisement and promotion of your Business, (b) refrain from using the Business Customer Information in any other business or capacity (other than in connection with your Business), unless we have provided our prior written consent to such use, and (c) maintain the confidentiality of the Business Customer Information. You acknowledge and agree that delivery of Business Customer Information in the format and frequency required by us is crucial in order for us to manage the database of customer information for all Spring-~~Green~~ Green Businesses which it may use in connection with marketing, operations and other purposes for the Franchise System. You further acknowledge and agree that, except as otherwise provided under this Agreement, you may only assign your ownership interest in the Business Customer Information in connection with a sale of your Business pursuant to Section 14 herein. We may use or license a third party to use the Business Customer Information in connection with any business, provided that we will not use, and will prohibit a third party from using, sublicensing others to use, and otherwise granting any right to assign to any other party, the Business Customer Information to operate a Competitive Business in the Territory. Further, we acknowledge and agree that, without your written consent, we will not use the Business Customer Information to solicit customers located in the Territory for the offer and sale of products and services which are related to the Services through other methods of distribution. Notwithstanding the foregoing, you acknowledge and agree that we may advertise and solicit customers within or outside the Territory for the offer and sale of the Services so long as such marketing and solicitation relates to Spring-~~Green~~ Green Businesses or products and/or services offered by Spring-~~Green~~ Green Businesses. “Business Customer Information” includes, without limitation, contact information, buying habits, preferences, demographic information, and any other information relating to current, former and prospective customers of your Business, including persons who have inquired about the services offered by your Business.

7. SYSTEM STANDARDS.

7.A. COMPLIANCE WITH SYSTEM STANDARDS.

You acknowledge and agree that operating and maintaining your Business according to System Standards is essential to preserve the goodwill of the Marks and all Spring-~~Green~~ Green Businesses. Therefore, you agree at all times to operate and maintain your Business according to all of our System Standards, as we periodically modify and supplement them, even if you believe that a System Standard is not in the Franchise System’s or your best interests. Although we retain the right to establish and periodically modify System Standards, you (or your Managing Owner) are solely responsible for the management and operation of your Business and for implementing and maintaining System Standards for your Business.

~~As~~For examples, ~~and without limitation~~, System Standards may regulate any one or more of the following, in addition to the items described in Sections 7.B through 7.L below:

- (1) performance, quality and other relevant characteristics of products, equipment, supplies and services utilized in or sold by your Business;
- (2) the minimum production standards that your Business must maintain as referenced in the Operating Manual;
- (3) maintenance, cleanliness, function and appearance of your Business supplies, Premises, fixtures, equipment, signs, and inventory;
- (4) appearance and training of your Business's employees;
- (5) use of Marks and use and protection of trade secrets and the Confidential Information;
- (6) use and retention of standard supplies, forms and reports;
- (7) use of marketing, advertising, signs, posters, displays, standard formats and similar items;
- (8) products and services used in the operation of your Business;
- (9) suppliers of products and services;
- (10) funding for, and use and display of, marketing materials for your Business and the Franchise System;
- (11) participation in quality assurance and customer satisfaction programs;
- (12) standards for property data collected within the Territory, which may include a minimum percentage of SFDUs in the Territory that must be measured; ~~and~~
- (13) the form of payment and currency that you may accept from customers of your Business; ~~and~~ and
- (14) participating in, sponsoring, or affiliating with political or charitable organizations.

System Standards may be incorporated from time to time in the Operating Manual, and you agree that the System Standards we prescribe in the Operating Manual, or otherwise communicate to you in writing or another tangible form (for example, via a Franchise System extranet or website), are part of this Agreement as if fully set forth within its text. All references to this Agreement include all System Standards as periodically modified.

7.B. VARIATION AND MODIFICATION OF SYSTEM STANDARDS.

You acknowledge that complete and detailed uniformity might not be possible or practical under varying conditions, and that we specifically reserve the right (as we consider best, in our sole discretion) to vary System Standards for any franchise owner based on the peculiarities of any

condition that we consider important to that franchise owner's successful operation. We may choose not to authorize similar variations or accommodations to you or other franchise owners. We may also permit variations in the System Standards (as we consider best, in our sole discretion) between Spring-~~Green~~ Green Businesses owned by us and Spring-~~Green~~ Green Businesses owned by franchisees.

We may periodically modify System Standards. These modifications may obligate you to invest additional capital in your Business and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve buying new Operating Equipment, adding new products and services, adding personnel, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

7.C. CONDITION OF YOUR PREMISES.

During the term of this Agreement you must regularly clean, repaint and repair the interior and exterior of the Premises, and otherwise maintain the condition of the Premises to meet standards of professionalism, cleanliness, sanitation, that are reasonable for the industry, which in no event shall be less than the standard required by applicable laws and regulations.

If the general state of repair, appearance or cleanliness of the Premises does not meet such standards at any time in our reasonable judgment, we may notify you, specifying the action you must take to correct the deficiency. If you do not initiate action to correct such deficiencies within ten (10) days after you receive our notice, and/or do not complete any required maintenance or refurbishing in good faith and with due diligence, we have the right, in addition to all other remedies, to enter the Premises and do any required maintenance or refurbishing on your behalf.

You will place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and marketing materials that we approve from time to time.

7.D. CONDITION AND APPEARANCE OF YOUR OPERATING EQUIPMENT.

You agree to maintain the Operating Equipment in proper mechanical operating condition at all times and to obtain customary periodic preventative maintenance for such Operating Equipment. You agree to (i) effect such maintenance of the Operating Equipment as is reasonably required to maintain its attractive appearance and to keep them in a "like-new" condition, without rust, dents, scratches or other marks, (ii) wash such Operating Equipment when dirty, (iii) paint such Operating Equipment, and (iv) replace signs and decals as required. You agree to use the Operating Equipment displaying the Marks for only those purposes for which we have authorized.

7.E. APPROVED PRODUCTS AND SERVICES.

You agree that your Business will not, without our prior written approval, offer any products or services that are not authorized by us for Spring-~~Green~~ Green Businesses, nor shall, without our prior written approval, your Business or the Premises be used for any purpose other

than the operation of a Spring-~~Green~~ Green Business in compliance with this Agreement. You agree that, throughout the Territory and during the seasons specified periodically by us, your Business will offer every product or service authorized by us for sale by Spring-~~Green~~ Green Businesses. Your Business shall at all times maintain an inventory of authorized and approved products sufficient in variety and quantity to satisfy customer demand. You recognize that the business of Spring-~~Green~~ Green Businesses may change periodically and agree to adopt and implement such changes in the conduct of your Business.

7.F. APPROVED DISTRIBUTORS AND SUPPLIERS.

We may designate, approve or develop standards and specifications for manufacturers, distributors and suppliers of products and services to your Business, which may be us or our affiliates (collectively, “**suppliers**”). You must purchase the products and services we periodically designate only from the suppliers we prescribe and only on the terms and according to the specifications we approve.

We may concentrate purchases with one or more suppliers to obtain lower prices, marketing support, marketing services and/or materials and/or services for any group of Spring-~~Green~~ Green Businesses franchised or operated by us or our affiliates. We may also designate a single supplier for any product, service, Operating Equipment, or other material, or approve a supplier only for certain products. You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases (including from charging you for products and services we or our affiliates provide to you and from promotional allowances, rebates, volume discounts and other payments, services or consideration we receive from suppliers that we designate or approve for some or all of our franchise owners). We and/or any of our affiliates may use such revenue or profit without restriction.

Approval of a supplier may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier from time to time.

If you would like to purchase or use any products, services, supplies or materials from any unapproved supplier, we may require you to submit to us a written request for approval of the proposed supplier prior to purchasing any such products, services, supplies or materials. We reserve the right to charge you a fee (not to exceed the reasonable cost of the research and inspection and the actual cost of the test) to make the evaluation. We have the right to inspect the proposed supplier’s facilities and to require that product samples from the proposed supplier be delivered either directly to us or to a third party we designate for testing. We will notify you in writing of the approval or rejection of the proposed supplier within a reasonable time after completion of the investigation. If we fail to respond within sixty (60) days, your request will be deemed denied. We may elect to withhold approval of the supplier, in our sole discretion and for any reason. You acknowledge that we are likely to reject your request for a new supplier without conducting any investigation if we have already designated an exclusive supplier for that product or service. We reserve the right to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our

criteria. We also reserve the right to charge suppliers a royalty for the right to manufacture products for use by Spring-~~Green~~ Green Businesses.

7.G. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain all required licenses, permits and certificates relating to your Business and must at all times operate your Business in full compliance with all applicable laws, ordinances, and regulations. You agree to comply and assist us in our compliance efforts with any and all laws and regulations, including those relating to: truth in lending; licensing and certification of lawn care personnel; licensing and certification of personnel providing pest-control services; handling, storage and disposal of chemicals, pesticides, and other materials of a similar nature; truth in advertising; occupational hazards, health, and anti-discrimination laws; anti-terrorist activities (including the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations); and data sharing and privacy. In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Business as may be required by us or by law. You ~~confirm that you are not listed in the Annex to Executive Order 13224~~ hereby represent and warrant to us, as an express consideration for the franchise granted hereby, that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

The President of the United States of America has issued Executive Order 13224 (the “Executive Order”) prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the “Anti-Terrorism Measures”). We therefore require certain certifications that the parties with whom we deal with are not directly or indirectly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with your Business, is:

- (a) A person or entity listed in the Annex to the Executive Order;
- (b) A person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (c) A person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
- (d) Owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with your Business, will during the term of the term of this Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

~~and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>)~~ You further represent and warrant to us that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us, or our affiliates

are and will be legally obtained in compliance with these laws. You agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the term of this Agreement, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations. You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities (as provided in Section 10.D) apply to your obligations under this Section.

Your Business must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with customers, suppliers, us, and the public. You agree to refrain from any business or marketing practice which may injure our business and the goodwill associated with the Marks and other Spring-~~Green~~ Green Businesses. You must notify us in writing within five (5) days of (i) the threat of or 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, which may adversely affect your operation or financial condition or that of your Business (including the commencement of any bankruptcy proceeding against you or one of your owners); (ii) the threat or commencement of any audit, investigation, or similar proceeding with respect to pending or threatened actions, suits or proceedings relating to your Business; and (iii) your receipt of any notice that you or your Business may have violated any law, ordinance, or regulation relating to your Business.

7.H. CUSTOMER SERVICE.

You shall hold yourself solely responsible for the quality and results of the services offered by your Business and will provide service to customers in accordance with the System Standards, including within the time period designated in the Operating Manual. You shall complete all scheduled services for customers and acknowledge that failure to complete scheduled services is a material breach of this Agreement. If you fail to comply with these obligations, we (or our designee) have the right, but not the obligation, to service the customers of your Business on an interim basis and you agree to reimburse us for all costs we incur in connection therewith. If we (or our designee) service customers of your Business, you acknowledge and agree that in no event shall such assistance be construed to make us (or our designee) liable to you or to customers of your Business, and that nothing contained herein shall be construed as a waiver of our right to terminate this Agreement pursuant to Section 16.A.

We have developed a guaranty of satisfactory service (the “**Guaranty**”) to be extended to customers of Spring-~~Green~~ Green Businesses. You agree that your Business shall administer the Guaranty in accordance with the standards, specifications, directions and processes designated in the Operating Manual.

7.I. INFORMATION SECURITY.

You ~~must implement all administrative, physical and technical safeguards that we require to protect any~~ may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information

~~(“Personal Information”). No assistance, guidance, standards or requirements that we provide you constitute a representation or warranty of any kind, express or implied, that your Business is compliant with federal, state, or local privacy and data laws, codes, or regulations, or acceptable industry standards. It is your responsibility to confirm that the safeguards you use to protect You may gain access to such Personal Information comply with all laws and industry best practices related to the collection, access use, storage, correction, deletion, and disclosure of from us, our affiliates, our vendors, or your own operations. You acknowledge and agree that all Personal Information. You agree to comply with any requests to correct or delete Personal Information, whether requested by us or directly by the applicable customer. (other than Restricted Data, defined below) is our Confidential Information and is subject to the protections in Section 5.~~

During and after the Term, you (and if you are conducting business as an Entity, each of your Owners) agree to, and to cause your respective current and former employees, representatives, affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Online Presence; (b) assist us with meeting our compliance obligations under all applicable laws and regulations relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify us of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. You also agree to follow our instructions regarding curative actions and public statements relating to the breach. We ~~or our designee~~ reserve the right to conduct a data security and privacy audit of any of your Spring Green Business and your Technology Systems at any time, from time to time, to ensure that you are complying with our requirements ~~for handling~~. You must promptly notify us if you receive any complaint, notice, or communication, whether from a governmental agency, customer, or other person, relating to any Personal Information. The cost of such audit shall be paid by you. You agree to cooperate with us fully during the course of this audit. If we exercise any of these rights, we will not interfere unreasonably with the operation of your Business, or your compliance with your obligations relating to Personal Information under this Agreement, and/or if you have any reason to believe you will not be able to satisfy any of your obligations relating to Personal Information under this Agreement.

Notwithstanding anything to the contrary in this Agreement or otherwise, you agree that we do not control or own any of the following Personal Information (collectively, the “Restricted Data”): (a) any Personal Information of the employees, officers, contractors, owners or other personnel of you, your affiliates, or your Business; (b) such other Personal Information as we from time to time expressly designate as Restricted Data; and/or (c) any other Personal Information to which we do not have access. Regardless of any guidance we may provide generally and/or any specifications that we may establish for other Personal Information, you have sole and exclusive responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data; provided that in each case you agree to comply with all applicable laws,

[regulations, orders, and the guidance and codes issued by industry or regulatory agencies applicable to such Restricted Data.](#)

7.J. MANAGEMENT OF YOUR BUSINESS.

Your Business shall be under the direct, full-time supervision of you (or if you are an Entity, by the Managing Owner) or a trained and competent operations manager who meets our minimum qualifications we specify periodically, including completing our training program or equivalent training to our satisfaction. You shall keep us informed at all times of the identity of the operations manager or of any supervisory employee(s) acting as manager(s) of your Business. We may establish minimum criteria for such operations manager or supervisory employee(s) in our discretion, which may include the completion of training, confirmation that they will have no competitive business activities, and/or execution of a non-disclosure agreement or other covenants we require. You (or your Managing Owner) must perform the services required under this Agreement and may not subcontract any such services to be performed by another party.

7.K. ACCOUNTING SOFTWARE AND SERVICES.

~~Upon our request, y~~You shall use our designated vendor to provide certain accounting and bookkeeping services for your Business and any accounting or bookkeeping software required by us. We also reserve the right to require you to attend accounting and bookkeeping training if we determine that your books and records do not meet the requirements prescribed by us. You agree to comply with all requirements prescribed by us with regard to said services or software for such services. We reserve the right to designate different vendors (which may include us or our affiliates) for various portions of the bookkeeping or accounting services or software for such services. You agree that we or our designated vendor shall have the right to charge initial and ongoing fees for such services or software.

7.L. TEST MARKETING AND CUSTOMER SURVEYS.

We may periodically conduct customer surveys and market research and testing to determine consumer trends and the performance, quality and salability of new products and services. You agree that the cost of such research and testing shall be paid by the Fund (described in Section 9.A). You further agree to cooperate by participating in our customer survey programs, market research programs, test marketing new products and services in your Business and providing us with timely reports and other relevant information regarding such market research, and you agree to participate in and/or request your Business's customers to participate in any customer surveys, and, in connection with any such customer survey, you will present to your Business's customers any evaluation forms we shall require. We shall, in our sole discretion, determine the beginning and ending dates of any test marketing period. We may require you to pay the cost of any customer survey in which we require you to participate.

8. INSURANCE.

You shall at all times during the term of this Agreement maintain in force at your sole expense comprehensive public, product and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with

the operation of your Business or otherwise in conjunction with the conduct of business by you. Such insurance coverage shall be maintained under one or more policies of insurance containing minimum liability protection of One Million Dollars (\$1,000,000.00) for each occurrence for bodily and personal injury, death and property damage (or such greater amounts as are required under the lease for the Premises) issued by insurance carriers rated “A minus” or better by Alfred M. Best & Company, Inc.; provided, however, we reserve the right to require you to use a designated vendor as the provider of all or any portion of the insurance required in this Section 8. Also, you must maintain any insurance specified in the Operating Manual (which may include employment-practices liability insurance and/or cyber and privacy liability insurance) or otherwise in writing by us, or otherwise required by law, including workers’ compensation insurance.

We may periodically increase the amounts of coverage required under such insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy shall name us, our affiliates (as designated by us), and our officers, directors and employees as additional insureds, using a form of endorsement that we have approved, shall contain endorsements by the insurance carriers waiving all subrogation rights against us, our affiliates, and our and their successors and assigns, and shall provide for thirty (30) days’ prior written notice to us of any material modification, cancellation, or expiration of such policy. Your obligations to maintain insurance coverage as herein described shall not be affected in any manner by reason of any separate insurance maintained by us, nor shall the maintenance of such insurance relieve you of any indemnification obligations under this Agreement.

Upon signing this Agreement, you shall provide us with evidence of the insurance required above. Thereafter, prior to the expiration of the term of each insurance policy, you shall furnish us with a copy of each renewal or replacement insurance policy to be maintained by you for the immediately following term and evidence of the payment of the premium therefor. If you fail or refuse to maintain required insurance coverage, or to furnish satisfactory evidence thereof and the payment of the premiums therefor, we, at our option and in addition to our other rights and remedies under this Agreement, may obtain such insurance coverage on your behalf. You shall fully cooperate with us in our effort to obtain such insurance (including by promptly executing all forms or instruments and allowing any inspections of the Premises or your vehicles) and pay to us, on demand, any costs and premiums incurred by us.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for the operation of your Business. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Business that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

Your obligation to maintain insurance coverage will not be limited in any respect by reason of insurance maintained by us or any other party. Additionally, no insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations to the Company Parties under this Agreement.

9. MARKETING.

9.A. ADVERTISING FUND.

We will maintain and administer an advertising fund (the “**Fund**”) for such marketing programs as we may deem necessary or appropriate to maximize recognition of the Marks and patronage of the services offered by Spring-~~Green~~ Green Businesses generally; and you agree to pay us weekly contributions to the Fund as specified in Section 4.D of this Agreement.

We may use the Fund to meet any and all costs of maintaining, administering, directing and preparing national, regional, or local marketing materials, programs and public relations activities, including the costs of preparing and conducting video, audio, and written and electronic media (including search engine, social media, email, and display ad campaigns); employing advertising agencies to assist therewith; conducting market research and testing; providing promotional brochures, decals and other marketing materials to all Spring-~~Green~~ Green Businesses; marketing performance analytics; management of customer relationships, data centers, cloud environments, or facilities used to centralize customer information for marketing purposes; and developing and maintaining websites or other electronic applications (including application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or “next generations” of any such devices) that promote Spring-~~Green~~ Green Businesses and/or related strategies.

We shall account for the Fund separately from other funds maintained by us and we will not use the Fund to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration or direction of the Fund and its marketing programs (including conducting market research, preparing marketing and promotional materials and collecting and accounting for contributions to the Fund). An audit of the operations of the Fund shall be prepared annually by independent certified public accountants and shall be made available to you upon written request. The cost of the audit shall be paid by the Fund.

We and our representatives may spend in any fiscal year more or less than the aggregate contribution of all Spring-~~Green~~ Green Businesses to the Fund in that year, and the Fund may borrow from us or others (including our affiliates) to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay marketing costs before other assets of the Fund are expended.

You understand and acknowledge that the Fund is intended to maximize general public recognition and patronage of the Marks and Spring-~~Green~~ Green Businesses for the benefit of all Spring-~~Green~~ Green Businesses and that we undertake no obligation in administering the Fund to ensure that expenditures which are proportionate or equivalent to your contributions are made for the market area of your Business or that any Spring-~~Green~~ Green Business benefits directly or pro rata from the placement of advertising.

Except as expressly provided in this Section 9.A, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Fund. You acknowledge and agree that we have no fiduciary obligation to you or any other franchisee in

connection with the establishment of the Fund or the collection, administration, or disbursement of monies paid into the Fund.

We have the right to cause the Fund to be incorporated or operated through an entity separate from us at such time as we deem appropriate, and such successor entity shall have all the same rights and duties as us pursuant to this Section 9.A. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. We may at any time, upon thirty (30) days' prior written notice to you, reduce or suspend Fund contributions and operations for one (1) or more periods of any length and terminate (and, if terminated, reinstate) the Fund; provided that we will not terminate the Fund until all monies contributed to the Fund have been expended for marketing, public relations, or promotional purposes, or distributed to the contributors in proportion to their respective Fund contributions during the preceding twelve (12) month period.

9.B. REGIONAL MARKETING PROGRAM.

Although not obligated to do so, we may create a regional marketing program (“**Regional Marketing**”) for the benefit of Spring-~~Green~~ Green Businesses located within a particular region if at least fifty percent (50%) of the Spring-~~Green~~ Green Businesses located within such region vote in favor of the formation of such Regional Marketing program. The amounts collected for a particular region will be spent on marketing principally focused on such region. For purposes of voting, franchisees with multiple territories within the geographic region designated by us under multiple franchise agreements shall be entitled to cast a vote for each territory operated under a franchise agreement. If a Regional Marketing program is established, you shall contribute up to two percent (2%) of Gross Sales to the Regional Marketing program. We have the right to determine the composition of all geographic territories and market areas for the implementation of Regional Marketing programs and to require that you participate in such Regional Marketing programs as and when established pursuant to this Section 9.B. The fees designated to the Regional Marketing programs may be used to pay regional, multi-regional or national marketing expenses, including administrative costs of us and/or our designees (including our affiliates) incurred in maintaining and administering the Regional Marketing programs. We and our designees also reserve all other rights with respect to the use of Regional Marketing fees, and the conduct of Regional Marketing programs, as those retained in Section 9.A above with respect to the Fund. We and our designees may at any time, upon thirty (30) days' prior written notice to you, suspend a Regional Marketing program for one (1) or more periods of any length and terminate the Regional Marketing program.

9.C. LOCAL MARKETING.

In addition to making the Fund contributions required pursuant to Section 4.D and, if applicable, Regional Marketing contributions pursuant to Section 9.B, you agree to spend, in each calendar year, in addition to Fund contributions and Regional Marketing contributions, if any, an amount equal to (i) five percent (5%) of Gross Sales in the previous calendar year or (ii) Seventeen Thousand Five Hundred Dollars (\$17,500), whichever is greater, for marketing and promotion of your Business in the Territory (“**Local Marketing**”). If you operate your Business in multiple territories under multiple franchise agreements, you shall spend the minimum amount required

hereunder in each territory. On or before February 15 of each year, you shall submit to us documentation, in the format designated or approved by us, of your Local Marketing expenditures in the prior calendar year. If your Local Marketing expenditures are less than the minimum amount specified herein, you shall pay us the amount of the shortfall and we will contribute such amount to the Fund.

You agree to submit for review and approval by us on or before December 1 of each year a marketing plan for the subsequent calendar year. You shall prepare the marketing plan in accordance with the format specified in the Operating Manual or otherwise by us in writing.

9.D. OUR APPROVAL OF MARKETING MATERIALS.

You shall not use any marketing or promotional materials that we have not approved. Through the Fund, we will furnish you with approved marketing plans and materials on the same terms and conditions as such plans and materials are furnished to other Spring-Green ~~Green~~ Green Businesses. Before you use any local marketing and promotional materials not prepared by or previously approved by us, you will submit samples of such materials to us for approval. If you do not receive our written approval within fifteen (15) days from the date we receive such materials, we shall be deemed to have disapproved such materials. You agree that your marketing, promotion, and advertising will be completely clear and factual and will conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

9.E. ONLINE PRESENCE.

(1) We will have the right, but not the obligation, to designate one or more web page(s) to describe you and/or your Business, with such web page(s) to be located within our website.

(2) Unless previously approved by us in writing, you must not establish or create any domain names, websites, email addresses, usernames, profiles, screen names, social network accounts, other online presence or presence on any electronic, virtual, or digital medium of any kind (“**Online Presence**”) that uses the Marks or is otherwise related to your Business. We will own the rights to each Online Presence. At our request, you agree to grant us access to each such Online Presence and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive administrative rights in such Online Presence.

(3) We also reserve the right to require you, at your expense, to list and advertise your Business with the online directories we periodically prescribe (such as Yelp[®] and Google[®]) or establish any other Online Presence we require, each in accordance with our System Standards.

(4) If we approve, in writing, a separate website for you, then each of the following provisions shall apply:

(a) You will not establish or use the website without our prior written approval.

(b) Before establishing the website, you shall submit to us, for our prior written approval, a sample of the proposed website domain name, format, visible content (including proposed screenshots), and non-visible content (including metatags) in the form and manner we may require; and you shall not use or modify such website without our prior written approval as to such proposed use or modification.

(c) In addition to any other applicable requirements, you shall comply with our standards and specifications for websites as prescribed by us from time to time in the Operating Manual or otherwise in writing.

(d) You will establish such hyperlinks to our website and others as we may require in the Operating Manual or otherwise in writing.

(e) The website's privacy policy must comply with all applicable laws and other requirements that we may establish in the Operating Manual or otherwise in writing.

(f) We may revoke our approval at any time and require that you discontinue use of a separate website.

(5) If we approve, in writing, the use of any Online Presence in the operation of your Business, or the posting of messages relating to your Business via any Online Presence, you will do so only in accordance with our guidelines set forth in the Operating Manual or otherwise in writing. We reserve the right to require our prior approval of any message you compose for an Online Presence before you post such message or commentary.

10. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

10.A. INDEPENDENT CONTRACTORS.

You and we understand and agree that each of us is an independent business and that you and we are and will be independent contractors. This Agreement does not create a fiduciary relationship between you and us, and nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously to all persons (including customers, suppliers, public officials, and your employees) as your Business's owner, and indicate clearly that you operate your Business separately and independently from our business operations. You agree to place notices of independent ownership on all interior and exterior signage, forms, business cards, stationery, advertising, and other materials that we may require from time to time.

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and any designated third-party vendors and suppliers that you may hire [or](#)

engage to assist in the operation of your Business. You agree that any employee, agent or designated third-party vendor or supplier that you hire or engage will be your employee, agent or designated third-party vendor or supplier, and not our employee, agent or designated third-party vendor or supplier. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Business in compliance with federal, state, and local employment laws.

10.B. NO LIABILITY FOR ACTS OF THE OTHER PARTY.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of your Business's operation or the business you conduct under this Agreement. In addition, we will not be obligated for any damages to your Business for any suppliers' delay and/or defective products or services.

10.C. TAXES.

We will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property, or other taxes, whether levied on you or your Business, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

10.D. INDEMNIFICATION BY YOU.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents and assignees (the "**Company Parties**") against, and reimburse any one or more of the Company Parties for all claims, obligations, and damages directly or indirectly arising out of or relating to: (1) the operation of your Business, (2) the business you conduct, (3) your breach of this Agreement, or (4) the products and services offered and sold by your Business, including those claims, obligations, and damages alleged to be or found to have been caused by the Company Parties' negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Company Parties' intentional misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

For purposes of this indemnification, "**claims**" include all obligations, damages, and costs that any Company Party reasonably incurs in defending any claim against it, including reasonable 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, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Company Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions.

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. A Company Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this Section 10.D. A Company Party's failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that such Company Party may recover from you under this Section 10.D.

11. MARKS.

11.A. OWNERSHIP AND GOODWILL OF MARKS.

You acknowledge that we or our affiliates are the owner of the Marks licensed to you by this Agreement and the Franchise System, that your right to use the Marks and the Franchise System is derived solely from this Agreement and is limited to the conduct of your Business pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by us during the term of this Agreement. Any unauthorized use by you of the Marks or the Franchise System shall constitute an infringement of our intellectual property rights.

All usage of the Marks by you and any goodwill established thereby shall inure to our (or our affiliates') exclusive benefit, and you acknowledge that this Agreement does not confer any goodwill or other interests in the Marks upon you.

All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trade and service marks and commercial symbols hereafter authorized for use by and licensed to you.

11.B. LIMITATIONS ON YOUR USE OF THE MARKS.

Your right to use the Marks is derived only from this Agreement. You may only use the Marks to operate your Business according to this Agreement and in accordance with System Standards. You have no right to sublicense or assign your right to use the Marks. You shall not use any Mark or variation thereof: (1) as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than the logo licensed to you hereunder); (2) in connection with the sale of any unauthorized product or service; (3) as part of or in connection with any Online Presence, except in accordance with our guidelines set forth in the Operating Manual or otherwise in writing and after obtaining our written approval; or (4) in any other manner not expressly authorized in writing by us. You agree to display the Marks prominently on or in connection with posters and displays, sales invoices, stationery, other forms and packaging materials designated by us, and in the manner prescribed by us, to give such notices of trade and service mark registrations and copyrights as we specify and to obtain such fictitious or assumed name registrations as may be required under applicable law.

11.C. NOTIFICATION OF INFRINGEMENT AND CLAIMS.

You shall immediately notify us of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark, and you shall not communicate

with any person other than us and our counsel in connection with any such infringement, challenge, or claim. We shall have sole discretion to take such action as we deem appropriate and the right to exclusively control any litigation or Patent and Trademark Office or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. You agree to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interests in any such litigation or Patent and Trademark Office or other proceeding or to otherwise protect and maintain our (and our affiliates') interests in the Marks. We will reimburse you for your reasonable costs of taking any action that we have asked you to take.

11.D. DISCONTINUANCE OF USE OF MARKS.

We may at any time, in our sole discretion, require you to modify or discontinue using any Mark and/or use one or more additional or substitute Marks. You agree to replace the Marks for your Business with the modified, additional or substitute Marks we specify and comply with all other directions we give regarding the Marks for your Business within a reasonable time after receiving notice from us. We are not required to reimburse you for any costs or expenses associated with making such changes, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark.

Our rights in this Section 11.D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason in our sole discretion. You acknowledge both our right to take this action and your obligation to comply with our directions.

11.E. INDEMNIFICATION FOR USE OF THE MARKS.

We agree to reimburse you for all damages and expenses that you incur in responding to any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of the proceeding, and complied with our directions in responding to it. At our option, we and/or our affiliates may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

12. RECORDS AND REPORTS.

You must maintain in a secure location in the Premises (or if you own more than one (1) Spring-~~Green~~ Green Business, in a secure location at your principal place of business or such other location as we may approve) during the term of this Agreement, and must preserve for at least three (3) years from the dates of their preparation, full, complete and accurate books, records and accounts from your Business (including sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers) in the form and manner we prescribe in the Operating Manual or otherwise in writing.

You shall comply, at your expense, with the following reporting obligations:

(1) You shall furnish to us each week, in the form prescribed by us, a report accurately reflecting weekly Gross Sales and Business Customer Information;

(2) You shall furnish to us, within fifteen (15) days after the end of each calendar month, a statement of profit or loss for your Business for the preceding calendar month and a balance sheet for your Business as of the end of the preceding calendar month. Monthly financial statements shall be in such form as we prescribe. Without waiving our right to terminate this Agreement pursuant to Section 16.A, if you fail or refuse on two (2) or more separate occasions within any twelve (12) consecutive month period to submit such financial statements, we shall have the right to require you to use, at your sole expense, an accounting and bookkeeping service designated by us (including us or our affiliates) to provide (i) such financial statements and/or (ii) training to you on preparation of such financial statements;

(3) You shall furnish to us, within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to your Business;

(4) You shall furnish to us, within forty-five (45) days after the end of each fiscal year of your Business, an annual statement of profit or loss for your Business and a balance sheet for your Business as of its fiscal year end. Annual financial statements shall be in such form as we prescribe. If requested by us, such annual financial statements shall be accompanied by an opinion of a certified public accountant or a firm of certified public accountants selected by you and approved by us, which opinion may be qualified only to the extent reasonably acceptable to us; and

(5) You must timely submit to us, any other forms, reports, records, information and data as we may request.

You agree to sign and verify each report and financial statement in the manner we prescribe. We may disclose data derived from these reports. Moreover, we may, as often as we deem appropriate (including on a daily basis), independently access the Technology System and retrieve and retain all information relating to the operation of your Business.

13. INSPECTION AND AUDITS.

13.A. OUR RIGHT TO INSPECT YOUR BUSINESS.

To determine whether you are complying with this Agreement, we (or our designated agents) shall have the right at any time, and without prior notice to you, to (a) inspect and photograph your Business; (b) interview and photograph you and the employees and customers of your Business; (c) conduct, supervise or observe a physical inventory of the Premises; (d) review all records relating to third-party vendors; (e) inspect your Technology System, including hardware, software, security, configurations, connectivity, and data access; and (f) utilize mystery shoppers to evaluate the performance of the products and services performed by your Business.

We also have the right to inspect the records prepared and maintained by you. You shall fully cooperate with our representatives or agents making any such inspection or conducting, supervising or observing any such inventory, or otherwise taking action authorized to be taken by us pursuant to this Section 13.A. You agree that we may periodically contact third-party vendors to obtain information regarding your account with such vendor and you hereby consent to the foregoing. You must reimburse all of our costs (including supplier fees, travel expenses, room and board, and compensation of our employees) associated with re-inspections or follow-up visits that we conduct after any inspection identifies one or more failures of System Standards.

13.B. OUR RIGHT TO AUDIT.

We have the right at any time during business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, the financial records, business records, cash control devices, bookkeeping and accounting records, sales and income tax records and returns and other records of your Business and the books and records of any business entity that holds any portion of the franchise rights granted by this Agreement. You shall fully cooperate with our representatives and independent accountants to conduct any such inspection or audit.

If any such inspection or audit shall disclose an understatement of Gross Sales, you shall pay to us, within fifteen (15) days after receipt of the inspection or audit report, the royalty fee and any marketing contribution due on the amount of such understatement, plus interest (at the rate and on the terms provided in Section 4.F) from the date originally due until the date of payment. Further, if such inspection or audit is made necessary by your failure to furnish reports, supporting records or other information, as required pursuant to this Agreement, or to furnish such reports, records or information on a timely basis, or if an understatement of Gross Sales for the period of any audit (which shall not be for less than three (3) months) is determined by any such audit or inspection to be greater than five percent (5%), you shall reimburse us for the cost of such audit or inspection, including the charges of any independent accountants and the travel expenses, room and board and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

14. TRANSFER OF INTEREST.

14.A. BY US.

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You acknowledge that you did not sign this Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form of organization and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any obligations under this Agreement. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it.

14.B. BY YOU.

You acknowledge that the rights and duties this Agreement creates are personal to you and your owners and that we have granted you the franchise in reliance on our perception of your and your owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) your Business (or any right to receive all or a portion of your Business's profits or losses or capital appreciation related to your Business); (iii) substantially all of the assets of your Business; (iv) any direct or indirect ownership interest in you (regardless of its size); or (v) any direct or indirect ownership interest in any of your owners (if such owners are legal entities). A transfer of your Business's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender or by operation of law.

Additionally, you may not pledge or encumber this Agreement, your Business or an ownership interest in you or your owners (to someone other than us) as security for any loan or other financing, unless (1) we grant our prior written consent and (2) the lender agrees that its claims will be subordinate to all amounts you owe at any time to us or our affiliates.

14.C. RESALE PROGRAM.

If you (or your owner(s)) shall at any time determine to sell an interest in your Business or an ownership interest in you or your owners, we may require you to participate in our program for the resale of Spring-~~Green~~ Green Businesses, which may include using valuation services to value your Business (the "**Resale Program**"). If we require you to participate in the Resale Program, we may require you to pay a designated third-party vendor the fee for the valuation services set forth in the Operating Manual. Notwithstanding your required participation in the Resale Program, you (or your owner(s)) may use brokers in any sale of an interest in your Business or an ownership interest in you or your owners; provided, however, (a) we reserve the right to approve the broker or agent and the listing agreement and (b) you may not use any Mark in advertising any prospective transfer requiring our approval under Section 14 without our prior written consent. You further acknowledge and agree that, notwithstanding the foregoing, we shall have a right of first refusal to purchase any such interest pursuant to Section 14.G.

14.D. CONDITIONS FOR APPROVAL OF TRANSFER.

Subject to the other provisions of this Section 14, if you and your owners are fully complying with this Agreement, we may approve a proposed transfer that meets all applicable requirements of this Section 14.D; provided, however, it will be in our sole and unfettered discretion whether to approve any such transfer. We will give your request reasonable consideration but may condition our consent on compliance with certain requirements, including the following (which you agree are reasonable):

(1) you have paid all royalties, marketing contributions, and other amounts owed to us, our affiliates, and third-party vendors, and have submitted all required reports and statements;

(2) you have not violated any provision of this Agreement or any other agreement with us or our affiliates during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(3) all your (and your owners') obligations incurred in connection with this Agreement shall have been assumed by the transferee(s), including all payments to suppliers and customers;

(4) the transferee(s) (or its managing owner), at the transferee(s)' expense, shall have satisfactorily completed the training required of new franchisees, or such portion thereof as we deem necessary;

(5) if applicable, your landlord allows you to transfer the lease or to sublease the Premises to the transferee;

(6) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of an ownership interest in you or one of your owners), sign our then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including royalty and Fund contributions; provided, however, that if the total number of SFDUs within the Territory has increased to at least two times the then-current minimum territory size for new franchises then being offered by us, we may require the transferee(s) and transferee(s)' owners (if the transferee is an Entity) to sign multiple franchise agreements for the Territory so that the territory under each new franchise agreement does not exceed the maximum territory size for new franchises then being offered by us;

(7) you or the transferee(s) and transferee(s)' owners (if the transferee is an Entity) agree to renovate, refurbish, remodel, or replace, at your or transferee(s)' expense, the real and personal property and vehicles and Operating Equipment, including the then-current Technology System or service required by us, used in operating your Business within the timeframe we specify in order to comply with our then-current image, standards of operation, and performance capability;

(8) you shall have transferred to the transferee(s) all signs, sign-faces, catalogues, marketing materials, forms, invoices and any materials containing any Mark or otherwise identifying or relating to a Spring-~~Green~~ Green Business; provided, however, all marketing materials, forms or invoices bearing our corporate or trade name shall be transferred to us or, at our option, destroyed;

(9) you shall have returned to us, or destroyed, at our option, any tangible copies of any portion of the Operating Manual that you may have in your possession;

(10) you or the transferee(s) shall pay us, on the effective date of the transfer, the legal fees, broker fees or other fees incurred by us in connection with the transfer and, in addition, a transfer fee (the “**Transfer Fee**”) in an amount equal to two and one-half percent (2-1/2%) of Gross Sales of your Business for the twelve (12) months immediately preceding the effective date of the transfer; provided, however, that in no event shall the transfer fee be less than Seven Thousand Five Hundred Dollars (\$7,500) nor more than Seventeen Thousand Five Hundred Dollars (\$17,500). You or the transferee(s) shall only be required to pay one Transfer Fee in connection with a transfer even if we require the transferee to sign multiple franchise agreements pursuant to Section 14.D(6); provided that you transfer all of your rights hereunder and all of your Business to a transferee pursuant to a single transaction with a single transferee and not multiple transactions over a period of time or with multiple transferees. The payment of a Transfer Fee is not a prerequisite of:

(a) A transfer in accordance with Section 14.E (*Death or Disability*) or Section 14.F (*Transfer to a Legal Entity*); or

(b) Any transfer which, if consummated alone or together with any related previous, simultaneous, or proposed transfers would have the effect of transferring less than fifty percent (50%) of your interest in this Agreement and the rights granted hereunder, or less than fifty percent (50%) of the ownership interest in you;

(11) you (and your owners) sign a general release, in a form satisfactory to us, of any and all claims against us, our affiliates, and our and our affiliates’ owners, officers, directors, employees, and agents;

(12) you provide us all information or documents we request about the proposed transfer, the transferee, and its owners;

(13) we have determined that the material terms and conditions of the proposed transfer, including the purchase price and payment terms, will not adversely affect the transferee’s operation of your Business;

(14) all individuals and entities who will be direct or indirect owners must execute or have executed our then-current form of Guaranty and Assumption of Obligations;

(15) you and your transferring owners agree to terminate this Agreement in accordance with its terms, and comply with all applicable post-termination obligations, including by complying with the restrictive covenants found in Section 17.F;

(16) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee’s obligations under promissory notes, agreements, or security interests reserved in your Business are subordinate to the transferee’s obligation to pay royalties, marketing contributions, and other amounts due to

us, our affiliates, and third-party vendors related to the operation of your Business and otherwise to comply with this Agreement;

(17) the transferee shall have provided us with proof that it has obtained the then-current insurance coverage required by us;

(18) the transferee agrees to pay us a marketing fee (the “**Transfer Marketing Fee**”) in an amount equal to the greater of: (a) five percent (5%) of Gross Sales of your Business during the twelve (12) full calendar months immediately preceding the effective date of the transfer; or (b) our then-current transfer marketing campaign fee (as described in Section 4.C). If the transferee is acquiring more than one franchise agreement, it must pay a Transfer Marketing Fee for each franchise agreement. We will use the Transfer Marketing Fee for marketing and promotional activities for the business being transferred. Unless otherwise agreed to by us, the Transfer Marketing Fee shall be payable in full on or before the date that the transferee closes on the purchase of the existing ~~Spring-Green~~ Green Business;

(19) the transferee agrees to pay the then-current technology transfer and/or training fee charged by us or our affiliates for the transfer of the Technology System;

(20) the transferee(s) are, in our opinion, individuals of good moral character who have sufficient business experience, aptitude, and financial resources to own and operate your Business and meet our then-applicable standards for franchisees; and

(21) you shall transfer to us all copies, whether in written or electronic form, of the Business Customer Information.

We may review all information regarding your Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding your Business.

Our consent to a transfer pursuant to this Section is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Business’s or transferee’s prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee’s full compliance with this Agreement.

14.E. DEATH OR DISABILITY.

(1) Upon the death or permanent disability of you (or the Managing Owner), the executor, administrator, conservator or other personal representative of that person, or the remaining shareholders, members, or partners, must appoint a new manager within a reasonable time, not to exceed thirty (30) days from the date of death or permanent disability. The appointed manager must attend and successfully complete our initial training program within one hundred twenty (120) days of the appointment. If your Business is not being managed by a manager approved by us within thirty (30) days after death or permanent disability, we are authorized, but not required, to immediately appoint a manager to maintain the operations of your Business on your behalf, in accordance with

Section 16.C, until an approved assignee is able to assume the management and operation of your Business.

(2) Upon the death of you (or any owner), the executor, administrator, conservator or other personal representative of that person must transfer his interest to a person we approve within a reasonable time, not to exceed twelve (12) months from the date of death.

14.F. TRANSFER TO A LEGAL ENTITY.

Notwithstanding Sections 14.B and 14.D above, if you are in full compliance with this Agreement, you may transfer this Agreement to an Entity in which you maintain management control, and of which you own and control not less than fifty-one percent (51%) of the equity and voting power of all issued and outstanding ownership interests; provided, that (i) that Entity will own all of your Business's assets and operate your Business, and (ii) that Entity will conduct no business other than your Business and, if applicable, other Spring-~~Green~~ Green Businesses. The Entity must expressly assume all of your obligations under this Agreement. You agree to remain personally liable under this Agreement as if the transfer to the Entity did not occur and sign the form of consent to assignment and assignment satisfactory to us which may include a general release of any and all claims against us, our affiliates, and our and our affiliates' owners, officers, directors, employees and agents. You further agree to provide us with all organizational documents for the Entity that we require.

14.G. OUR RIGHT OF FIRST REFUSAL.

If you (or any of your owners) shall at any time determine to sell an interest in this Agreement, the franchise granted by this Agreement, your Business, some or all of the assets of your Business (other than in the ordinary course of business), or an ownership interest in you, you (or your owner(s)) shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to us. We shall have the right, exercisable by written notice delivered to you or your selling owner(s) within thirty (30) days from the date of delivery of an exact copy of such offer to us, to purchase such interest in your Business or such ownership interest in you for the price and on the terms and conditions contained in such offer, provided that we may substitute cash for any form of payment proposed in such offer and shall have not less than thirty (30) days to prepare for closing. Regardless of whether contemplated under the written offer, we shall be entitled to all customary representations and warranties given by the seller of a business, including representations and warranties as to: (1) ownership, condition and title to the ownership interests and/or assets being purchased; (2) liens and encumbrances relating to such ownership interests and/or assets; and (3) validity of contracts and liabilities, whether contingent or not, of any legal entity whose ownership interests are purchased. If we do not exercise our right of first refusal, you (or your owner(s)) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to our approval of the purchaser as provided in Sections 14.B through 14.D, provided that if the sale to such purchaser is not completed within one hundred twenty (120) days after delivery of such offer to us, or there is a material change in the terms of the sale, we shall again have the right of first refusal herein provided.

15. EXPIRATION OF THIS AGREEMENT.

15.A. YOUR CONDITIONAL RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.

Upon expiration of this Agreement, subject to the terms of Section 15.B, you may acquire a successor franchise to operate your Business as a Spring-~~Green~~ Green Business for one additional term of ten (10) years, provided that the following conditions have been fulfilled by you and each of your owners:

- (1) you shall have substantially complied with all provisions of this Agreement;
- (2) you shall have given us written notice of your election to acquire a successor franchise (“**Your Notice**”) at least one year, but no more than eighteen (18) months, prior to the expiration of term of this Agreement;
- (3) you shall have permitted us or our representative to inspect the Operating Equipment, inventory, method of operation, and Premises of your Business in order to determine what, if any, modifications thereto may be necessary to bring your Business into compliance with the specifications and standards then applicable under new franchises for Spring-~~Green~~ Green Businesses (“**Necessary Modifications**”);
- (4) you shall have made such Necessary Modifications within ninety (90) days of the receipt of Our Notice (as defined in Section 15.B below);
- (5) you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Spring-~~Green~~ Green Businesses (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement, within thirty (30) days after their delivery to you;
- (6) you and your owners shall sign general releases, in a form satisfactory to us, of any and all claims against us and our owners, officers, directors, employees, agents, successors, and assigns, within thirty (30) days after their delivery to you; and
- (7) you (or your Managing Owner) and any of your other employees or agents that we may require shall, at your sole expense, attend and complete to our satisfaction any renewal or refresher training programs designated by us in the Operating Manual or otherwise in writing.

The grant of a successor franchise shall be without payment of an initial or renewal franchise fee except that we shall have the right to charge you for services we render to you and expenses we incur (including reasonable attorneys’ fees and charges for any renewal or refresher training programs) in conjunction with such grant of a successor franchise.

Notwithstanding anything to the contrary contained herein, in the event the total number of SFDUs within the Territory has increased to twice the then-current minimum territory size we are then offering, we may require you to sign multiple franchise agreements for the Territory so

that the territory under each franchise agreement does not exceed the maximum territory for new franchises then being offered by us.

15.B. GRANT OF A SUCCESSOR FRANCHISE.

We agree to give you written notice (“**Our Notice**”), not more than one hundred (120) days after we receive Your Notice of your election to renew, of our decision:

- (1) to grant you a successor franchise;
- (2) to grant you a successor franchise on the condition that you correct existing deficiencies in the operation of your Business;
- (3) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term or were not in full compliance with this Agreement on the date you gave us Your Notice of your election to acquire a successor franchise; or
- (4) not to grant you a successor franchise because we are no longer granting franchises for Spring-~~Green~~ Green Businesses anywhere in the state(s) in which the Territory is located.

If we elect not to grant you a successor franchise, Our Notice will describe the reasons for our decision. Your right to acquire a successor franchise is subject to your full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice, which may include actions to cure any operating deficiencies and to complete the Necessary Modifications.

16. TERMINATION.

16.A. TERMINATION BY US.

We shall have the right to terminate this Agreement effective upon delivery of notice of termination to you, if you (or any of your owners):

- (1) have made or make any material misrepresentation or omission in acquiring the franchise rights under this Agreement or operating your Business;
- (2) abandon, surrender, or transfer control of the operation of your Business without our prior written approval;
- (3) make an unauthorized transfer of this Agreement, the franchise rights under this Agreement, your Business, or an ownership interest in you;
- (4) make an unauthorized use or disclosure of the Confidential Information or of any portion of the Operating Manual, or divert or attempt to divert any business or customer of your Business to any Competitive Business, by direct or indirect inducement;

(5) fail to comply with your obligations under Section 6.C (*Business Customer Information*);

(6) (i) fail to promptly pay your obligations to third-party vendors as they become due, or (ii) allow to occur any other default under a lease or finance agreement for the real or personal property involved in your Business;

(7) become insolvent by reason of your inability to pay your debts as they become due or make an assignment for the benefit of creditors or an admission of your inability to pay your obligations as they become due;

(8) submit to us on two (2) or more separate occasions at any time during the term of this Agreement a report or other data, information or supporting records which understates by more than five percent (5%) the royalty fees due for any period of, or periods aggregating, three (3) or more months, and you are unable to demonstrate that such understatements result from inadvertent error;

(9) fail or refuse on two (2) or more separate occasions within any twelve (12) consecutive month period to submit or pay when due financial statements, reports or other data, information or supporting records, royalty fees, marketing contributions, amounts due for products and services purchased from us, or other suppliers, or other payments due to us or our affiliates, or otherwise fail or refuse on two (2) or more separate occasions within any twelve (12) consecutive month period to comply with any material provision of this Agreement, whether or not such failures or refusals are corrected after notice thereof is delivered to you;

(10) are convicted of or plead no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation of your Business and the goodwill associated with the Marks;

(11) engage in any conduct which is injurious or prejudicial to the goodwill associated with the Marks or the Franchise System or which adversely affects our reputation or the reputation of any Spring-~~Green~~ Green Business;

(12) fail to commence the operation of your Business on or before the mutually agreed upon date as indicated in Section 2.E;

(13) fail to complete the training program to our satisfaction;

(14) fail to maintain adequate insurance coverage as required by Section 8;

(15) commit a default under a lease or other agreement with us or our affiliate and fail to cure that default by the date specified in the applicable agreement;

(16) fail to pay us or any of our affiliates any amounts due and do not correct the failure within ten (10) days after written notice of that failure has been delivered;

(17) fail to provide service to customers in accordance with System Standards, including within the time period provided for in the Operating Manual;

(18) violate any health, safety, or sanitation law, ordinance, or regulation, or operate your Business in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within seventy-two (72) hours after you receive notice from us or any other party, regardless of any longer period of time that any governmental authority or agency may have provided to cure such violation; or

(19) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

16.B. TERMINATION BY YOU.

You may terminate this Agreement if you are in full compliance with this Agreement and we materially fail to comply with this Agreement, and (i) we fail to correct the failure within thirty (30) days after you deliver written notice of the material failure to us, or (ii) if we cannot correct the failure within thirty (30) days, we fail to give you within thirty (30) days after your notice reasonable evidence of our effort to correct the failure within a reasonable time. Your termination under this Section will be effective an additional ten (10) days after you deliver to us a written notice of termination following our failure to correct the failure identified in your initial written notice to us. If you terminate this Agreement other than according to this Section 16.B, the termination will be deemed a termination without cause and a breach of this Agreement.

16.C. ~~ASSUMPTION OF MANAGEMENT~~ INTERIM OPERATIONS.

We (or a third party designated by us) have the right (but not the obligation), under circumstances described below, to enter the Premises and ~~assume the management of~~ operate your Business on an interim basis for a reasonable period of time ~~we deem appropriate. If. All funds from your Business's operation while~~ we (or a third party) ~~assume the management of your Business, you agree to pay us (in addition to the~~ designee) operate it will be accounted for separately, and all expenses will be deducted from that amount, including royalties, marketing contributions, and other amounts due under this Agreement) ~~a reasonable management fee, plus our (or the third party's) out-of-pocket costs and expenses, after we assume~~ management, operation on an interim basis. If we (or a third party) ~~assume the management of~~ operate your Business, on an interim basis, you acknowledge that we (or the third party) will have a duty to use only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations that your Business incurs, or to any of your creditors for any goods and/or services purchased for your Business while we (or the third party) ~~manage it.~~ operate on an interim basis..

We (or a third party) may ~~assume the management of~~ operate your Business on an interim basis under the following circumstances: (a) if you abandon or fail to actively operate your Business; (b) if you fail to comply with any provision of this Agreement or the Franchise System standards and do not cure the failure within the time period we specify in our notice to you; or (c) pending a transfer pursuant to Section 14.E (*Death or Disability*).

If we elect to operate your Business on any interim basis, you must cooperate with us and our designees, continue to support the operations of your Business, and comply with all of our instructions and System Standards, including making available any and all books, records, and accounts. You understand and acknowledge that during any such interim period, you are still the owner of your Business, and you continue to bear sole liability for any and all accounts payable, obligations, and/or contracts. You understand that we are not required to use your employees, vendors, or accounts to operate your Business. You also agree that we may elect to cease such interim operations of your Business at any time with notice to you.

17. OBLIGATIONS UPON TERMINATION OR EXPIRATION.

17.A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us within thirty (30) days after the effective date of termination or expiration of this Agreement, or such later date that we determine, such royalty fees, marketing contributions, amounts owed for products purchased by you from us, interest due to us on any of the foregoing, and all other amounts owed to us or our affiliate which are then unpaid. You acknowledge and agree that we may continue to debit from the EDTA any amounts due to us or our affiliates. You further agree to return to customers (or to us if we have refunded the customers or arranged for services to be provided to such customers), within thirty (30) days after the effective date of termination or expiration of this Agreement: (a) all amounts prepaid by such customers for services to be rendered after the effective date of the termination or expiration and (b) all amounts otherwise owed to such customers. You further agree to pay any approved third-party vendors any amounts owed for products or services purchased by you which are then unpaid after the effective date of termination or expiration of this Agreement pursuant to the terms of its agreement with the third-party vendor. We have the right to set off any amount you or your owners owe us or our affiliates against any amounts we or our affiliates owe you, your owners, or your affiliates.

17.B. MARKS.

After the termination or expiration of this Agreement, you and your owners will:

(1) not directly or indirectly at any time or in any manner identify yourself or any business as a current or former Spring-~~Green~~ Green Business, or as a franchisee, licensee, or dealer of or as otherwise associated with us, or use any Mark, any colorable imitation thereof, or other indicia of a Spring-~~Green~~ Green Business in any manner or for any purpose, or use for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us;

(2) return to us all signs, sign-faces, catalogues, marketing materials, forms, invoices, and any materials containing any Mark or otherwise identifying or relating to a Spring-~~Green~~ Green Business, provided, however, all marketing materials, forms or invoices bearing our corporate or trade name shall be transferred to us or, at our option, destroyed;

(3) not access the Operating Manual (and you acknowledge that we will discontinue your online access to the Operating Manual) and return to us, or destroy, at our option, any tangible copies of any portion of the Operating Manual that you may have in your possession;

(4) take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(5) cease using and, at our direction, either disable or instruct the registrar of any Contact Identifiers or Online Presence to transfer exclusive control and access of such Contact Identifiers or Online Presence to us or our designee in accordance with our instructions;

(6) in the event we have approved or required the use of any Online Presence in the operation of your Business, immediately (i) cease using or operating any such Online Presence, and (ii) take any action as may be required to disable, and cancel all rights in and to, any accounts associated with such Online Presence, or transfer exclusive control and access of such Online Presence to us, as we determine in our sole discretion; and

(7) furnish to us within thirty (30) days after the effective date of termination or expiration evidence satisfactory to us of your compliance with the foregoing obligations.

If you fail to take any of the actions (or refrain from taking any of the actions) described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from the Premises or the Operating Equipment.

17.C. CONFIDENTIAL INFORMATION.

You agree that when this Agreement expires or is terminated you will immediately cease using any of our Confidential Information in any business and return to us all copies of the Operating Manual and any other Confidential Information that we have loaned you. You also agree to comply with all of our directions for returning or disposing of Personal Information, in any form, in your possession or the possession of any of your employees. We may require you to certify in writing that you have returned or securely disposed of all Personal Information ([other than Restricted Data](#)).

17.D. BUSINESS CUSTOMER INFORMATION.

If this Agreement is terminated by us pursuant to Section 16.A, expires because you elect not to exercise your renewal right, or if you fail to comply with the renewal conditions set forth herein, you acknowledge and agree that you automatically relinquish your rights to the Business Customer Information and we shall become the sole owner of the Business Customer Information. If we elect not to renew this Agreement because we have ceased offering franchises for ~~Spring-Green~~ [Green Green](#) Businesses in the state(s) in which the Territory is located, (i) we, at your request, shall relinquish our rights to the Business Customer Information, and you shall become the sole

owner of the Business Customer Information and (ii) you shall not be obligated to comply with your obligations under Section 17.B(4) or 17.F of this Agreement if you request that we relinquish our rights to the Business Customer Information. If either you or we become sole owners of the Business Customer Information pursuant to this Section, the party relinquishing ownership must deliver all copies of the Business Customer Information to the sole owner in the format requested by the sole owner thereof.

17.E. CONTINUING OBLIGATIONS.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including all obligations relating to non-disparagement, non-competition, non-solicitation, confidentiality and indemnification.

17.F. POST-TERM COVENANT NOT TO COMPETE.

You (and your owners) agree that for a period of two (2) years commencing upon the expiration or termination of this Agreement for any reason or the date on which you cease for whatever reason to conduct your Business, neither you, your owners, nor any member of your or your owners' immediate family will:

(1) within the Territory, engage in, assist in the establishment of, be employed by, or otherwise perform services for, any Competitive Business;

(2) divert or attempt to divert, or solicit, interfere, or attempt to interfere with, any business or customer (including residential or commercial) which (i) is a current customer of any ~~Spring-Green~~ Green Business located anywhere or (ii) was at any time within the twenty-four (24) months immediately preceding that date a customer of your Business located anywhere (within and outside the Territory), to any Competitive Business, by direct or indirect inducement (including offering or selling Business Customer Information to any unauthorized person) or do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill of the Marks or Franchise System; or

(3) purchase any products, equipment or services that we have approved for ~~Spring-Green~~ Green Businesses from our approved suppliers.

18. ENFORCEMENT.

18.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable. If, for any reason, any portion of this Agreement is held to be unenforceable by decision of any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, such portion shall be deemed not to be a part of this Agreement from the date the time for appeal from that decision expires, if you are a party to the proceeding, otherwise upon your receipt of a notice of non-

enforcement thereof from us, provided however that we shall have the right, in our sole discretion, to modify such unenforceable provision in order to render it enforceable and you agree to be bound by any provisions so modified by us. The parties hereto agree that such a decision shall not impair the operation of, or have any unnecessary effect upon, other portions of this Agreement which shall continue to be given full force and effect.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder, or the taking of some other action not required hereunder, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision thereof, as though it were separately articulated in and made a part of this Agreement.

Modifications to this Agreement required pursuant to the laws or decisions of any particular jurisdiction shall be effective only in such jurisdiction, unless we elect to give them greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions.

18.B. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver.

Whenever this Agreement requires our prior approval or consent, you shall make a timely written request therefor, and such approval shall be obtained in writing.

We make no warranties or guaranties upon which you may rely, and assume no liability or obligation to you, by granting any waiver, approval or consent to you, or by reason of any neglect, delay or denial of any request therefor. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to continuing review by us, and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, the right to demand exact compliance with every term, condition and covenant herein, or to declare any breach thereof to be a default and to terminate this Agreement prior to the expiration of its term), by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of you or us to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder, including any mandatory specification, standard or operating procedure; any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Spring-~~Green~~ Green Businesses; or the acceptance by us of any payments due from you after any breach of this Agreement.

Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if such party's failure to perform its obligations results from: (1) transportation

shortages, inadequate supply of labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) acts or omissions of the other party; (5) fires, strikes, embargoes, war, or riot; or (6) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: 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.

18.C. SPECIFIC PERFORMANCE / INJUNCTIVE RELIEF.

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that, notwithstanding Section 18.G, we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

18.D. RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

18.E. COSTS AND ATTORNEYS' FEES.

The prevailing party in any arbitration or litigation arising out of or relating to this Agreement shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorney's fees, incurred by the prevailing party in connection with such arbitration or litigation.

18.F. GOVERNING LAW.

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US (OR ANY OF OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, AND EMPLOYEES) AND YOU (AND YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES) WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY STATE LAW REGULATING THE OFFER OR SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

18.G. EXCLUSIVE JURISDICTION.

WE AND YOU (AND YOUR OWNERS) AGREE THAT ALL ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY RELATED AGREEMENT, OR THE RELATIONSHIP BETWEEN YOU (AND YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES) AND US (OR ANY OF OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, AND EMPLOYEES) MUST BE COMMENCED EXCLUSIVELY IN THE STATE OR FEDERAL COURT THAT IS NEAREST TO OUR THEN-CURRENT CORPORATE HEADQUARTERS (CURRENTLY LOCATED IN PLAINFIELD, ILLINOIS), AND WE AND YOU IRREVOCABLY CONSENT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OR VENUE IN THOSE COURTS.

18.H. VARIANCES.

You acknowledge that we have and may at different times, in our absolute and sole discretion, approve exceptions or changes from the uniform standards of the Franchise System, which we deem desirable or necessary under particular circumstances. You understand that you have no right to object to or automatically obtain such variances, and that we must approve in advance and in writing any exception or change in advance. You understand that existing franchisees may operate under different forms of agreements and that the rights and obligations of existing franchisees may differ materially from this Agreement.

18.I. LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.

EXCEPT FOR CLAIMS BROUGHT BY US WITH REGARD TO YOUR OBLIGATIONS TO MAKE PAYMENTS TO US AND TO INDEMNIFY US PURSUANT TO THIS AGREEMENT, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU SHALL BE BARRED UNLESS A JUDICIAL PROCEEDING IS COMMENCED IN ACCORDANCE WITH

THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

18.J. WAIVER OF PUNITIVE DAMAGES; LIMITATION OF LIABILITY.

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 10.D, AND EXCEPT FOR CLAIMS FOR TREBLE DAMAGES IN APPROPRIATE CASES UNDER THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. IN NO EVENT SHALL WE BE LIABLE TO YOU (OR YOUR OWNERS, AFFILIATES, SUCCESSORS, OR ASSIGNS) FOR ANY DAMAGES ARISING FROM: (1) ANY SERVICES WE RENDER PURSUANT TO THIS AGREEMENT (INCLUDING SERVICES RELATED TO TRAINING, THE PREPARATION OF MARKETING AND ADVERTISING MATERIALS, OR THE OPERATION OF ANY SOFTWARE THAT WE PROVIDE) OR (2) ANY CYBER-ATTACK, COMPUTER VIRUSES, DATA HACKS, OR OTHER TYPES OF MALICIOUS CODE REGARDLESS OF WHETHER THE CLAIM FOR SUCH DAMAGES IS BASED IN CONTRACT, TORT, OR OTHER LEGAL THEORY.

18.K. WAIVER OF JURY TRIAL.

WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING, BROUGHT BY EITHER OF US.

18.L. BINDING EFFECT.

This Agreement is binding on us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operating Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

18.M. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement which, together with the System Standards contained in the Operating Manual (which may be periodically modified, as provided in this Agreement) and the related documents, constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Business. Any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies on any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term “affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term “control” means the power to direct or cause the direction of management and policies. The use of the term “including” in this Agreement, means in each case “including, without limitation”.

If two or more persons are at any time the owners of your Business, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record or beneficially) or voting rights in you (or a transferee of this Agreement and your Business or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement or your Business and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

The term “your Business” includes all of the assets of your Business you operate under this Agreement, including its revenue and the lease for the Premises.

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees (which may include our affiliates), whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

19. NOTICES AND PAYMENTS.

All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the Operating Manual shall be deemed so delivered at the time delivered by hand, one (1) business day after sending by reputable national overnight courier, or two (2) business days after placement in the U.S. Mail by registered or certified mail, return receipt requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. All written notices and reports permitted or required to be delivered by us to you by the provisions of this Agreement or of the Operating Manual may be delivered via email and shall be deemed so delivered on the date of completion of the transmission as shown on the electronic acknowledgement or other records of the applicable electronic delivery system.

All payments and reports required by this Agreement shall be directed to us at the address notified to you, or to such other persons and places as we may direct periodically. Any required payment or report not actually received by us during regular business hours on the date due and postmarked by postal authorities at least two (2) days prior thereto, shall be deemed delinquent.

20. BUSINESS JUDGMENT.

We retain the right to operate, develop and change the Franchise System and the products and services offered by Spring-~~Green~~ Green Businesses in any manner that is not specifically prohibited in this Agreement. Whenever we have reserved the right in this Agreement to take or refrain from taking any action, or to prohibit you from taking or refraining from any action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on the information then readily available to us and on our judgment of what is in our best interests, the best interests of our affiliates and/or the best interests of Spring-~~Green~~ Green Businesses as a whole at the time the decision is made, regardless of whether we could have made other reasonable, or even arguably preferable, alternative decisions and regardless of whether our decision or action promotes our interests, those of our affiliates or any other person or entity.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

SPRING-GREEN LAWN CARE CORP.
a Delaware corporation

FRANCHISEE

By: _____
Theodore T. Hofer, Chief Executive Officer

[Print Name of Franchisee]

DATED*: _____
(*Effective Date of this Agreement)

By: _____
[signature of person signing on behalf of Franchisee]

Title of Signatory: _____

DATED: _____

EXHIBIT A
TO THE FRANCHISE AGREEMENT
BETWEEN
SPRING-GREEN LAWN CARE CORP.
AND

The “Territory” as defined in Section 1.E shall consist of the following census tracts, as established by the U.S. Census Bureau on the date of this Agreement: _____

Total number of SFDUs within the Territory is _____.

EXHIBIT B
**TO THE FRANCHISE AGREEMENT
BETWEEN
SPRING-GREEN LAWN CARE CORP.
AND**

Effective Date: This Exhibit B is current and complete as of _____, 20____

FRANCHISEE and FRANCHISEE's Owners

1. **Form of Owner.**

(a) **Individual Proprietorship.** Your owner(s) (is) (are) as follows:

(b) **Corporation, Limited Liability Company, or Partnership.** You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

<u>Name of Each Director/Officer</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. **Owners.** The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<u>Owner's Name</u>	<u>Description of Interest</u>
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

3. **Managing Owner.** The Managing Owner is _____.

(signature page follows)

SPRING-GREEN LAWN CARE CORP.
a Delaware corporation

FRANCHISEE

By: _____
Theodore T. Hofer, Chief Executive Officer

[Print Name of Franchisee]

DATED: _____

By: _____
[signature of person signing on behalf of Franchisee]

Title of Signatory: _____

DATED: _____

EXHIBIT C

SPRING-~~GREEN~~ GREEN FRANCHISE AGREEMENT

ELECTRONIC DEPOSITORY TRANSFER ACCOUNT

I, _____, a duly authorized signatory and representative of _____ (“**Franchisee**”), hereby authorize Spring-Green Lawn Care Corp. or its affiliate (“**Spring-Green**”), to deduct electronically from the account indicated below (the “**Account**”) the royalty fees and advertising fund contributions, and any other amounts due from Franchisee to Spring-Green or its affiliate (collectively, the “**Payments**”).

This authorization shall continue in effect until that certain Franchise Agreement dated _____ between Spring-Green and Franchisee, or any subsequent Franchise Agreement between Spring-Green and Franchisee, is terminated. Notwithstanding the foregoing, if (i) there is a termination or expiration of the Franchise Agreement and (ii) amounts are owed to Spring-Green by Franchisee, including, without limitation, royalty fees, advertising fund contributions, amounts owed for products purchased by Franchisee from Spring-Green, or interest due Spring-Green on any of the foregoing, then this authorization shall continue in full force and effect until the bank identified below (the “**Bank**”) has received joint written notification of revocation from Franchisee and Spring-Green.

Unless otherwise advised in writing by Spring-Green, all amounts owed to Spring-Green, including, without limitation, royalty fees and advertising fund contributions, note payments, or lease payments will be electronically transferred from the Account on the dates specified in the Spring-Green Operating Manual or otherwise by Spring-Green in writing periodically.

In addition, Franchisee authorizes and requests the Bank to accept Spring-Green’s requests for Payments and to deduct such Payments from the Account.

Bank Name: _____

City, State, Zip: _____

Transit/ABA #: _____ Account #: _____

Name on Account: _____

Signature: _____

Name: _____

Title: _____

Date: _____

EXHIBIT D
**TO THE FRANCHISE AGREEMENT
BETWEEN
SPRING-GREEN LAWN CARE CORP.
AND**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by each of the undersigned persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated, or supplemented from time to time, the “**Agreement**”) on this date by **SPRING-GREEN LAWN CARE CORP.** (“**us**,” “**we**” or “**our**”), each Guarantor personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ (“**Franchisee**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and dispute resolution requirements.

Each Guarantor consents and agrees that: (1) Guarantor’s direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may periodically 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 (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each Guarantor waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) at our request, each Guarantor shall present

updated financial information to us as reasonably necessary to demonstrate such Guarantor's ability to satisfy the financial obligations of Franchisee under the Agreement.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Franchisee arising as a result of the Guarantor's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of Guarantor's undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

The provisions contained in Section 18 (Enforcement) of the Agreement, including Section 18.E (Costs and Attorneys' Fees), Section 18.F (Governing Law) and Section 18.G (Exclusive Jurisdiction) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the Guarantors and us. The Guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries, for so long as such delinquency exists, subject to applicable law.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the undersigned has affixed his, her, or its signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____ Ownership Percentage in Franchisee: _____%	Name: _____ Sign: _____ Address: _____ _____ _____
Name: _____ Sign: _____ Address: _____ _____ _____ Ownership Percentage in Franchisee: _____%	Name: _____ Sign: _____ Address: _____ _____ _____

EXHIBIT C
TABLE OF CONTENTS – MANUALS

1. Spring-Green Knowledge Base Home.....	1 page
1.1 Make the Sale	1 page
1.1.1 1. Getting Started	1 page
1.1.1.1 1.1 Philosophy	1 page
1.1.1.1.1 1.1.1 What is Marketing?	2 pages
1.1.1.1.2 1.1.2 The Spring-Green Guarantee	1 page
1.1.1.1.3 1.1.3 Ad Fund for Spring-Green	1 page
1.1.1.1.4 1.1.4 Marketing Messages	5 pages
1.1.1.2 1.2 Start-up Marketing	1 page
1.1.1.2.1 1.2.1 4X4 Competitor Analysis	1 page
1.1.1.2.2 1.2.2 Price Table	1 page
1.1.1.2.3 1.2.3 Budget	2 pages
1.1.1.3 1.3 Branding	1 page
1.1.1.3.1 1.3.1 Establishing The Spring-Green Brand In Your Market	5 pages
1.1.1.3.2 1.3.2 Radio	1 page
1.1.1.3.3 1.3.3 E-mail	1 page
1.1.1.3.4 1.3.4 Billboard	1 page
1.1.1.3.5 1.3.5 Posting Signs	2 pages
1.1.1.4 1.4 Sales Training	1 page
1.1.1.4.1 1.4.1 Lead Follow Up	3 pages
1.1.1.4.2 1.4.2 F.A.Q.	4 pages
1.1.1.4.3 1.4.2 Summary of Services	3 pages
1.1.1.4.4 1.4.4 Beneficial LC Services	3 pages
1.1.1.4.5 1.4.5 Selling SG Services	5 pages
1.1.2 2. Acquisition	1 page
1.1.2.1 2.1 Direct Mail	1 page
1.1.2.1.1 2.1.1 Direct Mail Overview	1 page
1.1.2.1.2 2.1.2 Integrated Mail Campaign (IMC)	1 page
1.1.2.1.3 2.1.3 Unconverted Neighborhood Discount Code (NDC)	2 pages
1.1.2.1.4 2.1.4 Cancel Postcards	1 page
1.1.2.1.5 2.1.5 New Neighbor Postcards	2 pages
1.1.2.1.6 2.1.6 Spring Cancel Mailing	2 pages
1.1.2.1.7 2.1.7 Commercial	1 page
1.1.2.1.8 2.1.8 Local Marketing	2 pages
1.1.2.1.9 2.1.10 List Selection	2 pages
1.1.2.1.10 2.1.11 Unconverted Call Center Lead	2 pages
1.1.2.1.11 2.1.12 Unconverted Web Address	2 pages
1.1.2.1.12 2.1.13 Unconverted Web Lead	2 pages
1.1.2.1.13 2.1.14 Unconverted Lead Follow-up	3 pages
1.1.2.1.14 2.1.15 Reports	2 pages
1.1.2.1.15 Supplemental Postcards	1 page
1.1.2.2 2.2 Digital Overview	1 page
1.1.2.2.1 2.2.1 Search Engine Marketing (SEM)	1 page
1.1.2.2.2 2.2.2 Search Engine Optimization (SEO)	1 page
1.1.2.2.3 2.2.3 Local Listing	1 page
1.1.2.3 2.3 Web Shopping Cart	9 pages
1.1.2.4 2.4 Emails with IMC	1 page
1.1.3 3. Additional Services	1 page
1.1.3.1 3.1 Direct Mail	1 page
1.1.3.1.1 3.1.1 Postcard Campaigns	2 pages
1.1.3.1.2 3.1.2 Inserts	2 pages
1.1.3.1.3 3.1.3 Calling	1 page
1.1.3.1.4 3.1.4 Reports	2 pages
1.1.3.2 3.2 Scripts	1 page
1.1.3.2.1 3.2.1 Postcard Additional Services Script	1 page
1.1.3.2.2 3.2.2 Mosquito Script	2 pages
1.1.3.2.3 3.2.3 Property Evaluation (Voice Mail) Script	1 page
1.1.3.2.4 3.2.4 Property Evaluation Script	1 page
1.1.4 4. Call Center	1 page
1.1.4.1 4.1 Inbound	1 page
1.1.4.1.1 4.1.1 Overview	1 page
1.1.4.1.2 4.1.2 Email/Receipts	3 pages
1.1.4.1.3 4.1.3 Surveys	2 pages
1.1.4.1.4 4.1.4 Property Evaluations	1 page
1.1.4.1.5 4.1.5 Custom Phone Numbers	1 page
1.1.4.1.6 4.1.6 Inbound - Reports	1 page
1.1.4.2 4.2 Outbound	1 page
1.1.4.2.1 4.2.1 Overview	2 pages
1.1.4.2.2 4.2.2 Web Leads	2 pages
1.1.4.2.3 4.2.3 Cancel Calling	2 pages
1.1.4.2.4 4.2.4 Additional Service Calling	1 page
1.1.4.2.5 4.2.5 Property Evaluation & Estimate Calling	1 page
1.1.4.2.6 4.2.6 Interested Prospect Calling	1 page

1.1.4.2.7 4.2.7 Outbound-Reports	2 pages
1.1.4.3 4.3 Measurements	2 pages

1.1.4.3.1	4.3.1 New Neighbor Measurements	1 page
1.1.4.3.2	4.3.2 Custom Measurement	1 page
1.1.4.3.3	4.3.3 Measurements Report	1 page
1.1.5	5. Loyalty Retention	1 page
1.1.5.1	5.1 Testimonials	1 page
1.1.5.2	5.2 Social Media	2 pages
1.1.5.3	5.3 Mid-Season Surveys	5 pages
1.1.5.4	5.5 New Customer Surveys.....	1 page
1.1.5.5	5.6 Renewal Letter	1 page
1.1.5.6	5.7 Thank You Surveys	4 pages
1.1.5.7	5.8 Reputation Management	1 page
1.1.5.8	5.9 Property Evaluations	1 page
1.1.5.8.1	5.9.1 Paper	1 page
1.1.5.8.2	5.9.2 Mobile	4 pages
1.1.5.8.3	5.9.3 Property Evaluation Script	1 page
1.1.5.8.4	5.9.4 Property Evaluation Script - Voice Mail	1 page
1.1.5.9	5.10 Customer Journey	2 pages
1.1.6	6. Tools - Applications Overview.....	1 page
1.1.6.1	6.1 Glossary of Tools	1 page
1.1.6.1.1	6.1.1 Marketing Selection Tool (MST)	1 page
1.1.6.1.2	6.1.2 Marketing Analytics Tool (MAT).....	2 pages
1.1.6.1.3	6.1.3 Universal Pricing (UP)	1 page
1.1.6.1.4	6.1.4 Reports	3 pages
1.1.6.2	6.2 Mobile.....	1 page
1.1.6.2.1	6.2.1 Mobile Measurement	2 pages
1.1.6.2.2	6.2.2 Customer Information Screen.....	2 pages
1.1.6.2.3	6.2.3 Mobile Irrigation Inspection.....	2 pages
1.1.6.2.4	6.2.4 Mobile Navigation	2 pages
1.1.7	7. Data Integrity	2 pages
1.1.7.1	7.1 Database Updates.....	1 page
1.1.7.2	7.2 Database Systems	1 page
1.1.7.3	7.3 Database Maintenance	1 page
1.1.7.4	7.4 Subdivision Data	2 pages
1.2	Get the Work Done	3 pages
1.2.1	1. Goals	1 page
1.2.1.1	1.1 Production Goal.....	1 page
1.2.1.2	1.2 Weekly Re-projection Tool	1 page
1.2.1.3	1.3 Non-Production Routing Goals.....	1 page
1.2.1.4	1.4 Verbal Communication Goals.....	1 page
1.2.1.5	1.5 Calendar Communication Goals	1 page
1.2.1.6	1.6 Whiteboard Communicating Goals.....	1 page
1.2.2	2. Office.....	1 page
1.2.2.1	2.1 Introduction.....	1 page
1.2.2.2	2.2 Setting up the Office and Territory	1 page
1.2.2.2.1	2.2.1 Setting up the Office and Territory - Introduction.....	1 page
1.2.2.2.2	2.2.2 Office Furniture.....	1 page
1.2.2.2.3	2.2.3 Organizational Tools.....	1 page
1.2.2.2.4	2.2.4 Office Organization.....	1 page
1.2.2.2.5	2.2.5 Territory Mapping	1 page
1.2.2.3	2.3 Office Procedures - Responding To Customers.....	1 page
1.2.2.3.1	2.3.1 Taking Telephone Messages	1 page
1.2.2.3.2	2.3.2 Handling Voicemail Messages	2 pages
1.2.2.3.3	2.3.3 Handling E-Mail and Mailed Letters.....	1 page
1.2.2.3.4	2.3.4 Handling Estimate Requests	2 pages
1.2.2.3.5	2.3.5 Handling Service Call Requests	1 page
1.2.2.3.6	2.3.6 Other Customer Concerns: Call-Aheads	2 pages
1.2.2.3.7	2.3.7 Other Customer Concerns: Handling ASAP Requests.....	1 page
1.2.2.3.8	2.3.8 Other Customer Concerns -Handling Service Skips	1 page
1.2.2.3.9	2.3.9 Handling Temporary Service Holds	1 page
1.2.2.3.10	2.3.10 Other Customer Concerns: Cancel Procedure.....	1 page
1.2.2.3.11	2.3.11 Handling Service Information Changes	1 page
1.2.2.4	2.4 Routing Invoices.....	1 page
1.2.2.5	2.5 Generating and Routing Estimates To Do.....	1 page
1.2.2.6	2.6 Daily Postings.....	1 page
1.2.2.6.1	2.6.1 Processing Sales.....	2 pages
1.2.2.6.2	2.6.2 Processing Completed Estimates.....	1 page
1.2.2.6.3	2.6.3 Handling Completed Work Orders.....	2 pages
1.2.2.6.4	2.6.4 Invoices Returned Without Being Completed.....	1 page
1.2.2.7	2.7 Handling Outbound Mail.....	2 pages
1.2.3	3. Production	1 page
1.2.3.1	3.1 Introduction.....	1 page
1.2.3.2	3.2 Understanding Customer Expectations	2 pages
1.2.3.3	3.3 Routine Production Procedures	1 page

1.2.3.3.1 3.3.1 Routine Production Procedures - Introduction..... 1 page
1.2.3.3.2 3.3.2 Lawn Measuring 1 page

1.2.3.4 3.4 Lawn Care Application Procedures	1 page
1.2.3.4.1 3.4.1 Introduction	1 page
1.2.3.4.2 3.4.2 Liquid Lawn Care Applications	2 pages
1.2.3.4.3 3.4.3 Granular Lawn Care Applications	1 page
1.2.3.4.4 3.4.4 Using a Ride-on Applicator	2 pages
1.2.3.4.5 3.4.5 Using the Push-N-Spray	1 page
1.2.3.4.6 3.4.6 Regional Lawn Care Programs	1 page
1.2.3.5 3.5 Tree Care Program	1 page
1.2.3.5.1 3.5.1 Tree Care Program - Standard	1 page
1.2.3.5.2 3.5.2 Root-Feeding	2 pages
1.2.3.5.3 3.5.3 Insect and Disease Control Spraying	1 page
1.2.3.5.4 3.5.4 Tree Trunk Injections	2 pages
1.2.3.5.5 3.5.5 Soil Drenching and Basal Bark Treatments	1 page
1.2.3.6 3.6 Additional Lawn Care Services	1 page
1.2.3.6.1 3.6.1 Core Aeration	1 page
1.2.3.6.2 3.6.2 Lawn Disease Control	2 pages
1.2.3.6.3 3.6.3 Perimeter Pest Control	1 page
1.2.3.6.4 3.6.4 Mosquito Control Program	1 page
1.2.3.6.5 3.6.5 Fire Ant	1 page
1.2.3.6.6 3.6.6 Total Lawn Insect Control	1 page
1.2.3.6.7 3.6.7 Ornamental Bed Weed Control	1 page
1.2.3.6.8 3.6.8 Moss Control	1 page
1.2.3.6.9 3.6.9 Flea and Tick Control	2 pages
1.2.3.6.10 3.6.10 Liming	1 page
1.2.3.7 3.7 Working with Field Service Professionals (FSPs)	1 page
1.2.3.8 3.8 Filling Out Invoices	2 pages
1.2.3.9 3.9 Completing the Daily Drivers Report	1 page
1.2.4 4. Equipment	2 pages
1.2.4.1 4.1 General Vehicle Equipment	1 page
1.2.4.2 4.2 Vehicle and Equipment Standards and Specifications	1 page
1.2.4.2.1 4.2.1 Introduction	1 page
1.2.4.2.2 4.2.2 General Vehicle Specifications	1 page
1.2.4.2.3 4.2.3 Specifications for Vehicles Servicing Residential Accounts	1 page
1.2.4.2.4 4.2.4 Specifications for Vehicles Servicing Commercial Accounts	1 page
1.2.4.2.5 4.2.5 Specifications for Trailers	1 page
1.2.4.2.6 4.2.6 Specifications for Injection Systems on Vehicles with Tanks	2 pages
1.2.4.2.7 4.2.7 Specifications for Spray Tanks on Vehicles with Side Boxes	1 page
1.2.4.2.8 4.2.8 Specifications for Visible Spray Tanks	2 pages
1.2.4.2.9 4.2.9 Fresh Water Tanks	1 page
1.2.4.3 4.3 How to Build a Vehicle – Instructional Videos	1 page
1.2.4.3.1 4.3.1 315 Gallon Tank Assembly	1 page
1.2.4.3.2 4.3.2 Tank Installation	1 page
1.2.4.3.3 4.3.3 50 Gallon Fresh Water Tank Assembly	1 page
1.2.4.3.4 4.3.4 Pump Assembly	2 pages
1.2.4.3.5 4.3.5 Honda Motor Assembly	1 page
1.2.4.3.6 4.3.6 Motor and Pump Platform Assembly	1 page
1.2.4.3.7 4.3.7 Installation of Pump and Motor on Fresh Water Tank	1 page
1.2.4.3.8 4.3.8 12 Volt Pump Installation	1 page
1.2.4.3.9 4.3.9 Fresh Water Tank Hose and Nozzle Installation	1 page
1.2.4.3.10 4.3.10 Sidebox – Driver’s Side Installation	1 page
1.2.4.3.11 4.3.11 Push-Pull Switch Wiring	1 page
1.2.4.3.12 4.3.12 Pump Motor Extended Recoil Installation	1 page
1.2.4.3.13 4.3.13 Pump Motor Kill Switch Installation	1 page
1.2.4.3.14 4.3.14 Injection System Installation	1 page
1.2.4.3.15 4.3.15 Sidebox – Passenger’s Side Installation	2 pages
1.2.4.3.16 4.3.16 Hose Reel Assembly	1 page
1.2.4.3.17 4.3.17 Master Power Connection to Battery	1 page
1.2.4.3.18 4.3.18 Decal and Logo Installation	1 page
1.2.4.4 4.4 Decal Specifications	1 page
1.2.4.4.1 4.4.1 Specifications for Vehicles Servicing Residential Accounts	1 page
1.2.4.4.2 4.4.2 Specifications for Vehicles Servicing Commercial Accounts	3 pages
1.2.4.5 4.5 Approved Equipment For Granular Application	1 page
1.2.4.5.1 4.5.1 Granular Spreaders	1 page
1.2.4.5.2 4.5.2 Liquid Application Kit for Granular Spreaders	1 page
1.2.4.5.3 4.5.3 Ride-on Applicators	2 pages
1.2.4.6 4.6 Approved Equipment for Tree Care	1 page
1.2.4.6.1 4.6.1 Tree Care Tank	1 page
1.2.4.6.2 4.6.2 Tree Injection Systems	1 page
1.2.4.7 4.7 Approved Equipment for Aeration	1 page
1.2.4.8 4.8 Approved Equipment for Seeding	2 pages
1.2.4.9 4.9 Approved Equipment for Carrying Racks	2 pages
1.2.4.10 4.10 Approved Safety Equipment	1 page
1.2.4.10.1 4.10.1 Vehicle Safety Equipment	1 page

1.2.4.10.2 4.10.2 Fertilizer and Pesticide Storage Area Safety Equipment..... 2 pages
1.2.4.11 4.11 Equipment Maintenance 1 page

1.2.4.11.1	4.11.1 Tools to Keep On Hand	2 pages
1.2.4.11.2	4.11.2 General Preventive Maintenance	1 page
1.2.4.11.3	4.11.3 Vehicle Maintenance Recommendations	1 page
1.2.4.11.4	4.11.4 Maintenance Recommendations for Spraying Systems	2 pages
1.2.4.11.5	4.11.5 Dip Stick Measurement	1 page
1.2.4.11.6	4.11.6 Troubleshooting Guide for Pumps and Engines	1 page
1.2.4.11.7	4.11.7 Liquid Application System: Beginning of Season Start-up	2 pages
1.2.4.11.8	4.11.8 Granular Push Spreader	1 page
1.2.4.11.9	4.11.9 Push-and-Spray Spreader	2 pages
1.2.4.11.10	4.11.10 Granular Ride-on Spreader	1 page
1.2.4.11.11	4.11.11 Aerator	1 page
1.2.4.11.12	4.11.12 Winterizing Procedures	2 pages
1.2.4.12	4.12 Other Approved Equipment	1 page
1.2.4.12.1	4.12.1 Handheld Blower	1 page
1.2.4.12.2	4.12.2 Hand Sprayers	2 pages
1.2.4.12.3	4.12.3 Backpack Sprayers	1 page
1.2.4.12.4	4.12.4 Mosquito Control Backpack Sprayer	1 page
1.3	Collect the Money	1 page
1.3.1	1. Introduction	1 page
1.3.2	2. Invoicing Setup	2 pages
1.3.3	3. Renewal Services	1 page
1.3.3.1	3.1 The Auto-renewal Feature	1 page
1.3.3.2	3.2 Creating the Renewal Letter	1 page
1.3.4	4. Managing Accounts Receivable	2 pages
1.3.5	5. Processing Payments	1 page
1.3.5.1	5.1 Processing Check Payments	1 page
1.3.5.2	5.2 Processing Cash Payments	2 pages
1.3.5.3	5.3 Processing Credit Card Payments	1 page
1.3.6	6. Collections	1 page
1.3.6.1	6.1 Collection Phone Calls	2 pages
1.3.6.2	6.2 Statements	1 page
1.3.6.3	6.3 Collection Letters	2 pages
1.3.6.4	6.4 Referring to a Collection Agency	2 pages
1.3.7	7. Sales Adjustments	1 page
1.3.7.1	7.1 Handling Sales Adjustments	2 pages
1.3.7.2	7.2 Issuing Customer Refunds	1 page
1.3.7.3	7.3 Reconciling Bad Debt	3 pages
1.3.7.4	7.4 Small Balance Cleanup	2 pages
1.4	Impress the Customer	2 pages
1.4.1	1. Appearance	1 page
1.4.1.1	1.1 Introduction	2 pages
1.4.1.2	1.2 Vehicle Cleanliness - Interior and Exterior Cleaning	1 page
1.4.1.3	1.3 Vehicle Cleanliness - Interior Organization	1 page
1.4.1.4	1.4 Personal Grooming and Posture	1 page
1.4.1.5	1.5 Professional Dress	2 pages
1.4.1.6	1.6 Uniforms	2 pages
1.4.1.7	1.7 Uniform Vendors	1 page
1.4.1.8	1.8 Guidelines for Uniform Rental	2 pages
1.4.1.9	1.9 Laundry Procedures for Pesticide Contaminated Clothing	1 page
1.4.1.10	1.10 Cancel Survey	2 pages
1.4.2	2. Professional Communication	1 page
1.4.2.1	2.1 Professional Written Communication	1 page
1.4.2.2	2.2 Professional Verbal Communication	2 pages
1.4.2.3	2.3 Setting up your voicemail	1 page
1.4.2.4	2.4 Active Listening	2 pages
1.4.3	3. Property Evaluations	1 page
1.4.3.1	3.1 Goals and Outcomes	1 page
1.4.3.2	3.2 Planning for Property Evaluations	2 pages
1.4.3.3	3.3 Property Evaluation Setup and Printing	1 page
1.4.3.4	3.4 Performing a Property Evaluation in the Field	2 pages
1.4.3.5	3.5 Following up on Property Evaluations	2 pages
1.4.4	4. Renewal Letters	1 page
1.4.4.1	4.1 About Renewal Letters	2 pages
1.4.4.2	4.2 Planning Renewal Letters	1 page
1.4.4.3	4.3 Price Increase Planning	2 pages
1.4.4.4	4.4 Upsell Offer Planning	2 pages
1.4.5	5. Surveys and Testimonials	1 page
1.4.5.1	5.1 Handling Customer Surveys	3 pages
1.4.5.2	5.2 Handling Customer Testimonials	2 pages
1.4.5.3	5.3 Loyalty and Retention Campaigns	1 page
1.4.6	6. Handling Service Calls	2 pages
1.4.7	7. Staying Current Education	2 pages
1.5	Control Expenses	1 page

1.5.1 1. Material Planning and Usage 1 page
1.5.1.1 1.1 Plan and Order Materials 2 pages

1.5.1.2	1.2 Calibration and Training.....	1 page
1.5.1.3	1.3 Monitoring Inventory Use.....	1 page
1.5.2	2. Pricing Strategies.....	1 page
1.5.2.1	2.1 Pricing Introduction.....	2 pages
1.5.2.2	2.2 4 x 4 Competitive Shopping Exercise.....	1 page
1.5.3	3. Pricing Spring-Green Services.....	2 pages
1.5.3.1	3.1 Types of Prices.....	1 page
1.5.3.2	3.2 Lawn Care Pricing.....	2 pages
1.5.3.3	3.3 Additional Services Pricing.....	1 page
1.5.3.4	3.4 Tree Care Pricing.....	2 pages
1.5.4	4. Production Labor Planning.....	2 pages
1.5.5	5. Royalty and Ad Fund Credit for Bad Debts.....	1 page
1.5.6	6. Business Planning.....	1 page
1.5.6.1	6.1 Introduction.....	2 pages
1.5.6.2	6.2 Preparing for the Business Planning Session.....	1 page
1.5.6.3	6.3 Annual Business Plan Template Completion.....	2 pages
1.5.6.4	6.4 Sales and Cancels Tab.....	1 page
1.5.6.5	6.5 Original Revenue Plan Tab.....	2 pages
1.5.6.6	6.6 M and L Costs Tab.....	2 pages
1.5.6.7	6.7 Material Cost Detail Tab.....	2 pages
1.5.6.8	6.8 Monthly Breakdown Tab.....	1 page
1.5.6.9	6.9 Weekly Performance Comparison Tab.....	1 page
1.5.6.10	6.10 Loans Tab.....	2 pages
1.5.6.11	6.11 Operating Projection Tab.....	2 pages
1.5.6.12	6.12 Three Year Plan.....	1 page
1.5.7	7. Monthly Financials.....	2 pages
1.5.7.1	7.1 Recording Financials Using QuickBooks.....	1 page
1.5.7.2	7.2 QuickBooks IIF Generator.....	1 page
1.5.7.3	7.3 QuickBooks Inventory-Accrual Basis.....	4 pages
1.5.7.4	7.4 QuickBooks Chart of Accounts.....	4 pages
1.5.7.5	7.5 QuickBooks Monthly Reports.....	7 pages
1.5.8	8. Strategic Planning.....	1 page
1.5.8.1	8.1 SWOT Analysis.....	1 page
1.5.8.2	8.2 Long Term Planning.....	2 pages
1.5.8.3	8.3 Annual Planning.....	1 page
1.5.8.4	8.4 Three Year Planning.....	2 pages
1.6	HR & Safety.....	1 page
1.6.1	Department of Transportation (DOT) Regulations.....	2 pages
1.6.1.1	DOT Regulations – Detailed Explanation.....	4 pages
1.6.2	Driving Spring-Green Vehicles.....	1 page
1.6.3	General Safety Practices.....	1 page
1.6.4	Guidelines for Responsibly Working with Pesticides.....	1 page
1.6.5	Hazardous Waste Management.....	3 pages
1.6.6	Preventing Pollution at Your Facility.....	4 pages
1.6.7	Suggested Storage & Handling Pesticides.....	6 pages
1.7	Administration.....	2 pages
1.7.1	1. Working with the Spring-Green Support Center.....	1 page
1.7.1.1	1.1 Introduction - SG Support Center.....	1 page
1.7.1.2	1.2 Production Standards.....	2 pages
1.7.1.3	1.3 Technology Requirements: Hardware, Software, Telephone Lines, Online Access.....	2 pages
1.7.1.4	1.4 Credit Card Processing.....	2 pages
1.7.1.5	1.5 Technical Support.....	2 pages
1.7.1.6	1.6 Back Up Service.....	1 page
1.7.1.7	1.7 Technology Fee.....	1 page
1.7.1.8	1.8 Use of Spring-Green Marks.....	2 pages
1.7.1.9	1.9 Public Disclosure of Business Ownership.....	1 page
1.7.1.10	1.10 Lawn Measurements.....	2 pages
1.7.1.11	1.11 Required Annual Marketing Plan.....	2 pages
1.7.1.12	1.12 Insurance Requirements.....	1 page
1.7.1.13	1.13 Regular Reporting Requirements.....	2 pages
1.7.1.14	1.14 Payments to the Spring-Green Support Center.....	2 pages
1.7.1.15	1.15 Authorized Product and Service Requirements.....	1 page
1.7.1.16	1.16 Authorization to Provide Unauthorized Services.....	1 page
1.7.1.17	1.17 Access to the Spring-Green Support Center and Support Staff.....	1 page
1.7.1.18	1.18 National Training Conference and Peer Group Meetings.....	2 pages
1.7.1.19	1.19 Spring-Green University (SGU).....	2 pages
1.7.1.20	1.20 The Spring-Green Ad Fund.....	1 page
1.7.1.21	1.21 Operations Restrictions for Franchise Requests.....	2 page
1.7.1.22	1.22 Regional Advertising Program.....	1 page
1.7.1.23	1.23 National Advisory Council.....	1 page
1.7.1.24	1.24 Intranet.....	2 pages
1.7.1.25	1.25 The Spring-Green Web Site.....	1 page
1.7.1.26	1.26 Expanding Your Spring-Spring Franchise.....	2 pages

1.7.1.26.1 1.25.1 Franchise Expansion Process	2 pages
1.7.1.27 1.27 Renewing your Spring-Green Franchise	1 page
1.7.1.27.1 1.27.1 Steps for Renewing Your Spring-Green Franchise Agreement	2 pages
1.7.1.28 1.28 Resale Process	2 pages
1.7.1.29 1.29 Selling Your Spring-Green Franchise	1 page
1.7.2 2. Financial Management and Operations	2 pages
1.7.2.1 2.1 Good Financial Management Practices	1 page
1.7.2.2 2.2 Business Entities	3 pages
1.7.2.3 2.3 Financial Planning	2 pages
1.7.2.4 2.4 Accounting	3 pages
1.7.2.5 2.5 Asset Management	2 pages
1.7.2.6 2.6 Financing the Operation	1 page
1.7.2.7 2.7 Banking	2 pages
1.7.2.8 2.8 Taxes and Governmental Record Keeping	1 page
1.7.3 3. Purchasing	1 page
1.7.3.1 3.1 Purchasing Programs	2 pages
1.7.3.2 3.2 Working with Other Spring-Green Franchisees	1 page
1.7.3.3 3.3 Cooperation Involving Residential Customers	2 pages
1.7.3.4 3.4 Cooperation Involving Commercial Customers	1 page
1.7.4 4. Guide to Acquisition of Local Competitors	1 page
1.7.4.1 4.1 Overview	2 pages
1.7.4.2 4.2 Introduction and Exchange of Information	1 page
1.7.4.3 4.3 The Opportunity	1 page
1.7.4.4 4.4 How to Locate Possible Acquisitions	2 pages
1.7.4.5 4.5 Analyzing & Valuing the Prospective Candidate	2 pages
1.7.4.6 4.6 Contacting the Acquisition Candidates	1 page
1.7.4.7 4.7 Making an Offer and Negotiating a Deal	2 pages
1.7.4.8 4.8 Closing a Deal	2 pages
1.7.5 5. Resources	1 page
1.7.5.1 5.1 Accounting Checklist for Accountant	1 page
1.7.5.2 5.2 Sample Balance Sheet	2 pages
1.7.5.3 5.3 Sample Income Statement	1 page
1.7.5.4 5.4 Terms of Use for the Spring-Green Corp. Intranet	5 pages
1.7.5.5 5.5 Internet Advertising and Social Media Policy	2 pages
1.7.5.6 5.6 Renewal Process	1 page
1.7.5.7 5.7 Resale Process	2 pages
1.7.5.8 5.8 Key Business Drivers	1 page
1.7.5.9 5.9 Expansion Process	1 page
1.7.6 6. Human Resources	1 page
1.7.6.1 6.1 Spring-Green HR Introduction	2 pages
1.7.6.2 6.2 Fundamental Labor and Employment Laws	2 pages
1.7.6.3 6.3 Employment Policies and Procedures	3 pages
1.7.6.4 6.4 Interviewing & Selection	2 pages
1.7.6.5 6.5 Compensation Considerations	2 pages
1.7.6.6 6.6 Employee Benefits	2 pages
1.7.6.7 6.7 Personnel Files and Records	3 pages
1.7.6.8 6.8 Managing Payroll	1 page
1.7.6.9 6.9 Payroll Taxes and Withholding	2 pages
1.7.6.10 6.10 Performance Feedback	3 pages
1.7.6.11 6.11 Workers Compensation	3 pages
1.7.6.12 6.12 Discipline and Termination	1 page

EXHIBIT D
LIST OF FRANCHISEES
AS OF DECEMBER 31, ~~2022~~2023

SPRING-GREEN LAWN CARE CORP.
LIST OF SPRING-GREEN
FRANCHISEES AS OF DECEMBER 31, ~~2022~~2023

ALABAMA FRANCHISEES
WITH 1 FRANCHISE

PATRICK RENTZ
2113 Whitesburg Dr. S
Huntsville, AL 35801
(256) 658-0052

JEREMY LEITH
459 Main Street, Suite 101 #352
Trussville, AL 35173
(205) 508-5085

JOHN DAVID ANDRUS
P.O. Box 144
Opelika, AL 36803
(334) 363-2237

ARKANSAS FRANCHISEES
WITH 2 FRANCHISES

~~PHILIP TALBERT~~RYAN GULLEY
~~P.O. Box 8873~~
659 N. Sabine Pass Road
Fayetteville, AR ~~72703~~72704
(479) ~~521-8873~~841-6246

DELAWARE FRANCHISEES
WITH 1 FRANCHISE

JOHN GERRARD
950 Ridge Rd., Unit D14
Claymont, DE 19703
(302) 762-1499
(portion of Territory is located in
Pennsylvania.)

GEORGIA FRANCHISEES
WITH 1 FRANCHISE

DAVID ROMAN
3235 Industrial Way
Snellville, GA 30039
(678) 376-5777

JOHN DAVID ANDRUS
P.O. Box 144
Opelika, AL 36803
(334) 363-2237

IDAHO FRANCHISEES
WITH 1 FRANCHISE

DOUG DANIELS
5525 E. Amity Ave.
Nampa, ID 83687
(208) 323-1557

ILLINOIS FRANCHISEES
WITH 1 FRANCHISE

GAYLE HARBISON
P.O. Box 3396
Decatur, IL 62524
(217) 877-2917

DONALD MCLUCKIE
P.O. Box 173
Fulton, IL 61252
(888) 977-7476

TIMOTHY SILBERER
P.O. Box 503
Galesburg, IL 61402
(309) 344-LAWN

STEVE IMMKE
P.O. Box 17066
Urbana, IL 61803
(217) 359-2111

**ILLINOIS FRANCHISEES
WITH 2 FRANCHISES**

RICHARD HOOVER
1207 South Bridge Street
Yorkville, IL 60560
(630) 553-9003

**ILLINOIS FRANCHISEES
WITH 3 FRANCHISES**

JASON JORDAN
P.O. Box 2121
Loves Park, IL 61130
(815) 282-0580
(portion of one Territory
is located in Wisconsin)

DAVE VOJTA
P.O. Box 3222
Peoria, IL 61612
(309) 692-7747

**INDIANA FRANCHISEES
WITH 1 FRANCHISE**

JIM MERCON
4001 Murvihill Road
Valparaiso, IN 46383
(219) 477-0203

RICK WOLFE
2612 S. 11th Street #1
Niles, MI 49120
(269) 683-7533
(Territory is located in Indiana, but
franchisee operates out of Michigan)

**INDIANA FRANCHISEES
WITH 3 FRANCHISES**

RYAN MEINIKA
335 E. 400 North
Columbia City, IN 46725
(260) 691-0200

ALAN BILBREY
P. O. Box 1221
Noblesville, IN 46061
(317) 773-0300

**INDIANA FRANCHISEES
WITH 4 FRANCHISES**

STEVE DOWNIN
7930 W. Westpointe Drive
Columbus, IN 47201
(812) 799-1554

**IOWA FRANCHISEES
WITH 1 FRANCHISE**

KENNY GUTE
709 10th Street
Boone, IA 50036
(515) 432-4191

DONALD MCLUCKIE
P.O. Box 173
Fulton, IL 61252
(888) 977-7476

JASON JORDAN
P.O. Box 2121
Loves Park, IL 61130
(815) 282-0580

TIMOTHY HARGIS
431 Cottage Grove Avenue SE
Cedar Rapids, IA 52403
(319) 449-4483

**KANSAS FRANCHISEES
WITH 1 FRANCHISE**

~~Leland Nisly~~

~~LELAND NISLY~~

~~6714 W. Longview Rd.
Hutchinson, KS 67501
(316) 285-7504~~

**KENTUCKY FRANCHISEES
WITH 1 FRANCHISE**

DENNIS ISAACS

P. O. Box 479

Richmond, KY 40476-0479

(859) 527-0200

~~**LOUISIANA FRANCHISEES
WITH 3 FRANCHISES**~~

~~CHRIS CASSELBERRY~~

~~12655 S. Harrell's Ferry Road~~

~~Baton Rouge, LA 70816~~

~~(225) 757-5170~~

**MICHIGAN FRANCHISEES
WITH 1 FRANCHISE**

KEITH IVES

23501 Lakepointe Drive

Clinton Township, MI 48036

(586) 948-1525

RICK WOLFE

2612 S. 11th Street #1

Niles, MI 49120

(269) 683-7533

~~CORY BENOIT~~

~~PO Box 917~~

~~Saline, MI 48176~~

~~(734) 677-1677~~

**MINNESOTA FRANCHISEES
WITH 1 FRANCHISE**

KIRK MULLEN

P. O. Box 291

Wyoming, MN 55092

(651) 408-8655

MARTIN AMUNDSON

41396 County 4 Blvd

Zumbrota, MN 55992

(507) 281-1221

**MINNESOTA FRANCHISEES
WITH 2 FRANCHISES**

ROB LEINER

P.O. Box 584

Waconia, MN 55387-0584

(952) 442-5300

**MINNESOTA FRANCHISEES
WITH 3 FRANCHISES**

RYAN BROWN

P.O. Box 2395

Inver Grove Heights, MN 55076

(651) 393-5117

LUKE HOLKER

P.O. Box 369

Rogers, MN 55374

(763) 489-0007

**MISSOURI FRANCHISEES
WITH 1 FRANCHISE**

JON THURMAN

3328 E. Linwood S

Springfield, MO 65804

(417) 581-2811

~~JASON VAHLE~~

~~1555 Kisker Road, Ste 121~~

~~St. Charles, MO 63304~~

~~(636) 352-2877~~

ERIC BELLEVILLE
12430 Tesson Ferry Rd - Box 185
St. Louis, MO 63128
(314) 894-3700

**MISSOURI FRANCHISEES
WITH 2 FRANCHISES**

JASON VAHLE
1555 Kisker Road, Ste 121
St. Charles, MO 63304
(636) 352-2877

**NEW JERSEY FRANCHISEES
WITH 4 FRANCHISES**

JAMES HOELSWORTH
P.O. Box 622
Cape May Court House, NJ 08210
(609) 522-0422

**NORTH CAROLINA FRANCHISEES
WITH 1 FRANCHISE**

DEREK RICHARDSON
P.O. Box 1233
Matthews, NC 28106
(704) 893-0088

BEN WHITEHOUSE
10809 Southern Loop Boulevard
Suite 17
Pineville, NC 28134
(803) 554-1039

TRAVIS SNEAD
P.O. Box 311
Shallotte, NC 28459
(910) 755-2320

**NORTH CAROLINA FRANCHISEES
WITH 2 FRANCHISES**

RICHARD CARTER
5200 Wayne Memorial Dr.
Goldsboro, NC 27534
(919) 751-3113

JAMES BERNIER
P. O. Box 1947
Huntersville, NC 28070
(704) 992-2802

**NORTH CAROLINA FRANCHISEES
WITH 3 FRANCHISES**

STEVE HOPPER
4312 Cedar Creek Rd.
Fayetteville, NC 28312
(910) 426-2266

**NORTH CAROLINA FRANCHISEES
WITH 4 FRANCHISES**

SCOTT GARCIA
6010 E. Triangle Dr.
Raleigh, NC 27613
(919) 782-4995

**OHIO FRANCHISEES
WITH 1 FRANCHISE**

TRAVIS RECTOR
8060 Garden Road
Holland, OH 43528
419-297-8209

CLARK STEPHAN
3320 State Route 26
Marietta, OH 45750
(740) 373-4044
(portion of Territory is located
in West Virginia)

**OHIO FRANCHISEES
WITH 2 FRANCHISES**

AARON KNEPP
10855 Fancher Road

Westerville, OH 43082
(614) 245-8505

**OKLAHOMA FRANCHISEES
WITH 1 FRANCHISE**

RYAN FUXA
P.O. Box 256
Waukomis, OK 73773
(580) 758-1800

**OKLAHOMA FRANCHISEES
WITH 24 FRANCHISEES**

DANIEL HILLENBRAND
~~P.O. Box 7762~~
[129 W 1st St. Suite AP](#)
Edmond, OK 73083
(405) 340-7171

**PENNSYLVANIA FRANCHISEES
WITH 1 FRANCHISE**

CHAD SHAYLOR
4464 Pleasant Valley Road
Cogan Station, PA 17728
(570) 419-1437

CHERYL and DON RUFFNER
1219 Million Dollar Hwy.
Kersey, PA 15846
(814) 834-9330

BILL PFUNDHELLER
17057 2535 Roundtop Rd.
Unit 1
Middletown, PA 17057
(717) 616-8388

MICHAEL SONGER
P.O. Box 1222
Washington, PA 15301
(724) 223-9655

JOHN SAYERS
5 Portland Road, Suite 500

West Conshohocken, PA 19428
(484) 904-1016

**SOUTH CAROLINA FRANCHISEES
WITH 1 FRANCHISE**

BEN WHITEHOUSE
10809 Southern Loop Boulevard
Suite 17
Pineville, NC 28134
(803) 554-1039
(portion of Territory is located
in North Carolina)

SKYLER HRIBAR
1502 Laurel Street
Conway, SC 29526
(843) 446-7179

ANDREW TURNER
4420 Jug Factory Road
Greer, SC 29651
(864) 895-1508

JOSEPH FERRARI
P.O. Box 7171
Ridge Spring, SC 29129
(803) 685-5693
(portion of Territory is located
in Georgia)

**SOUTH CAROLINA FRANCHISEES
WITH 2 FRANCHISES**

STOCKTON WELLS
326 Lyles Street
Cayce, SC 29033
864-901-7532

MARK GILL
P.O. Box 23891
Columbia, SC 29224
(803) 462-9557

**TENNESSEE FRANCHISEES
WITH 1 FRANCHISE**

JIMY WHITE
2042 Town Center Blvd
Knoxville, TN 37922
(865) 249-6593

**TENNESSEE FRANCHISEES
WITH 2 FRANCHISE**

RODNEY GADDIS
1833 Lewisburg Pike
Franklin, TN 37064
(615) 790-3634

**TEXAS FRANCHISEES
WITH 1 FRANCHISE**

BRIAN LINDORM
409 Paddock Lane
Celina, TX 75009
(972) 894-8825

**TEXAS FRANCHISEES
WITH 2 FRANCHISES**

ROLAND FREUND
P. O. Box 7562
The Woodlands, TX 77387
(281) 367-2229

**VIRGINIA FRANCHISEES
WITH 1 FRANCHISE**

BARRY ROBINSON
10908 Courthouse Road, Suite 102
Box 294
Fredericksburg, VA 22408
(540) 710-5556

KENNETH LOVELL
P.O. Box 189
Madison Heights, VA 24572
(434) 299-5585

ALEXANDER ABBOTT
P.O. Box 36215
Richmond, VA 23235
(804) 332-6704

**VIRGINIA FRANCHISEES
WITH 2 FRANCHISES**

URSULA and NICK NOVELLINO
46 Beechdale Rd.
Portsmouth, VA 23702
(757) 966-5997

**VIRGINIA FRANCHISEES
WITH 4 FRANCHISES**

CHARLIE MARSHALL
P.O. Box 1323
Centreville, VA 20122
(703) 815-3700

**WASHINGTON FRANCHISEES
WITH 1 FRANCHISE**

RYAN LELAND
6830 N.E. Bothell Way – Ste. C – PMB 271
Kenmore, WA 98028
(425) 488-7569

JEFF DANIELS
P.O. Box 3776
Pasco, WA 99302
(509) 545-5059

**WASHINGTON FRANCHISEES
WITH 4 FRANCHISES**

JOSH MONTI
3220 57th Avenue SW
Olympia, WA 98501
360-870-7556

(262) 292-8234
~~STEVE GOOD~~
~~P.O. Box 724~~
~~Sturtevant, WI 53177~~
~~(262) 886-8570~~

**WISCONSIN FRANCHISEES
WITH 1 FRANCHISE**

BRUCE MOHNS, JR.
2424 12 ¾ Avenue
Cameron, WI 54822
(715) 475-9326

BRUCE MOHNS, SR.
P.O. Box 1265
Wisconsin Rapids, WI 54495
(608) 564-2803
(portion of Territory is located
in Minnesota)

CRAIG GEISS
P.O. Box 1201
Wausau, WI 54402
(715) 693-2750

[JASON JORDAN](#)
[P.O. Box 2121](#)
[Loves Park, IL 61130](#)
[\(815\) 282-0580](#)

**WISCONSIN FRANCHISEES
WITH 2 FRANCHISES**

PHIL BOWEN
P.O. Box 431
Oak Creek, WI 53154
(414) 571-6100

MIKE VALESTIN
P.O. BOX 151
Mequon, WI 53092

**SPRING-GREEN LAWN CARE CORP.
LIST OF SIGNED BUT NOT OPENED FRANCHISEES
AS OF DECEMBER 31, ~~2022~~2023**

None.

EXHIBIT E
FRANCHISEES WHO HAVE LEFT THE SYSTEM
DURING THE PERIOD JANUARY 1, ~~2022~~[2023](#) TO DECEMBER 31, ~~2022~~[2023](#)

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

Spring-Green

~~2023~~[2024](#) FDD | Ex. E – List of Former Franchisees

~~1019.003.014/375495~~[1019.003.015/400765](#)

**FRANCHISEES WHO HAVE LEFT SYSTEM
FOR THE PERIOD JANUARY 1, ~~2022~~2023 THROUGH DECEMBER 31, ~~2022~~
2023
(OR WHO HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF
THE ISSUANCE DATE OF THE FRANCHISE DISCLOSURE DOCUMENT)**

Name	City	State	Phone Number	Reason
Greg Vanorder <u>Talbert</u>	Boise <u>Fayetteville</u>	Idaho <u>Arkansas</u>	(208) 479-724 <u>4939-521-8873</u>	Transferred
Jeff Anderson <u>Casselberry</u>	Waukomis <u>Baton Rouge</u>	Oklahoma <u>Louisiana</u>	(580) 225-747 <u>4067-757-5170</u>	Transferred <u>Termination/N on-renewal</u>
Jim Lyon <u>Benoit</u>	Paseo <u>Saline</u>	Washington <u>Michigan</u>	(509) 734-948 <u>4787-677-1677</u>	Transferred <u>Termination</u>
<u>Steve Good</u>	<u>Sturtevant</u>	<u>Wisconsin</u>	<u>(262) 886-8570</u>	<u>Sold to Franchisor</u>

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

EXHIBIT F
FINANCIAL STATEMENTS



**CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS**

**Financial Statements and
Independent Auditor's Report**

Spring-Green Lawn Care Corp.

**As of and for the Years Ended
December 31, 2023, 2022 and 2021**

CONTENTS

Independent Auditor's Report	1-2
Financial Statements	
Balance Sheets.....	3-4
Statements of Earnings	5
Statements of Changes in Shareholder's Equity.....	6
Statements of Cash Flows	7-8
Notes to Financial Statements.....	9-17



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Spring-Green Lawn Care Corp.
Plainfield, Illinois

Opinion

We have audited the accompanying financial statements of Spring-Green Lawn Care Corp. (a Delaware S-corporation), which comprise the balance sheets as of December 31, 2023, 2022, and 2021 and the related statements of earnings, changes in shareholder's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spring-Green Lawn Care Corp. as of December 31, 2023, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Spring-Green Lawn Care Corp. 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 Spring-Green Lawn Care Corp.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Spring-Green Lawn Care Corp.'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 Spring-Green Lawn Care Corp.'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.

DHJJ LTD.

Naperville, Illinois
March 21, 2024



Spring-Green Lawn Care Corp.

BALANCE SHEETS

December 31, 2023, 2022 and 2021

	ASSETS		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
CURRENT ASSETS			
Cash	\$ 2,028,185	\$ 1,979,333	\$ 1,851,822
Receivables, net	216,092	214,092	259,338
Notes receivable, current portion	119,213	131,196	153,495
Leases receivable, current portion	25,854	41,079	59,141
Inventories	99,741	87,061	95,784
Prepaid expenses	56,465	1,252	19,500
Due from related parties	308,869	459,115	203,019
Total current assets	<u>2,854,419</u>	<u>2,913,128</u>	<u>2,642,099</u>
PROPERTY AND EQUIPMENT			
Vehicles and equipment	88,318	30,479	30,479
Furniture, fixtures, and office equipment	1,107,451	1,107,451	1,107,451
Leasehold improvements	<u>172,119</u>	<u>172,119</u>	<u>172,119</u>
	1,367,888	1,310,049	1,310,049
Accumulated depreciation and amortization	<u>(1,305,174)</u>	<u>(1,278,594)</u>	<u>(1,228,828)</u>
	62,714	31,455	81,221
OTHER ASSETS			
Notes receivable, net of current portion and allowance	7,993	169,221	214,427
Leases receivable, net of current portion and allowance	<u>16,396</u>	<u>48,297</u>	<u>72,402</u>
	<u>24,389</u>	<u>217,518</u>	<u>286,829</u>
	<u>\$ 2,941,522</u>	<u>\$ 3,162,101</u>	<u>\$ 3,010,149</u>

See accompanying notes.

Spring-Green Lawn Care Corp.

BALANCE SHEETS

December 31, 2023, 2022 and 2021

LIABILITIES AND SHAREHOLDER'S EQUITY

	<u>2023</u>	<u>2022</u>	<u>2021</u>
CURRENT LIABILITIES			
Accounts payable	\$ 559	\$ 3,712	\$ 621
Accrued liabilities	315,448	231,565	238,319
Franchisee deposits	3,079	1,011	43,472
Total current liabilities	<u>319,086</u>	<u>236,288</u>	<u>282,412</u>
COMMITMENTS AND CONTINGENCIES	-	-	-
SHAREHOLDER'S EQUITY			
Common stock	458	458	458
Retained earnings	<u>2,621,978</u>	<u>2,925,355</u>	<u>2,727,279</u>
	<u>2,622,436</u>	<u>2,925,813</u>	<u>2,727,737</u>
	<u>\$ 2,941,522</u>	<u>\$ 3,162,101</u>	<u>\$ 3,010,149</u>

See accompanying notes.

Spring-Green Lawn Care Corp.

STATEMENTS OF EARNINGS

Years ended December 31, 2023, 2022 and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
REVENUES, net	\$ 7,965,699	\$ 7,627,628	\$ 6,956,964
COST OF SALES	<u>281,051</u>	<u>465,425</u>	<u>316,989</u>
Gross profit	7,684,648	7,162,203	6,639,975
OPERATING EXPENSES	<u>6,640,628</u>	<u>6,359,126</u>	<u>5,914,231</u>
Operating income	1,044,020	803,077	725,744
OTHER INCOME			
Gain on sale of assets	6,341	-	-
Interest and finance charges earned	<u>46,262</u>	<u>44,999</u>	<u>54,448</u>
	<u>52,603</u>	<u>44,999</u>	<u>54,448</u>
NET EARNINGS	<u>\$ 1,096,623</u>	<u>\$ 848,076</u>	<u>\$ 780,192</u>

See accompanying notes.

Spring-Green Lawn Care Corp.

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY

Years ended December 31, 2023, 2022 and 2021

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
BALANCE, December 31, 2020	\$ 458	\$ 2,422,087	\$ 2,422,545
Net earnings	-	780,192	780,192
Distributions	<u>-</u>	<u>(475,000)</u>	<u>(475,000)</u>
BALANCE, December 31, 2021	\$ 458	\$ 2,727,279	\$ 2,727,737
Net earnings	-	848,076	848,076
Distributions	<u>-</u>	<u>(650,000)</u>	<u>(650,000)</u>
BALANCE, December 31, 2022	\$ 458	\$ 2,925,355	\$ 2,925,813
Net earnings	-	1,096,623	1,096,623
Distributions	<u>-</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>
BALANCE, December 31, 2023	<u>\$ 458</u>	<u>\$ 2,621,978</u>	<u>\$ 2,622,436</u>

See accompanying notes.

Spring-Green Lawn Care Corp.
STATEMENTS OF CASH FLOWS

Years ended December 31, 2023, 2022 and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	\$ 1,096,623	\$ 848,076	\$ 780,192
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	31,466	49,766	65,194
Exchange franchise and territory fee for notes receivable	-	-	(204,800)
Write off of note and lease receivable	22,445	-	36,291
Change in allowance for uncollectible accounts, notes and leases receivables	-	-	(36,291)
(Gain) on sale of assets	(6,341)	-	-
(Increase) decrease in:			
Receivables	(2,000)	45,246	(123,395)
Inventories	(12,680)	8,723	(21,246)
Prepaid expenses	(55,213)	18,248	(6,630)
Due from related parties	150,246	(256,096)	(192,161)
Increase (decrease) in:			
Accounts payable	(3,153)	3,091	(16,100)
Accrued liabilities	83,883	(6,754)	63,744
Franchisee deposits	2,068	(42,461)	(20,008)
Due to related parties	-	-	(629)
Net cash provided by operating activities	<u>1,307,344</u>	<u>667,839</u>	<u>324,161</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of inventory for leasing	-	(42,622)	(25,563)
Issuance of notes receivable	(12,361)	-	-
Repayments on notes receivable	172,127	67,505	100,449
Repayments on leases receivable	38,126	84,789	67,855
Acquisitions of property and equipment	(56,384)	-	-
Net cash provided by investing activities	<u>141,508</u>	<u>109,672</u>	<u>142,741</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Distributions	<u>(1,400,000)</u>	<u>(650,000)</u>	<u>(475,000)</u>
Net cash used by financing activities	<u>(1,400,000)</u>	<u>(650,000)</u>	<u>(475,000)</u>
NET INCREASE (DECREASE) IN CASH	48,852	127,511	(8,098)
Cash, beginning of year	<u>1,979,333</u>	<u>1,851,822</u>	<u>1,859,920</u>
Cash, end of year	<u>\$ 2,028,185</u>	<u>\$ 1,979,333</u>	<u>\$ 1,851,822</u>

See accompanying notes.

Spring-Green Lawn Care Corp.

STATEMENTS OF CASH FLOWS--continued

Years ended December 31, 2023, 2022 and 2021

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Schedule of cash paid for:

Interest	\$	-	\$	-	\$	-
Taxes	\$	-	\$	-	\$	-

Schedule of noncash investing activities:

Issuance of notes receivable for sale of franchise and territory fees	\$	-	\$	-	\$	204,800
Notes receivable exchanged for franchisee marketing deposits		-		55,200		40,000
Notes receivable written off		22,445		-		36,291
Decrease in allowance for uncollectible notes receivable		-		-		36,291
Issuance of leases receivable for inventory		-		42,622		25,563

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023, 2022 and 2021

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business Activities

Spring-Green Lawn Care Corp. ("Spring-Green"), a wholly owned subsidiary of Spring-Green Enterprises, Inc. ("Enterprises") was incorporated in the state of Delaware on January 31, 1977, for the purpose of selling lawn care franchises in the United States. In total, there were 148 franchised territories for the year ended December 31, 2023 and 152 franchised territories for the years ended December 31, 2022 and 2021.

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The carrying value of Spring-Green's cash, receivables, and accounts payable approximate fair value due to the short-term nature or liquidity of these items, the fact that these amounts resulted from recent transactions between willing buyers and willing sellers, and their close proximity to maturity.

Cash

Spring-Green classifies all bank deposits and petty cash as cash.

Receivables

Accounts receivable are uncollateralized franchisee obligations due under normal trade terms requiring payment within 30 days from the invoice date. Unpaid accounts receivable with invoice dates over 30 days bear interest at 1.5% per month. Accounts receivables are stated at the amount billed to the franchisee plus any accrued and unpaid interest. Account balances with invoices dated over 90 days old are considered delinquent.

Notes and leases receivable are stated at principal plus accrued interest. A note receivable is considered delinquent when the debtor has missed two or more payments. A lease receivable is considered delinquent when the lessee fails to make a lease payment on or before the due date. Payments received after the due date on the notes and leases receivable bear interest at 1.5% per month.

Payments of accounts receivable are allocated to the specific invoices identified on the franchisee's remittance advice or, if unspecified, are applied to the most recent unpaid invoices. Payments of notes or leases receivable are allocated first to the current accrued and unpaid interest with any excess payment as applicable applied to the outstanding principal balance.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023, 2022 and 2021

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Receivables-continued

The carrying amounts of accounts, notes and leases receivable are reduced by valuation allowances that reflect management's best estimate of the amounts that will not be collected. Management individually reviews all accounts, notes and leases receivable that exceed 90 days from the invoice date or installment due date, as applicable. Based upon the current creditworthiness, management estimates the portion, if any, that will not be collected, which is then charged to the valuation account.

Inventories

Inventories, consisting of equipment, parts and supplies, are stated at the lower of cost and net realizable value; cost is determined using the first-in, first-out method.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is provided using the straight-line method using estimated useful lives of 3 years to 7 years. Amortization of leasehold improvements is provided over the lesser of the estimated useful life or the remaining lease term, including extensions. Depreciation and amortization expense for the years ended December 31, 2023, 2022 and 2021 was \$31,466, \$49,766 and \$65,194, respectively.

Impairment of Long-Lived Assets

Spring-Green reviews long-lived assets, consisting of property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable, but not less frequently than annually. An impairment loss would be recognized when the fair value is less than the carrying amount of that asset. The impairment loss would be measured and recorded by the amount in which the carrying amount exceeds its fair value. There were no impairment losses for the years ended December 31, 2023, 2022 and 2021.

Leases

The Company determines if an arrangement is a lease or contains a lease at the inception of the contract. Operating lease right-of-use ("ROU") assets and lease liabilities are initially measured as the present value of future lease payments over the lease term as determined at each lease's commencement date. Operating lease expense is recognized on a straight-line basis over the term of each lease. Operating lease ROU assets include all fixed contractual lease payments and initial direct costs incurred by the Company, less any lease incentives received from the lessor.

Franchise Deposits

Franchisee deposits represent pre-payments received by Spring-Green for advertising activities and sale of equipment and supplies.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023, 2022 and 2021

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Revenue Recognition

Spring-Green's revenues consist of fees from initial sales and renewals of franchise rights, royalties based on a percent of sales in accordance with the provisions of the Franchise Disclosure Document, and sales of equipment, parts and supplies.

Beginning January 1, 2019, Spring-Green adopted the guidance under Accounting Standards Codification ("ASC") "Revenue Recognition – Revenue from Contracts with Customers" (Topic 606). The core principle of ASC 606 is that a reporting entity should recognize revenue in a manner that depicts the probability that a reporting entity will collect the consideration into which it will be entitled, in exchange for the goods or services that will be transferred to the customer.

On January 28, 2021, Accounting Standards Update (ASU) 2021-02, *Franchisors-Revenue from Contracts with Customers* (Subtopic 952-606): *Practical Expedient* was issued which provides a practical expedient that allows a private-company franchisor that enters into a franchise agreement to account for certain preopening services provided to a franchisee as a single performance obligation. ASU 2021-02 is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years, with early adoption permitted. Management elected to early adopt ASU 2021-02. As such, Spring-Green's accounting policy for 2023, 2022 and 2021, is to recognize sales of initial franchise rights in revenue upon the completion of training services provided by Spring-Green.

The standard does not change the recognition of royalties from franchisees, which are calculated as a percentage of sales in each calendar year the franchise agreement is in effect. Royalties represent sales-based royalties that are related entirely to Spring-Green's performance obligation under the franchise agreement and are recognized as the underlying franchise sales occur.

The standard also does not change the recognition of revenue from sales of equipment, parts and supplies as those sales are recognized upon delivery of the goods, when the customer takes physical possession of the goods, legal title is transferred, the customer has all risks and rewards of ownership and an obligation to pay for the goods is created.

The standard also does not change the recognition of revenue from its notes and leases receivable with franchisees (Note C).

Initial franchise fees are approximately \$50,000, with additional initial investment costs of approximately \$67,000 to \$76,000 for vehicles, equipment, software, inventory, and marketing deposits. One franchise territory was sold in each of the years ended December 31, 2023, 2022, and 2021.

Sales Tax

The state of Illinois imposes a sales tax of 7.00% on Spring-Green's equipment and parts sales to nonexempt customers. Spring-Green collects that sales tax from the franchisees and remits the entire amount to the state. Spring-Green excludes the tax collected and remitted to the state from sales and cost of sales.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023, 2022 and 2021

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Advertising

Spring-Green expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2023, 2022, and 2021 was \$18,909, \$83,996, and \$115,574, respectively.

Income Taxes

Spring-Green is a non-tax paying entity for federal and state income taxes as Enterprises consolidates the accounts of Spring-Green in its tax return. When applicable, Spring-Green reimburses Enterprises for state replacement taxes owed as a result of Spring-Green operations.

Spring-Green's accounting policy is to record a liability for uncertain tax positions, including interest and penalties, if any, when it is probable that a loss has been incurred and the amount can be reasonably estimated. Management reviews all tax positions at least annually to determine whether the recording of a liability or additional financial statement note disclosure is necessary. Such an accrual would be made when it is probable a loss has been incurred and the amount can be reasonably estimated. Potential interest or penalties related to such potential liability would be recognized, accordingly, as interest expense and other operating expenses. Management has deemed no such liability or disclosure was applicable as of December 31, 2023, 2022 and 2021 as all tax positions would be upheld upon examination by a tax authority. Management also continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Generally, the Internal Revenue Service ("IRS") can include returns filed within the last three years in an audit. If a substantial error is identified, the audit could be expanded to include up to six of the preceding years.

Concentration of Credit Risk

Spring-Green's financial instruments subject to credit risk are, primarily, cash and receivables. Spring-Green averts its risk by depositing its excess cash only in established, high quality financial institutions. Generally, management does not require collateral or exercise its lien rights in order to support accounts receivable. Notes and leases receivable are secured by the franchisee's trucks and lawn care equipment. Management believes that any risk of loss is significantly reduced by its ongoing credit evaluations and the close working relationship developed with its customers.

Adoption of New Accounting Pronouncements

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in the ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years ending after December 15, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company has made an accounting policy election not to recognize ROU assets and lease liabilities that arise from short-term leases for any class of underlying asset.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023, 2022 and 2021

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**Adoption of New Accounting Pronouncements - continued***Leases-continued*

The new standard aligned the lessee reporting with previously existing reporting requirements for lessors. As such, the new standard did not materially affect the Company's accounting for lease receivables and lease revenue recognition.

Credit Losses

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. FASB issued this ASU to amend the current accounting guidance which requires the measurement of all expected losses to be based on historical experience, current conditions, and reasonable and supportable forecasts. For trade receivables, loans, and other financial instruments, the Company will be required to use a forward-looking expected loss model that reflects probable losses rather than the incurred loss model for recognizing credit losses. The Company adopted the standard for the fiscal year beginning January 1, 2023, and it did not have a material impact on the Company's financial statements and disclosures.

Date of Management's Review

Management has evaluated subsequent events through March 21, 2024, which is the date the financial statements were available to be issued.

NOTE B--RECEIVABLES

Receivables consist of the following on December 31:

	2023	2022	2021	2020
Accounts receivable	\$ 226,092	\$ 224,092	\$ 269,338	\$ 145,943
Allowance for uncollectible receivables	(10,000)	(10,000)	(10,000)	(10,000)
	<u>\$ 216,092</u>	<u>\$ 214,092</u>	<u>\$ 259,338</u>	<u>\$ 135,943</u>

NOTE C--NOTES AND LEASES RECEIVABLE

Notes receivable arise primarily from the sale of franchise rights to new franchisees or from refinanced accounts receivable. Leases receivable have been issued to franchisees for the financing of equipment. The notes are secured by the franchisee trucks and lawn care equipment, accounts receivable and rights to customer lists. The leases are secured by the underlying equipment. Notes bear interest ranging from 0% to 12.00%. The leases bear interest at 8.25% to 10.50%. Management believes all notes and leases are extended to credit worthy franchisees. No note or lease receivables are more than ninety days past due.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023, 2022 and 2021

NOTE C--NOTES AND LEASES RECEIVABLE-continued

The following is an analysis of notes receivable on December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Notes receivable	\$ 142,206	\$ 315,417	\$ 382,922	\$ 274,862
Current portion	(119,213)	(131,196)	(153,495)	(79,560)
Allowance for uncollectible notes	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(51,291)</u>
Long-term portion	<u>\$ 7,993</u>	<u>\$ 169,221</u>	<u>\$ 214,427</u>	<u>\$ 144,011</u>

The following is an analysis of leases receivable on December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Leases receivable	\$ 57,250	\$ 104,376	\$ 146,543	\$ 188,835
Current portion	(25,854)	(41,079)	(59,141)	(64,861)
Allowance for uncollectible leases	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>
Long-term portion	<u>\$ 16,396</u>	<u>\$ 48,297</u>	<u>\$ 72,402</u>	<u>\$ 108,974</u>

The notes and leases principal payments are scheduled to be received as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2024	\$ 163,817
2025	22,223
2026	11,543
2027	<u>1,873</u>
	<u>\$ 199,456</u>

NOTE D--LINE OF CREDIT AGREEMENT

On March 9, 2018, Enterprises entered into a revolving note agreement with a financial institution. Borrowings are limited to a maximum principal of \$1,000,000. The loan is guaranteed by Enterprises, Spring-Green and Superior Lawns, Incorporated ("Superior Lawns") and secured by Enterprises', Spring-Green's and Superior Lawns' assets (see Note I). The revolving note, originally maturing on March 9, 2019 was extended through March 1, 2025, and bears interest at the prime rate (8.50%, 7.50% and 3.25% at December 31, 2023, 2022 and 2021, respectively). No outstanding borrowings exist under this note at December 31, 2023, 2022 and 2021. In March 2022, the revolving note agreement was amended. The maximum borrowings allowed under the amended revolving note increased to a maximum principal of \$1,500,000.

NOTE E--ACCRUED LIABILITIES

Accrued liabilities on December 31 consists of:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Payroll, payroll taxes and benefits	\$ 194,060	\$ 148,816	\$ 163,368
Other accrued expenses	<u>121,388</u>	<u>82,749</u>	<u>74,951</u>
	<u>\$ 315,448</u>	<u>\$ 231,565</u>	<u>\$ 238,319</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2023, 2022 and 2021

NOTE F--COMMON STOCK

The following is a schedule of Spring Green's common stock, authorized, issued and outstanding at December 31, 2023, 2022, and 2021:

Class	Shares authorized	Shares issued	Shares outstanding
A	100	25	25
B	1,750	433	433
	1,850	458	458

NOTE G--REVENUE RECOGNITION

Spring-Green adopted ASC 606 from the previous standards on January 1, 2019, using the modified retrospective transition method and has elected to use the practical expedient allowed under ASU 2021-02 for non-public franchisors when assessing performance obligations relating to the initial franchise fees and other direct cost to obtain a contract (see Note A).

Revenues recognized at a point-in-time during the years ended December 31, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Initial and renewal franchise fees	\$ 5,000	\$ 5,000	\$ 6,086
Royalties	7,558,901	7,057,976	6,508,820
Equipment, supply and computer sales	310,698	509,074	354,983
Other	91,100	55,578	87,075
	\$ 7,965,699	\$ 7,627,628	\$ 6,956,964

NOTE H--POST RETIREMENT BENEFIT PLAN

Spring-Green's 401(k) plan covers substantially all employees and provides for matching contributions and allows for profit sharing contributions at the discretion of the board of directors. Total matching contributions for the years ended December 31, 2023, 2022, and 2021 were \$27,033, \$30,080, and \$30,390, respectively. A discretionary contribution of \$16,764, \$17,598, and \$20,221 was authorized by the board of directors for the years ended December 31, 2023, 2022, and 2021, respectively.

NOTE I--COMMITMENTS AND CONTINGENCIES

During 2023, 2022 and 2021, Spring-Green sub-leased portions of facilities from Superior Lawns on a month-to-month basis. For the portion of the spaces utilized by Spring-Green in 2023, 2022 and 2021, the monthly rent and common area maintenance was \$6,020, \$5,223 and \$4,987, respectively. Annual rent expense for the years ended December 31, 2023, 2022, and 2021 was \$72,234, \$62,676 and \$59,844, respectively.

Spring-Green leases additional office space on a month-to-month basis with no formal agreement from Spring Green Enterprise. Spring-Green's rent expense, including common area maintenance, under this lease for the years ended December 31, 2023, 2022 and 2021 was \$109,332, \$106,644, and \$102,792, respectively.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023, 2022 and 2021

NOTE I--COMMITMENTS AND CONTINGENCIES-continued

These leasing arrangements meet the definition of a short-term lease because the lease term is 12 months or less. Consistent with the Company's accounting policy election, the Company does not recognize the right of use asset and the lease liability arising from the lease arrangements.

Spring Green established a lease program with a third-party leasing company for its franchisees. The third-party leasing company will provide financing for eligible equipment to qualified green industry businesses ranging, individually, from \$25,000 to \$100,000 with an annual cap of \$500,000. Credit approvals are at the discretion of the third-party leasing company. Spring-Green will sign a recourse agreement, guaranteeing each qualifying signed lease. On October 31, 2017, one franchisee entered into a 36-month lease, calling for monthly payments of \$866. During 2021, the lease was paid off by the franchisee upon termination of the franchise.

NOTE J--RELATED PARTY TRANSACTIONS

Spring-Green is owed \$300,000, \$455,000, and \$200,000 from the Spring-Green Lawn Care Corp. Advertising Fund (the "Ad Fund") at December 31, 2023, 2022, and 2021, respectively, for certain reimbursements. The Ad Fund has been authorized by Spring-Green to collect up to 2.00% of the franchisees' gross sales for the purpose of advertising programs that enhance the goodwill and public image of Spring-Green Lawn Care franchisees. The balances accrue interest at the prime rate (8.50%, 7.50% and 3.25% at December 31, 2023, 2022 and 2021, respectively). Interest income accrued and received was \$27,062, \$12,772 and \$9,897 during the years ended December 31, 2023, 2022 and 2021, respectively.

Spring-Green is owed \$8,869, \$4,115, and \$3,019 at December 31, 2023, 2022 and 2021, respectively, from related party entities for certain reimbursements.

Spring-Green received royalties in the amount of \$1,349,248, \$1,314,264, and \$1,252,817 for the years ended December 31, 2023, 2022 and 2021, respectively, from Superior Lawns and Superior Irrigation, LLC ("Superior Irrigation"). Superior Lawns, a wholly-owned subsidiary of Enterprises, owns and operates lawn care franchises in five locations, primarily in Illinois, during the years ended December 31, 2023, 2022 and 2021, respectively. Enterprises has 100% ownership interest in Superior Irrigation. Superior Irrigation maintains commercial and residential irrigation systems.

Spring-Green incurred and paid fees to Enterprises and SGE Marketing Services, Inc. ("SGE Marketing") for management, marketing and technology services. The expenses for 2023, 2022 and 2021 were \$4,329,924, \$4,159,920, and \$3,664,812, respectively.

Distributions during 2023 were used to reduce the balance owed from Spring-Green Enterprises. At December 31, 2023, 2022 and 2021, there was no balance due from Spring-Green Enterprises.

NOTE K--UNINSURED CASH BALANCES

All deposits are combined for purposes of determining uninsured deposits exceeding \$250,000 per the Federal Deposit Insurance Corporation ("FDIC"). The total uninsured cash for all accounts is \$1,799,143, \$1,775,129, and \$1,631,323, at December 31, 2023, 2022 and 2021, respectively. Spring-Green has not experienced any losses in these accounts and does not believe that a significant credit risk exists at this time.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023, 2022 and 2021

NOTE L--PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program (“PPP”), established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides a new federal program designed to support small business during the pandemic. The loans, implemented by the SBA with cooperation from private banks, and accrued interest may be fully or partially forgiven by application to the SBA if proceeds are expended based on federal guidelines, such as payroll and other allowable costs. In April 2020, the Spring Green Enterprises received loan proceeds in the amount of \$1,800,000 under the PPP, which includes \$192,600 attributable to Spring Green. As the funds were received directly by Spring Green Enterprises, no amounts have been recorded in these financial statements.

Spring Green Enterprises submitted the PPP loan forgiveness application on March 11, 2021, and the lender approved the application on March 17, 2021. During 2021, Spring Green Enterprises received notification that their PPP loan was fully forgiven.

EXHIBIT G
SPRING-GREEN LEASE



Lease No.: _____

Franchise Name: _____

SPRING-GREEN LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into on _____, by and between SPRING-GREEN LAWN CARE CORP., a Delaware corporation, with its principal office at 11909 Spaulding School Dr., Plainfield, IL 60585 (“Lessor”) and _____ with its principal office at _____ (“Lessee”).

WITNESSETH:

In consideration of the rent to be paid to Lessor and the mutual covenants and agreements hereinafter set forth, the parties mutually agree as follows:

1. AGREEMENT TO LEASE

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the equipment identified on Schedule A attached hereto (the “Leased Assets”). Lessee is leasing the Leased Assets in connection with the operation of its SPRING-GREEN LAWN CARE business primarily within the “Territory” described in Exhibit A to that certain Franchise Agreement between Lessor and Lessee dated _____ (the “Franchise Agreement”). Lessee shall not use the Leased Assets in any business or manner other than in the conduct of its SPRING-GREEN LAWN CARE business pursuant to the terms and conditions of the Franchise Agreement.

2. TERM

The term of this Lease shall commence on the date hereof (called the “Commencement Date”) and shall continue for a period of _____(_____) years (“the Term”).

3. RENT

Lessee shall pay to Lessor as rent the amount set forth as such rent on Schedule A (“Rent”). The outstanding principal amount due under this Lease may be prepaid, in whole or in part at any time, without penalty or prepayment fee.

4. ENCUMBRANCES AND TAXES

Lessee at its expense shall keep the Leased Assets free and clear of all levies, liens, and encumbrances. In addition to Rent, Lessee shall pay, or reimburse Lessor for payment of, any and all fees and taxes, including sales and use taxes, levied against or based upon the price or value of the Leased Assets or its use, excluding, however, any taxes based solely on Lessor’s net income.

5. USE AND LOCATION OF LEASED ASSETS

So long as no Event of Default (as hereinafter defined) shall have occurred and be continuing, Lessee’s use and possession of the Leased Assets shall not be interrupted by Lessor or its assigns, and Lessee shall be entitled to the quiet possession and enjoyment of the Leased Assets. Lessee at all times shall use the Leased Assets in a careful and proper manner in conformity with the manufacturer’s specifications therefor and shall comply with and conform to all applicable federal, state, local and other laws, ordinances and regulations and all conditions of all insurance required hereby which relates in any way to the possession, use or maintenance of the Leased Assets. Lessee shall not move any item of the Leased Assets nor permit any item of the Leased Assets to be moved from the Territory without Lessor’s prior written consent (which consent Lessor agrees not to unreasonably withhold or delay).

6. LESSOR WARRANTIES, LIMITATION OF LIABILITY

LESSOR SHALL HAVE NO LIABILITY TO LESSEE FOR ANY CLAIM, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY, INDIRECTLY, INCIDENTALLY OR CONSEQUENTIALLY BY THE LEASED ASSETS, BY ANY INADEQUACY THEREOF OR DEFICIENCY OR DEFECT THEREIN, OR BY ANY INCIDENT WHATSOEVER IN CONNECTION THEREWITH, ARISING IN STRICT LIABILITY, NEGLIGENCE OR OTHERWISE, OR IN ANY WAY RELATED TO OR ARISING OUT OF THIS LEASE. LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING THOSE OF MERCHANTABILITY, DURABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE LEASED ASSETS AND EXPRESSLY DISCLAIMS THE SAME. As to each item of the Leased Assets, Lessor hereby assigns to Lessee during the term hereof all applicable manufacturers' warranties which by their terms are so assignable. Lessee shall take all reasonable action to enforce such warranties to the extent so assigned.

7. TITLE

Title to the Leased Assets shall at all times remain exclusively in Lessor (or its lessor under a lease-financing agreement). Lessee, at its own cost and expense, shall protect and defend Lessor's title in and/or rights to the Leased Assets and shall at all times keep the Leased Assets free and clear of and from all levies, attachments, liens, and encumbrances and charges or other judicial process of every kind or nature whatsoever. Lessee shall not perform or permit any act or do or permit anything to be done whereby Lessor's title or rights may be encumbered or impaired. Lessee shall give Lessor immediate written notice of any attempted or completed seizure by process of law or otherwise affecting or relating to the Leased Assets and agrees to indemnify and save Lessor harmless from any loss or damage caused thereby. Lessee authorizes Lessor to file (and shall cooperate in the filing of) this Lease, any UCC financing statements and/or any documents related thereto wherever Lessor determines the same to be required or permitted by and advisable under law, for the proper protection of Lessor's (or its lessor's) title to the Leased Assets. Lessee represents that its state of incorporation or organization (if Lessee is a corporation, limited liability company or other business entity), or the state in which Lessee's principal residence is located (if Lessee is an individual), is _____.

No name plates, labels, identifying numbers, trade names, trademarks or other commercial symbols identifying Lessor or any other company or in any way indicating Lessor's (or its lessor's) title to the Leased Assets may be removed, changed, covered, obliterated, or obscured in any manner. Upon request of Lessor, Lessee shall affix to the Leased Assets in the place designated by Lessor such identifying plates as are supplied by Lessor.

8. ALTERATIONS

Lessee may not make any alterations to the Leased Assets without Lessor's prior written consent.

9. DAMAGE AND DESTRUCTION

No loss of the Leased Assets or any part thereof due to theft or any other cause and no damage to or destruction of the Leased Assets or any part thereof from fire, collision, vandalism or any other cause shall impair any of the obligations of Lessee under this Lease (including the obligation to pay rent), which will continue in full force and effect. Lessee shall be responsible for any loss, damage or destruction to the extent of any insurance deductible amount and to the extent that such loss, damage or destruction is not covered by insurance maintained by Lessee as required hereunder. Lessee shall report any loss, damage or destruction to Lessor within forty-eight (48) hours after it becomes known to Lessee. In the event of a loss or destruction of the Leased Assets or any component thereof, upon notice thereof, Lessor shall within a reasonable time replace the lost or destroyed Leased Assets or component thereof.

10. INSURANCE

During the Term, Lessee at its sole expense shall obtain and maintain, with respect to the Leased Assets, insurance for the full replacement value, payable to Lessor, against loss from theft and against damage and destruction from fire, collision, vandalism, lightning, windstorm and other peril generally included in broad form extended coverage insurance, for the full insurable value of the Leased Assets as specified by Lessor. Insurance policies will name Lessor as an additional insured and a Loss Payee, contain a waiver by the insurance carrier of all subrogation rights against Lessor, and provide that Lessor receives thirty (30) days prior written notice of termination, expiration or cancellation or modification of such policy. Lessee will provide Lessor with evidence of such insurance. If Lessee

does not obtain such insurance, Lessor may obtain insurance for Lessee and add such insurance costs to the payment amounts due from Lessee.

11. INDEMNITIES

Lessee agrees to indemnify, protect and save and keep harmless Lessor, its agents, servants, successors, and assigns from and against all losses, damages, injuries, claims, demands and expenses (including without limitation reasonable attorney's fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) directly or indirectly arising out of or relating to the use or condition of the Leased Assets or any chemical or other products or materials used in conjunction with the operation of the Leased Assets, regardless of where, how, and by whom used. Lessee shall assume the cost of defense of all suits and other legal proceedings brought to enforce liability of any such losses, damages, injuries, claims or demands and shall pay all judgments entered in any such suits or other legal proceedings. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or termination of this Lease, where by lapse of time, by operation of law, or otherwise.

12. END OF TERM PURCHASE OPTION

Upon expiration of the Term of this Lease, Lessee shall purchase the Leased Assets from Lessor for an amount equal to One Dollar (\$1.00). Upon a purchase of the Leased Assets by Lessee, Lessor shall promptly transfer title to the Leased Assets to Lessee after payment to Lessor of all Rent and other amounts due and owing under this Lease, including any sales expenses.

13. DEFAULT, TERMINATION AND REMEDIES

The occurrence of one or more of the following shall constitute an "Event of Default" under this Lease: (a) Lessee petitions for any relief for itself under the Bankruptcy Code or any insolvency law, or (b) a petition is brought against Lessee under such code or law, or (c) a receiver is appointed for Lessee's business, or (d) Lessee makes an assignment for the benefit of creditors, or (e) Lessee fails to pay when due any Rent or other sums due to be paid hereunder, or (f) that certain Franchise Agreement dated _____ between Lessee and Lessor is terminated, or (g) Lessee otherwise fails to observe or perform any covenant, condition or agreement hereunder, and Lessee shall not have cured or otherwise remedied such event (other than the events specified in Subparagraphs (a), (b), (c), (d), and (f) which are not curable), within ten (10) days after written notice of the same from Lessor upon such Event of Default or, if applicable, the failure to cure such Event of Default as required, Lessor at its option, without further notice, may (x) declare immediately due and payable, and recover from Lessee as liquidated damages and not as a penalty, the present value of any and all Rent and other amounts then due and thereafter to accrue during the Term hereof, and (y) regardless of whether such amounts are paid when due, take possession of any Leased Assets, wherever located, with or without process of law, with or without terminating this Lease with respect thereto, and at Lessor's option retain, sell, lease, or otherwise dispose of such Leased Assets, without any duty to account to Lessee.

14. INTEREST ON LATE PAYMENTS

All Rent payments and other amounts which Lessee owes to Lessor hereunder shall bear interest after the due date at the greater of (a) one and one-half percent (1.5%) per month; or (b) an annual interest rate of three percent (3%) in excess of the Prime Rate announced from time to time by Bank of America. Notwithstanding the foregoing, such interest rate shall not exceed the highest applicable legal rate.

15. ASSIGNMENT

Lessee has no right to sell, transfer, assign or sublease the Leased Assets or this Lease. Lessor may sell, assign or transfer this Lease and its rights in the Leased Assets. Lessee agrees that, if Lessor sells, assigns or transfers this Lease, the new owner will have the same rights and benefits that Lessor has.

16. MISCELLANEOUS

No right or remedy of Lessor provided hereby shall be exclusive of any other right or remedy of Lessor. No failure of Lessor to require strict performance by Lessee, and no waiver by Lessor, of any provisions of this Lease shall in any event be construed as a consent or waiver of any other breach of the same or any other provision hereof. Lessee and Lessor acknowledge that this Lease and the Schedule contain their entire agreement regarding the lease of the Leased Assets. Any notice or other communication given hereunder shall be given in writing and shall be deemed received on the earlier of: receipt, one (1) business day after being placed in the hands of a commercial overnight courier, or three (3) business days after being deposited in the United States mail with postage prepaid, duly addressed

to the recipient at its address set forth on the first page hereof. Except as expressly otherwise provided herein, this Lease may not be altered, modified, terminated, or discharged except by a written agreement signed by the party against whom such alteration, modification, termination or discharge is sought to be enforced. The liability of Lessor to Lessee in connection with this Lease shall be limited to Lessor's interest in the Leased Assets, and Lessee shall look only to Lessor's interest in the Leased Assets for Lessor's performance hereunder. This Lease shall be binding upon and shall inure to the benefit of Lessor, Lessee, and their respective successors and assigns. If any provision of this Lease or portion thereof should be held to be invalid, illegal or unenforceable, this Lease shall be construed as if such provision had never been contained herein, and such invalidity or unenforceability shall not affect any other provision hereof. Lessor's rights and indemnities will survive termination of this Lease. This Lease shall be governed and construed in accordance with the laws of the State of Illinois, without regard to its conflicts of laws rules. Lessee agrees that Lessor may institute any action against Lessee arising out of or relating to this Lease in any state or federal court of general jurisdiction in the State of Illinois, and Lessee consents to personal jurisdiction and venue in such court and waives any objection relating to the same. Each party waives any right to trial by jury.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be executed by their respective duly authorized officers as of the _____ day of _____, 20____.

LESSOR:

LESSEE:

SPRING-GREEN LAWN CARE CORP.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

LESSOR:

SPRING-GREEN LAWN CARE CORP.

By: _____
Name: _____
Title: _____

LESSEE:

By: _____
Name: _____
Title: _____

EXHIBIT H

FORM OF GUARANTEE INDEMNIFICATION AGREEMENT

FORM OF GUARANTEE INDEMNIFICATION AGREEMENT

GUARANTEE INDEMNIFICATION

In consideration of, and as an inducement to, the agreement by Spring-Green Lawn Care Corp. (“**Spring-Green**”), to guarantee all or a portion of the Franchisee’s financing agreement and/or leasing agreement (the “**Guarantee**”) with Advantage Leasing Corporation (the “**Lessor**”) in connection with the franchise operated pursuant to a franchise agreement (the “**Franchise Agreement**”) dated _____ by and between Spring-Green and _____ (the “**Franchisee**”), each of the undersigned Franchisee and the individual owners of the Franchisee hereby agrees to the following:

In the event that Spring-Green is required to pay any amounts to the Lessor or its successor pursuant to the Guarantee, each of the undersigned agrees to indemnify, defend and hold harmless Spring-Green from and against, and agrees to reimburse Spring-Green for, all costs, claims, obligations and damages arising from the Guarantee. For purposes of this indemnification, “**claims**” means and includes all obligations, actual and consequential damages, and costs reasonably incurred in the defense of any claims against Spring-Green including, without limitation, payments to the Lessor pursuant to a financing agreement or leasing agreement, reasonable accountants’, attorneys’ and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Spring-Green shall have the right to defend any such claim against it at the undersigned’s expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Franchise Agreement.

If the Lessor or its successor seeks performance under the Guarantee from Spring-Green due to Franchisee’s failure to pay the Lessor, Franchisee acknowledges and agrees that Spring-Green may terminate the Franchise Agreement, effective immediately upon delivery of termination notice to Franchisee.

(signature page follows)

IN WITNESS WHEREOF, each of the undersigned has affixed its signature hereto, effective on the same day and year as the effective date of the Guarantee.

FRANCHISEE:

(Name of Individual or Entity)

By: _____

Printed Name: _____

Its: _____

(Title of Signor, if applicable)

INDIVIDUAL OWNERS OF FRANCHISEE:

Signature of Owner

Printed Name of Owner

Signature of Owner

Printed Name of Owner

Signature of Owner

Printed Name of Owner

Signature of Owner

Printed Name of Owner

EXHIBIT I
SAMPLE GENERAL RELEASE

SPRING-GREEN LAWN CARE CORP.

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

Spring-Green Lawn Care Corp. (“we,” “us,” or “our”) and the undersigned franchisee or franchisee owner, _____ (“you” or “your”), currently are parties to a certain franchise agreement (the “Franchise Agreement”) dated _____, 20____. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]_____

_____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our current and former officers, directors, members, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the “Spring-Green Parties”) from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Spring-Green Parties, including without limitation, (1) arising out of or related to the Spring-Green Parties' obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Spring-Green Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Spring-Green Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any general release provided for hereunder shall not apply to any liability under the Minnesota Franchise Act.

Any general release provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the date stated below.

Spring-Green Lawn Care Corp.,
a Delaware corporation

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE:

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

By: _____

Name: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND NOT
A LEGAL ENTITY):**

[Signature]

[Print Name]

[Signature]

[Print Name]

OWNER:

[Signature]

[Print Name]

[Signature]

[Print Name]

EXHIBIT J
STATE ADDENDA AND AGREEMENT RIDERS

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
SPRING-GREEN LAWN CARE CORP.**

FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

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.

The following are additional disclosures for the Franchise Disclosure Document of SPRING-GREEN LAWN CARE CORP. required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

ILLINOIS

1. The following is added:

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

MARYLAND

1. The following is added as a Special Risk Factor:

Supplier Control. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These

prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. The following is added to the end of the “Summary” section of Item 17(h), entitled “Cause” defined – non-curable defaults”:

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

4. The following sentence is added to the end of the “Summary” sections of Item 17(v), entitled “Choice of forum”:

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

[If you are a resident of, or your franchised business will be operated in, Maryland, the Disclosure Acknowledgment Statement \(Exhibit K to the Franchise Disclosure Document\) does not apply to you, and you should not sign such document.](#)

MINNESOTA

1. **Trademarks.** The following sentence is added to Item 13:

Provided you have complied with all provisions of the Franchise Agreement applicable to the proprietary marks, we will protect your rights to use the proprietary marks and we also will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the proprietary marks, in accordance with Minn. Stat. Sec. 80C.12, Subd. 1(g).

2. **Renewal, Termination, Transfer and Dispute Resolution.** The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Any release as a condition of renewal and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

Minn. Rule Part 2860.4400J might prohibit a franchisee from waiving rights to a jury trial; or waiving rights to any procedure, forum or remedies provided by the laws of the jurisdiction. However, we and you will enforce these provisions in our Franchise Agreement to the extent the law allows.

VIRGINIA

The following is added to the end of the "Summary" section of Item 17(e), entitled **Termination by franchisor without cause:**

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 grounds 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.

WASHINGTON

1. Item 3 of the FDD is amended by adding the following matter:

In re: Franchise No Poaching Provisions (Spring-Green Lawn Care Corp.) (Case No. 19-2-30376-0 SEA; State of Washington, King County Superior Court). Beginning in January 2018, the Washington Attorney General launched a sweeping investigation into the use of non-solicitation and no-hire provisions in franchise agreements, with the stated goal of "eliminating no-poach clauses nationwide." We have entered into an Assurance of Discontinuance ("AOD") with the State of Washington, where we have agreed to remove from our franchise agreement a provision which restricts a franchisee from soliciting and/or hiring the employees of our company-owned locations, which the Attorney General alleges violates Washington state and federal antitrust and unfair practices laws. Other than as a

mechanism for the court to approve and enter the AOD, no court proceeding was initiated. Under the terms of the AOD, we agreed to: notify all franchisees that we entered into the AOD, not include no-poach provisions in our future agreements, not enforce such provisions in our existing franchise agreements, exercise reasonable commercial efforts to amend all existing franchise agreements with entities in Washington to remove any no-poach provisions in their existing agreement, and remove those provisions from existing agreements as they came up for renewal or renegotiation. Under its express terms, the AOD is not to be construed as an admission of law, fact, liability, misconduct, or wrongdoing on our part.

2. The following paragraphs are added at the end of Item 17:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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 a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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, or 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 the franchisor's reasonable estimated or actual costs in effecting a transfer.

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.

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.

The Franchise Disclosure Document does not waive any liability we may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

3. We may use the services of franchise brokers to assist us in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to us and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting our current and former franchisees to ask them about their experience with us.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

**RIDER TO THE SPRING-GREEN LAWN CARE CORP.
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

This Rider is made and entered into by and between Spring-Green Lawn Care Corp., a Delaware corporation, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Spring-~~Green Lawn Care~~Green Franchised Business that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **Limitation of Claims and Class Action Bar.** The first paragraph of Section 18.I of the Franchise Agreement is amended by adding the following at the end of the paragraph:

HOWEVER, NOTHING CONTAINED IN THIS SECTION SHALL CONSTITUTE A CONDITION, STIPULATION, OR PROVISION PURPORTING TO BIND ANY PERSON TO WAIVE COMPLIANCE WITH ANY PROVISION OF THE ILLINOIS FRANCHISE DISCLOSURE ACT OR ANY OTHER LAW OF THE STATE OF ILLINOIS, TO THE EXTENT APPLICABLE.

3. **Construction.** The first paragraph of Section 18.M of the Franchise Agreement is deleted and replaced with the following:

The preambles and exhibit(s) are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written representations (except for those made in the Disclosure Document that you received from us), understandings or agreements between us and you relating to the subject matter of this Agreement.

4. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following paragraph is added as Section 18.N of the Franchise Agreement:

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

SPRING-GREEN LAWN CARE CORP.,
a Delaware corporation

By: _____
Theodore T. Hofer,
Chief Executive Officer

DATED*: _____
(*Effective Date of this Rider)

FRANCHISEE

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE SPRING-GREEN LAWN CARE CORP.
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is made and entered into by and between Spring-Green Lawn Care Corp., a Delaware corporation, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Spring-~~Green Lawn Care~~Green Franchised Business that you will operate under the Franchise Agreement will be located in Maryland.

2. **Releases.** The following is added to the end of Sections 3.A.(3), 14.D.(11), 14.F and 15.A.(6) of the Franchise Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **Insolvency.** The following sentence is added to the end of Section 16.A.(7) (“Termination by Us”) of the Franchise Agreement:

Section 16.A.(7) may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **Exclusive Jurisdiction.** The following sentence is added to the end of Section 18.G (“Exclusive Jurisdiction”) of the Franchise Agreement:

YOU MAY BRING A LAWSUIT IN MARYLAND FOR CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

5. **Limitations of Claims and Damages.** The following sentence is added to the end of Section 18.I (“Limitations of Claims and Class Action Bar”) of the Franchise Agreement:

YOU MUST BRING ANY CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW WITHIN 3 YEARS AFTER WE GRANT YOU THE FRANCHISE.

6. **Acknowledgments.** The following is added to the end of the Franchise Agreement as a new Section 21:

21. ACKNOWLEDGMENTS.

All representations requiring you 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 under the Maryland Franchise Registration and Disclosure Law.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

SPRING-GREEN LAWN CARE CORP.,
a Delaware corporation

FRANCHISEE

By: _____
Theodore T. Hofer,
Chief Executive Officer

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

DATED*: _____
(*Effective Date of this Rider)

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE SPRING-GREEN LAWN CARE CORP.
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

This Rider is made and entered into by and between Spring-Green Lawn Care Corp., a Delaware corporation, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota; and/or (b) the Spring-Green Lawn CareGreen Franchised Business that you will operate under the Franchise Agreement will be located in Minnesota.

2. **Notification of Infringements and Claims.** The following sentence is added to Section 11.C of the Franchise Agreement:

Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the Marks, in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

3. **Training.** The last sentence of Section 3.A.(3) of the Franchise Agreement is deleted and replaced with the following:

Upon such termination, we shall refund (without interest and less our costs, including any fees paid to brokers or referral services) the initial franchise fee paid pursuant to Section 4.A, and the initial marketing campaign fee paid pursuant to Section 4.C, less the our costs, including any fees paid to brokers or referral services, as long as you and its owners execute and provide us general releases, in form and substance satisfactory to us, of any and all claims they may have against us and our affiliates, officers, directors, shareholders, employees and agents except to the extent prohibited by the Minnesota Franchises Law.

4. **Releases.** The following is added to the end of Sections 3.A.(3), 14.D.(11), 14.F., and 15.A.(6) of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. **Renewal and Termination.** The following is added to the end of Sections 15.A and 16.A of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

6. **Specific Performance/Injunctive Relief.** Section 18.C of the Franchise Agreement is deleted and replaced with the following:

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that, notwithstanding Section 18.G, we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). A court will determine if a bond is required.

7. **Governing Law.** Section 18.F of the Franchise Agreement is deleted and replaced with the following:

18.F. GOVERNING LAW.

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US (OR ANY OF OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, AND EMPLOYEES) AND YOU (AND YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES) WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT (1) ANY STATE LAW REGULATING THE OFFER OR SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION, AND (2) NOTHING IN THIS AGREEMENT WILL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTES CHAPTER 80C OR YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

8. **Exclusive Jurisdiction.** Section 18.G of the Franchise Agreement is deleted and replaced with the following:

18.G. EXCLUSIVE JURISDICTION.

WE AND YOU (AND YOUR OWNERS) AGREE THAT ALL ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU (AND YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES) AND US (OR ANY OF OUR AFFILIATES, AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, AND EMPLOYEES) MUST BE COMMENCED EXCLUSIVELY IN THE STATE OR FEDERAL COURT THAT IS NEAREST TO OUR THEN-CURRENT CORPORATE HEADQUARTERS (CURRENTLY LOCATED IN PLAINFIELD, ILLINOIS), AND WE AND YOU IRREVOCABLY CONSENT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OR VENUE IN THOSE COURTS. NOTWITHSTANDING THE FOREGOING, MINN. STAT. SEC. 80C.21 AND MINN. RULE 2860.4400J PROHIBIT US, EXCEPT IN CERTAIN SPECIFIED CASES, FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. NOTHING IN THIS AGREEMENT SHALL ABROGATE OR REDUCE ANY OF YOUR RIGHTS UNDER MINNESOTA STATUTE CHAPTER 80C OR YOUR RIGHT TO ANY PROCEDURE, FORUM OR REMEDIES THAT THE LAWS OF THE JURISDICTION PROVIDE.

9. **Limitation of Claims and Class Action Bar.** The following is added to the end of the first paragraph of Section 18.I of the Franchise Agreement:

; PROVIDED, HOWEVER, THAT MINNESOTA LAW PROVIDES THAT NO ACTION MAY BE COMMENCED UNDER MINN. STAT. SEC. 80C.17 MORE THAN 3 YEARS AFTER THE CAUSE OF ACTION ACCRUES.

10. **Waiver of Punitive Damages and Jury Trial.** If and then only to the extent required by Minnesota Franchises Law, Sections 18.J and 18.K of the Franchise Agreement are deleted.

(signature page follows)

IN WITNESS WHEREOF the parties hereto have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

SPRING-GREEN LAWN CARE CORP.,
a Delaware corporation

By: _____
Theodore T. Hofer,
Chief Executive Officer

DATED*: _____
(*Effective Date of this Rider)

FRANCHISEE

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

**RIDER TO THE SPRING-GREEN LAWN CARE CORP.
FRANCHISE AGREEMENT AND RELATED AGREEMENTS
FOR USE IN WASHINGTON**

This Rider is made and entered into by and between Spring-Green Lawn Care Corp., a Delaware corporation, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.** You and we are parties to that certain Franchise Agreement dated _____, 20__ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington; (b) you are domiciled in Washington; and/or (c) the Spring-~~Green Lawn Care~~Green Franchised Business that you will operate under the Franchise Agreement will be located in Washington.

2. **Acknowledgments.** Section 1.B.(2) of the Franchise Agreement is deleted in its entirety.

3. ~~2.~~ **Washington Law.**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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 a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder 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, or 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 the franchisor’s reasonable estimated or actual costs in effecting a transfer.

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.

4. ~~3.~~ **Waiver of Obligations.** We and you acknowledge and agree that the first sentence of the third paragraph of Section 18.B. of the Franchise Agreement is deleted and replaced, in its entirety, with the following:

We make no warranties or guaranties, and assume no liability or obligation to you, by granting any waiver, approval or consent to you, or by reason of any neglect, delay or denial of any request therefor.

(signature page follows)

IN WITNESS WHEREOF the parties hereto have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

SPRING-GREEN LAWN CARE CORP.,
a Delaware corporation

By: _____
Theodore T. Hofer,
Chief Executive Officer

DATED*: _____
(*Effective Date of this Rider)

FRANCHISEE

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT K
DISCLOSURE ACKNOWLEDGEMENT STATEMENTS

**DISCLOSURE ACKNOWLEDGEMENT STATEMENT
(NEW SPRING-GREEN LAWN CARE FRANCHISE)**

**DISCLOSURE ACKNOWLEDGMENT STATEMENT TO
SPRING-GREEN LAWN CARE FRANCHISE AGREEMENT**

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

The purpose of the Disclosure Acknowledgement Statement is for Spring-Green Lawn Care Corp. (“Spring-Green”) to determine that _____ (herein after referred to as “you”) fully understands and comprehends that the purchase of a Spring-Green Lawn Care franchise is a business decision, complete with its associated risks, and that it is the company policy of Spring-Green to verify that the you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the Spring-Green Lawn Care franchise which have not been authorized by Spring-Green. Please review the following carefully and provide honest and complete responses to each question.

1. Do you recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the Spring-Green Lawn Care franchise subject to many variables, including among other economic and business factors, your (and those of your partners’, officers’ and employees’) skills and abilities, the hours you and your associates work, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and costs and the market place, and that the success of your Spring-Green Lawn Care franchise depends primarily on your efforts and not those of Spring-Green. Check one: () Yes () No If no, please comment: _____

2. Did you receive a copy of the Spring-Green Lawn Care Franchise Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Spring-Green Lawn Care Franchise Agreement? Check one: () Yes () No If no, please comment: _____

3. Have you carefully reviewed the Spring-Green Lawn Care Franchise Disclosure Document and the Spring-Green Lawn Care Franchise Agreement? Check one: () Yes () No If no, please comment: _____

4. Did you have the opportunity to seek professional assistance of an accountant and/or attorney to review the Spring-Green Lawn Care franchise documents, and to consult with your accountant and/or attorney regarding the risks associated with the purchase of a Spring-Green Lawn Care franchise? Check one: Yes No If no, please comment: _____

Note: Questions 5 through 8 DO NOT RELATE TO information you may have been given directly by any existing Franchisee of Spring-Green.

5. Has your decision to enter into this business been predicated upon any oral representations, assurances, warranties, guarantees or promises made by any employee or other persons speaking on behalf of Spring-Green, including as to the success of the Spring-Green Lawn Care franchise? Check one: Yes No If yes, please comment: _____

6. Did any employee or other persons speaking on behalf of Spring-Green make any statement, promise or assurance to you concerning any matter related to the Spring-Green Lawn Care franchise (including, without limitation, those regarding advertising, training, support service or assistance provided by Spring-Green) that is contrary to, or different from, the information contained in the Spring-Green [Lawn Care](#) Franchise Disclosure Document? Check one: Yes No If yes, please describe the details: _____

7. Except as stated in Item 19 of the Spring-Green Lawn Care Franchise Disclosure Document, did any employee or other persons speaking on behalf of Spring-Green make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted, forecasted or projected sales, revenues, expenses, earnings, income or profit levels at any Spring-Green Lawn Care location or business, or the likelihood of success at your Spring-Green Lawn Care franchise? Check one: Yes No If yes, please describe the details: _____

8. Except as stated in the Spring-Green Lawn Care Franchise Disclosure Document, did any employee or other persons speaking on behalf of Spring-Green make any statement, promise or assurance regarding the costs involved in operating a Spring-Green Lawn Care franchise that is not contained in the Spring-Green Lawn Care Franchise Disclosure Document or that is contrary to, or different from the information in the Spring-Green Lawn Care Franchise Disclosure Document? Check one: Yes No If yes, please describe the details: _____

9. Have you been referred to Spring-Green by a franchise referral service or a business referral service? Check one: () Yes () No **If NO**, please describe how you learned about a Spring-Green franchise opportunity: _____

If YES, What is the name of the referral service that referred you to Spring-Green: _____

Do you recognize and understand that the franchise referral service or business referral service will be paid a fee for the referral? Check one: () Yes () No If no, please comment: _____

10. The President of the United States of America has issued Executive Order 13224 (the “Executive Order”) prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the “Anti-Terrorism Measures”). Spring-Green therefore requires certain certifications that the parties with whom it deals are not directly or indirectly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with the Spring-Green Lawn Care franchise, is:

- (a) A person or entity listed in the Annex to the Executive Order;
- (b) A person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
- (c) A person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or
- (d) Owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with your Spring-Green Lawn Care franchise, will during the term of the Spring-Green Lawn Care Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

[Signature Page Follows]

FRANCHISEE:

Sign here if you are taking the franchise as an

INDIVIDUAL(S)

Signature

Print Name: _____

Signature

Print Name: _____

Date: _____

Sign here if you are taking the franchise as a

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

Print Name of Legal Entity

By: _____
Signature

Print Name: _____

Title: _____

Date: _____

DISCLOSURE ACKNOWLEDGEMENT STATEMENT
(PURCHASE OF EXISTING SPRING-GREEN LAWN CARE FRANCHISE)

**DISCLOSURE ACKNOWLEDGMENT STATEMENT TO
SPRING-GREEN LAWN CARE FRANCHISE AGREEMENT**

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

The purpose of the Disclosure Acknowledgement Statement is for Spring-Green Lawn Care Corp. (“Spring-Green”) to determine that _____ (herein after referred to as “you”) fully understands and comprehends that the purchase of an existing Spring-Green Lawn Care franchise from _____ (herein after referred to as “Seller”) is a business decision, complete with its associated risks, and that it is the company policy of Spring-Green to verify that the you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the existing Spring-Green Lawn Care franchise which have not been authorized by Spring-Green. Please review the following carefully and provide honest and complete responses to each question.

1. Do you recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the existing Spring-Green Lawn Care franchise subject to many variables, including among other economic and business factors, your (and those of your partners’, officers’ and employees’) skills and abilities, the hours you and your associates work, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and costs and the market place, and that the success of the existing Spring-Green Lawn Care franchise depends primarily on your efforts and not those of Spring-Green. Check one: () Yes () No If no, please comment: _____

2. Did you receive a copy of the Spring-Green Lawn Care Franchise Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Spring-Green Lawn Care Franchise Agreement? Check one: () Yes () No If no, please comment: _____

3. Have you carefully reviewed the Spring-Green Lawn Care Franchise Disclosure Document and the Spring-Green Lawn Care Franchise Agreement? Check one: () Yes () No If no, please comment: _____

4. Did you have the opportunity to seek professional assistance of an accountant and/or attorney to review the Spring-Green Lawn Care franchise documents, and to consult with your accountant and/or attorney regarding the risks associated with the purchase of an existing Spring-Green Lawn Care franchise? Check one: Yes No If no, please comment: _____

Note: Questions 5 through 8 DO NOT RELATE TO information you may have been given directly by any existing Franchisee of Spring-Green.

5. Has your decision to enter into this business been predicated upon any oral representations, assurances, warranties, guarantees or promises made by any employee or other persons speaking on behalf of Spring-Green, including as to the success of the existing Spring-Green Lawn Care franchise? Check one: Yes No If yes, please comment: _____

6. Did any employee or other persons speaking on behalf of Spring-Green make any statement, promise or assurance to you concerning any matter related to the existing Spring-Green Lawn Care franchise (including, without limitation, those regarding advertising, training, support service or assistance provided by Spring-Green) that is contrary to, or different from, the information contained in the Spring-Green [Lawn Care](#) Franchise Disclosure Document? Check one: Yes No If yes, please describe the details: _____

7. Except as stated in Item 19 of the Spring-Green Lawn Care Franchise Disclosure Document, did any employee or other persons speaking on behalf of Spring-Green make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted, forecasted or projected sales, revenues, expenses, earnings, income or profit levels at any Spring-Green Lawn Care location or business, or the likelihood of success of the existing Spring-Green Lawn Care franchise? Check one: Yes No If yes, please describe the details: _____

8. Except as stated in the Spring-Green Lawn Care Franchise Disclosure Document, did any employee or other persons speaking on behalf of Spring-Green make any statement, promise or assurance regarding the costs involved in operating a Spring-Green Lawn Care franchise, that is not contained in the Spring-Green Lawn Care Franchise Disclosure Document or that is contrary to, or different from the information in the Spring-Green Lawn Care Franchise Disclosure Document? Check one: Yes No If yes, please describe the details: _____

9. If Spring-Green provided you with a sample Letter of Intent to provide to Seller to use in your purchase of Seller's existing Spring-Green Lawn Care franchise, do you understand that the Letter of Intent was provided to you by Spring-Green as an example only, that Spring-Green did not intend to provide you with any legal counsel, and that both you and Seller are responsible for obtaining legal counsel? Check one: Yes No If no, please comment: _____

10. If Spring-Green provided you with a sample Purchase Agreement to provide to Seller to use in your purchase of Seller's existing Spring-Green Lawn Care franchise, do you understand that the Purchase Agreement was provided to you by Spring-Green as an example only, that Spring-Green did not intend to provide you with any legal counsel, and that both you and Seller are responsible for obtaining legal counsel? Check one: Yes No If no, please comment: _____

11. Do you understand that Spring-Green reviewed the Purchase Agreement between you and Seller for the purpose of approving the transaction as a franchisor, that Spring-Green was not reviewing the Purchase Agreement on your behalf, and that both you and Seller are responsible for obtaining legal counsel? Check one: Yes No If no, please comment: _____

12. Do you understand that Spring-Green's consent to your purchase of Seller's Spring-Green Lawn Care franchise was not a representation by Spring-Green as to the fairness of the terms of the Purchase Agreement or another other contract between you and Seller, a guarantee by Spring-Green of the existing Spring-Green Lawn Care franchise or your prospects of success in operating the existing Spring-Green Lawn Care franchise, or a representation by Spring-Green as to the value of the geographic area in which the existing Spring-Green Law Care franchise operates. Check one: Yes No If no, please comment: _____

13. Have you been referred to Spring-Green by a franchise referral service or a business referral service? Check one: Yes No **If NO**, please describe how you learned about a Spring-Green franchise opportunity: _____

If YES, What is the name of the referral service that referred you to Spring-Green: _____

Do you recognize and understand that the franchise referral service or business referral service will be paid a fee for the referral? Check one: () Yes () No If no, please comment: _____

14. The President of the United States of America has issued Executive Order 13224 (the “Executive Order”) prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the “Anti-Terrorism Measures”). Spring-Green therefore requires certain certifications that the parties with whom it deals are not directly or indirectly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with the existing Spring-Green Lawn Care franchise, is:

(a) A person or entity listed in the Annex to the Executive Order;

(b) A person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(c) A person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(d) Owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with the existing Spring-Green Lawn Care franchise, will during the term of the Spring-Green Lawn Care Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

[Signature Page Follows]

FRANCHISEE:

Sign here if you are taking the franchise as an

INDIVIDUAL(S)

Signature

Print Name: _____

Signature

Print Name: _____

Date: _____

Sign here if you are taking the franchise as a

**CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP**

Print Name of Legal Entity

By: _____
Signature

Print Name: _____

Title: _____

Date: _____

EXHIBIT L
FLEX START ADDENDUM

**FLEX START ADDENDUM
TO THE SPRING-GREEN LAWN CARE CORP.
FRANCHISE AGREEMENT**

This Addendum is made and entered into by and between Spring-Green Lawn Care Corp., a Delaware corporation, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Addendum. The Franchise Agreement is hereby amended as follows.

2. **Royalty Fees and Advertising Fees.** Notwithstanding anything contained in the Franchise Agreement to the contrary, we agree that you shall not be required to pay royalty fees under Section 4.B of the Franchise Agreement or contributions to the our Advertising Fund under Section 4.D of the Franchise Agreement until the earlier of (i) 180 days after the date you commence operation of your Business under Section 2.E of the Franchise Agreement and (ii) January 1st of the calendar year immediately following the date you commence operation of your Business under Section 2.E of the Franchise Agreement (the “**Royalty Exempt Expiration Date**”).

3. **Management of Your Business.** Section 7.J of the Franchise Agreement is deleted and replaced with the following:

Except as allowed below, your Business shall be under the direct, full-time supervision of you (or if you are an Entity, by the Managing Owner) or a trained and competent operations manager who has completed our training program or equivalent training to our satisfaction. You shall keep us informed at all times of the identity of any supervisory employees acting as regular managers of your Business.

You (or if you are an Entity, the Managing Owner) will be the initial manager of your Business. We agree that you (or if you are an Entity, the Managing Owner) may devote less than his full-time efforts to the supervision of your Business during the initial, start-up period of the operations of your Business, which shall end on _____, 20__. Upon expiration of the initial start-up period, you (or if you are an Entity, the Managing Owner) must devote his or her full-time efforts to the supervision of your Business.

4. **Best Efforts.** The second paragraph of Section 1.C of the Franchise Agreement is deleted and replaced with the following:

You (or if you are an Entity, its Managing Owner) agrees that you will at all times faithfully, honestly and diligently perform your obligations hereunder, and that you will continuously exert your best efforts to promote and enhance the sales of your Business.

You agree that, beginning on _____, 20___, you will cease to engage in any other business or activity that requires management or other responsibilities which conflict with your obligations hereunder.

5. **Interpretation.** If there is any conflict between the provisions of this Addendum and any of the provisions of the Franchise Agreement, the provisions of this Addendum will prevail.

6. **Effect.** This Addendum shall be deemed a part of and is hereby incorporated into the Franchise Agreement and all terms and conditions not expressly modified by this Addendum shall remain in full force and effect as written.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date.

SPRING-GREEN LAWN CARE CORP.,
a Delaware corporation

By: _____
Theodore T. Hofer, Chief Executive
Officer

DATED*: _____
(*Effective Date of this Addendum)

FRANCHISEE

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT M
VETFRAN PROGRAM ADDENDUM

**VETFRAN PROGRAM ADDENDUM
TO THE SPRING-GREEN LAWN CARE CORP.
FRANCHISE AGREEMENT**

This Addendum is made and entered into by and between Spring-Green Lawn Care Corp., a Delaware corporation, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.**

(a) We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Addendum.

(b) You are a veteran of the United States Armed Forces and meet the criteria of and desire to participate in, our VetFran Program.

(c) The parties have agreed to amend the Franchise Agreement in accordance with the terms and conditions of this Addendum.

2. **Initial Franchise Fee.** The following text is added to the end of Section 4.A of the Franchise Agreement.

We agree to apply up to Five Thousand Dollars (\$5,000) of the initial franchise fee towards your purchase of start-up or operational supplies or expenses (the “Start-Up Expenditure”) so long as (i) you are, and have been, in full compliance with the terms of this Agreement, and (ii) we approve the purchase of the start-up or operational supplies or expenses. The amount of the Start-Up Expenditure shall be determined by us and we may, at our discretion, pay third party vendors and/or suppliers directly or reimburse you for the costs of such supplies or expenses. In the event we elect to reimburse you for the costs of such start-up or operational supplies or expenses, such reimbursement shall only be made after you provide receipts or other documentation of payment of the start-up or operational supplies or expenses satisfactory to us. We may, in our discretion, apply all or part of the Start-Up Expenditure towards your initial marketing campaign fee due under Section 4.C of the Franchise Agreement. In such event, you acknowledge and agree that you shall be responsible for any portion of the initial marketing campaign fee not offset by the Start-Up Expenditure.

3. **Interpretation.** If there is any conflict between the provisions of this Addendum and any of the provisions of the Franchise Agreement, the provisions of this Addendum will prevail.

4. **Effect.** This Addendum shall be deemed a part of and is hereby incorporated into the Franchise Agreement and all terms and conditions not expressly modified by this Addendum shall remain in full force and effect as written.

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date.

SPRING-GREEN LAWN CARE CORP.,
a Delaware corporation

By: _____
Theodore T. Hofer, Chief Executive
Officer

DATED*: _____
(*Effective Date of this Addendum)

FRANCHISEE

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT N

~~GREEN~~INDUSTRY ASSOCIATE PROGRAM ADDENDUM

**~~GREEN~~INDUSTRY ASSOCIATE PROGRAM ADDENDUM
TO THE SPRING-GREEN LAWN CARE CORP.
FRANCHISE AGREEMENT**

This Addendum is made and entered into by and between Spring-Green Lawn Care Corp., a Delaware corporation, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

WHEREAS, you operate an existing business (the “Existing Business”) that provides, among other things, lawn and tree care and related products and services (the “Lawn and Tree Care Segment”);

WHEREAS, we and you have entered into a franchise agreement dated _____, 20__ (the “Franchise Agreement”);

WHEREAS, you desire to convert the Lawn and Tree Care Segment of the Existing Business into a Spring-~~Green Lawn Care~~Green Franchised ~~b~~BBusiness; and

WHEREAS, the parties agree to certain modifications of the Franchise Agreement as set forth below to reflect the conversion of the Lawn and Tree Care Segment of the Existing Business into a Spring-~~Green Lawn Care~~Green Franchised ~~b~~BBusiness.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and such other and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

1. **Recitals**. The Recitals above are hereby incorporated herein as part of the terms of this Addendum.

2. **Initial Franchise Fee**. We acknowledge and agree that we waive our right to collect an initial franchise fee from you, and as a result the first sentence in Section 4.A of the Franchise Agreement is deleted in its entirety. If you are granted a Territory over 60,000 SFDU, you will still pay us \$0.50 per additional SFDU over 60,000 at the time you sign the Franchise Agreement, which is non-refundable.

3. **Royalty and Advertising Fees**. Notwithstanding anything to the contrary in the Franchise Agreement, you shall not be required to pay royalty fees under Section 4.B of the Franchise Agreement or contributions to our Advertising Fund under Section 4.D of the Franchise Agreement until the date you commence operation of your Business under Section 2.E of the Franchise Agreement (or, if you sign the Flex Start Addendum, the Royalty Exempt Expiration Date (as defined therein)). Further, for the First Lawn Care Season (defined below) after you commence operation of your Business under Section 2.E of the Franchise Agreement (or, if you sign the Flex Start Addendum, the Royalty Exempt Expiration Date (as defined therein)), you shall pay us a reduced royalty fee as follows:

- (a) Five percent (5%) of the Gross Sales of your Business in each calendar year up to and including \$250,000;
- (b) Four percent (4%) of the Gross Sales of your Business in each calendar year in excess of \$250,000 up to and including \$500,000;
- (c) Three percent (3%) of the Gross Sales of your Business in each calendar year in excess of \$500,000.

For purposes of this Addendum, the “First Lawn Care Season” means that period of time, during a single calendar year, beginning on the date you first provide lawn and tree care services to customers using the Spring-Green Know-How and Marks and ending on December 31 of the same calendar year.

4. **Indemnification.** Notwithstanding anything contained in Section 10.D of the Franchise Agreement to the contrary, you hereby agree to indemnify, defend, and hold harmless the Company Parties against, and reimburse any one or more of the Company Parties for all claims, obligations, and damages directly or indirectly arising out of or relating to: (1) your operation of the Existing Business; and (2) the products and services offered and sold by the Existing Business, including without limitation, the products and services offered and sold by the Lawn and Tree Care Segment of the Existing Business, prior to the date you commence operation of your Business under Section 2.E of the Franchise Agreement.

5. **Customer Information.** The last sentence of Section 6.C of the Franchise Agreement is hereby deleted in its entirety and restated as follows:

“**Business Customer Information**” includes, without limitation, contact information, buying habits, preferences, demographic information, and any other information relating to current, former and prospective customers of your Business or the Lawn and Tree Care Segment of the Existing Business, including persons who have inquired about the services offered by your Business or the Lawn and Tree Care Segment of the Existing Business.

6. **Business and Customers of the Existing Business.** Section 16.A.(4) and Section 17.F.(2)(ii) of the Franchise Agreement are hereby amended by replacing the term “customer of your Business” with “customer of your Business or the Lawn and Tree Care Segment of the Existing Business.” In addition, Section 6.A.(3) of the Franchise Agreement is hereby amended by replacing the term “of your Business” with “of you, your Business, or the Lawn and Tree Care Segment of the Existing Business.”

7. **Books and Records.** You, at your expense, shall furnish us, upon our request, exact copies of all state sales tax returns, federal and state income tax returns and any other forms, reports, records, financial statements and other information related to you and your operation of the Lawn and Tree Care Segment of the Existing Business as we may require. You shall make such financial and other information available at such locations as we may reasonably request (including our office), and shall afford us (and our agents) full and free access thereto at any office of the Existing Business or you during regular business hours. We (and our agents) shall have the

right to communicate freely with your employees, as well as employees of the Existing Business associated or involved with the Lawn and Tree Care Segment, and shall have the right to make extracts from, and copies of, all such information.

8. **Interpretation.** If there is any conflict between the provisions of this Addendum and any of the provisions of the Franchise Agreement, the provisions of this Addendum will prevail. Capitalized terms that are used but not defined in this Addendum will have the meanings ascribed to them in the Franchise Agreement, as amended.

9. **Effect.** This Addendum shall be deemed a part of and is hereby incorporated into the Franchise Agreement and all terms and conditions not expressly modified by this Addendum shall remain in full force and effect as written.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date.

SPRING-GREEN LAWN CARE CORP.,
a Delaware corporation

By: _____
Theodore T. Hofer, Chief Executive
Officer

DATED*: _____
(*Effective Date of this Addendum)

FRANCHISEE

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT O
MULTI-TERRITORY ADDENDUM

**MULTI-TERRITORY ADDENDUM
TO THE SPRING-GREEN LAWN CARE CORP.
FRANCHISE AGREEMENT**

This Addendum is made and entered into by and between Spring-Green Lawn Care Corp., a Delaware corporation, with its principal office at 11909 Spaulding School Drive, Plainfield, Illinois 60585 (“we,” “us,” or “our”), and _____ whose principal address is _____ (“you” or “your”).

1. **Background.**

(a) We and you are parties to those certain Franchise Agreements dated _____, 20__, _____, 20__ and _____, 20__, respectively (the “Franchise Agreements”).

(b) Section 4.B of each of the Franchise Agreements provides that you shall pay a royalty fee which fee is calculated as a percentage of the Gross Sales of your Business. The royalty fee percentage decreases at certain Gross Sales thresholds set forth in the Franchise Agreement. (All capitalized terms used but not defined herein shall have the meanings set forth in the Franchise Agreement.)

(c) The parties have agreed to amend the Franchise Agreements in accordance with the terms of this Addendum.

2. **Royalty Fees.** Notwithstanding anything to the contrary in the Franchise Agreements, for the purpose of calculating the royalty fee under the Franchise Agreements and measuring your satisfaction of the Gross Sales thresholds set forth in Section 4.B of the Franchise Agreements, the Gross Sales of all of your Businesses operated pursuant to the Franchise Agreements shall be combined.

3. **Interpretation.** If there is any conflict between the provisions of this Addendum and any of the provisions of the Franchise Agreement, the provisions of this Addendum will prevail.

4. **Effect.** This Addendum shall be deemed a part of and is hereby incorporated into the Franchise Agreement and all terms and conditions not expressly modified by this Addendum shall remain in full force and effect as written.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed and delivered this Addendum on the dates noted below, to be effective as of the Effective Date.

SPRING-GREEN LAWN CARE CORP.,
a Delaware corporation

By: _____
Theodore T. Hofer, Chief Executive
Officer

DATED*: _____
(*Effective Date of this Addendum)

FRANCHISEE

**(IF YOU ARE TAKING THE
FRANCHISE AS A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE TAKING THE
FRANCHISE INDIVIDUALLY AND
NOT AS A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

EXHIBIT P
PROMISSORY NOTE AND SECURITY AGREEMENT
(Franchise Fee Financing)

PROMISSORY NOTE

Principal Amount: [\$ _____]

[City, State]
Issue Date: _____, 20__

FOR VALUE RECEIVED, the undersigned, [_____] (“Maker”), doing business under the name Spring-Green Lawn Care in the State of [_____] and qualified to do business in the State of [_____], promises to pay to the order of SPRING-GREEN LAWN CARE CORP. (“Payee”), a Delaware corporation, the principal sum of [_____] [(\$ _____)].

Said principal shall be payable by Maker making monthly payments of [_____] [(\$ _____)] (each a “Note Payment”) to Payee, via electronic funds transfer, beginning with the first payment due on the [____] day of [_____], 20__ and the last Monday of each month thereafter; provided that unless sooner paid pursuant to the terms hereof, the final Note Payment together with the entire outstanding principal balance, plus all interest accrued thereon, shall be due and payable in a lump sum on the fifth (5th) anniversary of the Issue Date (“Maturity Date”).

The outstanding principal balance of this Promissory Note shall accrue interest at the rate of ~~five~~ [____] percent (5__%) per annum ~~above the Bank of America Prime Rate as of the Issue Date.~~

Maker hereby agrees to pay all costs of collecting or securing, or attempting to collect or secure, this Promissory Note, including reasonable attorneys’ fees, whether the same be collected or secured by any attorney consulted with reference to suit or otherwise. Maker further waives demand, presentment, protest, notice of protest, suit and all other requirements necessary to hold it liable.

This Promissory Note is issued for monies owed by Maker to Payee under the Franchise Agreement dated [_____], 20__ by and between Maker and Payee (the “Franchise Agreement”). The obligations hereunder are secured by that certain security agreement of even date herewith by and between [_____], as debtor, and Spring-Green Lawn Care Corp., as secured party (the “Security Agreement”), which secures the payment of all monies and obligations due under this Promissory Note.

This Promissory Note may be prepaid, in whole or in part at any time without penalty or prepayment fee. All payments on this Promissory Note shall be applied first to the payment of all costs, fees or other charges incurred in connection with the indebtedness evidenced hereby, next to the payment of accrued interest, then to the reduction of the principal amount.

A default by Maker under this Promissory Note shall constitute a material breach of the Franchise Agreement. Upon the occurrence of an event of default under the Franchise Agreement, the Security Agreement, or this Promissory Note, all outstanding payments due hereunder shall be immediately due and payable.

Maker shall remain liable for the payment of this Promissory Note, including interest, notwithstanding any extension of time of payment or any indulgence of any kind or nature that Payee may grant to Maker, whether with or without notice to Maker, and Maker hereby expressly waives such notice. No release of any or all of the security given for this obligation shall release any other maker, co-maker, surety, guarantor or other party hereto in any capacity. Payee shall not be required to look first to the collateral for payment of this Promissory Note, but may proceed against Maker in such a manner as it deems desirable.

All of Payee's rights and remedies under this Promissory Note are cumulative and non-exclusive. The terms of this Promissory Note may be waived only by a written instrument signed by Payee. No waiver by Payee of any breach hereof or default hereunder shall be deemed a waiver of any preceding or succeeding breach or default and no failure by Payee to exercise any right or privilege hereunder shall be deemed a waiver of Payee's rights to exercise the same or any other right or privilege at any subsequent time.

Should this Promissory Note be signed by more than one person, firm or corporation or combination thereof, all of the obligations herein contained shall be considered joint and several obligations of each signer hereof. In such case the liability of each such person shall be absolute, unconditional and without regard to the liability of any other party hereto.

This Promissory Note is not negotiable nor is it assignable, provided, however, Payee may assign this Promissory Note upon a sale of substantially all of its assets or to an affiliate at any time.

The validity, construction and enforceability of this Promissory Note shall be governed in all respects by the laws of the State of Illinois, without regard to its conflicts of laws rules. In the event any one or more of the provisions of this Promissory Note shall for any reason be held invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event any one or more of the provisions of this Promissory Note operate or would prospectively operate to invalidate this Promissory Note, then, and in either of such events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Promissory Note and the remaining provisions of this Promissory Note shall remain operative and in full force and effect.

Any action relating to this Promissory Note must be commenced in a court of general jurisdiction in the Northern District of Illinois. The Maker irrevocably submits to the jurisdiction of such courts and waives any objection it might have to either the jurisdiction or venue of such courts.

Time is of the essence with respect to all Maker's obligations and agreements under this Promissory Note.

This Promissory Note is given, executed and delivered by the Maker.

MAKER

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE AN INDIVIDUALLY AND
NOT A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into between SPRING-GREEN LAWN CARE CORP., a Delaware corporation (hereinafter referred to as “Secured Party”), and [] whose principal business address is [] (hereinafter referred to as “Debtor”).

1. CREATION OF SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest in the Collateral described in Section 2, to secure the performance and payment of the sum of [] (\$[]), as evidenced by that certain note for such amount executed on even date herewith (the “Promissory Note”), and to secure all Debtor’s present and future debts, obligations, and liabilities of whatever nature and whenever created, including future advances to be evidenced by like notes to be made by Debtor to Secured Party at Secured Party’s option, and all liabilities of Debtor to Secured Party now existing or hereafter incurred, matured, or unmatured, direct or contingent, and any renewals and extensions thereof.

2. COLLATERAL

The collateral subject to this Security Agreement (hereinafter referred to as the “Collateral”) is:

All of the inventory including without limitation, chemical products sold by Debtor, all goods, merchandise, raw and processed, finished goods and other tangible personal property now owned or hereafter acquired and held for sale or lease or to be furnished under contracts of service or used or consumed, including without limitation, returned or repossessed goods, and contract rights with respect to all inventory;

All accounts, accounts receivable, documents, instruments, chattel paper, notes, drafts, contracts, orders, general intangibles, security deposits, escrowed payments, building permits, licenses, phone numbers, and choices in action and other forms of obligations and receivables now or hereafter received by or belonging to Debtor for goods sold by Debtor or for services rendered by Debtor, its agents, servants and employees; all cash and non-cash proceeds thereof; all guaranties and securities therefore; all right, title and interest of Debtor in the merchandise which gave rise thereto; and all rights of Debtor, whether now owned or hereafter acquired, earned or yet to be earned, under contracts to sell goods or render services, all of which are to be free from any and all claims of Debtor or anyone claiming through or under Debtor; and

All equipment, machinery, parts, motor vehicles, appliances, accessions, supplies, computer hardware and peripheral equipment, computer software, furniture, fixture, furnishings signs, brochures, printed materials of any kind, lists, data or similar information relating to current, former and prospective customers or clients, technology, know-how, designs, processes, inventions, methods, drawings, techniques, formulas, patterns, and computations of Debtor personally owned or hereafter acquired by Debtor.

“COLLATERAL” shall also be deemed to include all products and proceeds of the foregoing.

3. DEBTOR’S WARRANTIES.

Debtor warrants:

(a) Ownership - Debtor has, or in acquisition will have, full and free simple title to the Collateral, free of all encumbrances, except for the security interest hereby granted and any security interest in the Collateral granted prior to the date of this Security Agreement, of which Debtor warrants it has given written notice to the Secured Party. Debtor further warrants that it will forever defend the title to the Collateral unto the Secured Party, its successors and assigns, against the claims of all persons.

(b) Priority - Debtor acknowledges and agrees that all sales of inventory by Secured Party from this date forward shall be secured by this Security Agreement and that Secured Party shall hold a Purchase Money Security Interest in such inventory, which shall take priority over all other security interests in such inventory, and Debtor warrants that it shall take all steps required by law or deemed necessary by Secured Party to notify other parties and otherwise assure such priority. Debtor further acknowledges and agrees that its intention in this Security Agreement is to grant to Secured Party a security interest of first priority in all of the Collateral and that Debtor shall therefore make its best efforts to obtain releases or subordination agreements or to assist Secured Party in obtaining releases or to subordinate any security interests that may be deemed to have priority over the interest granted herein to Secured Party.

(c) Location of Collateral - The Collateral will be kept at the addresses shown above, or other such addresses of which Debtor gives the Secured Party prior written notice.

(d) Use - Collateral used or to be used primarily for business purposes.

(e) Change of Address - Debtor shall immediately advise Secured Party in writing of any change in address.

(f) Performance of this Security Agreement - Debtor shall perform all covenants and agreements set forth in this Security Agreement.

4. FINANCING STATEMENT.

At the request of Secured Party, Debtor will join in executing, or will execute, all necessary financing statements and any other documents deemed necessary by Secured Party in a form satisfactory to Secured Party and pay the cost of filing such statements or other documents. Debtor warrants that no financing statement covering the Collateral or any part thereof or any proceeds thereof is presently on file in any public office, except as referred to in Paragraph 3 of this Security Agreement.

5. PERSONS BOUND.

This Security Agreement benefits Secured Party, and Secured Party's heirs, personal representatives, successors and assigns, and binds Debtor and Debtor's respective heirs, personal representatives, successors, and assigns.

6. ALIENATION OF COLLATERAL.

Debtor will not, without the written consent of Secured Party, sell, contract to sell, lease, encumber, or otherwise dispose of the Collateral or any interest therein or permit it to become an accession to other goods except in the ordinary course of business until this Security Agreement and all debts secured thereby have been fully satisfied.

7. PROTECTION OF COLLATERAL.

Debtor shall keep the Collateral in good order and repair; Debtor shall not waste or destroy the Collateral or any part thereof; and Debtor shall not use the Collateral in violation of any statute or ordinance. Secured Party shall have the right to examine and inspect the Collateral at any reasonable time.

8. MAINTENANCE OF COLLATERAL.

Debtor shall not permit the value of the Collateral to be impaired. Further, Debtor shall keep the Collateral free from all liens, encumbrances, and security interests (other than Secured Party's security interest) and defend it against all claims and legal proceedings by persons other than Secured Party, and Debtor shall pay all costs, expenses, and fees in doing same. Unless Debtor has represented that the Collateral will be attached to real estate by describing the real estate and naming the record owner thereof, Debtor will not allow the Collateral to become attached to real estate in such manner as to become a fixture or a part of any real estate.

9. TAXES AND ASSESSMENTS.

Debtor shall pay promptly when due all taxes, license fees, assessments and other charges levied on the Collateral or on its use and operation. Secured Party may, at Secured Party's option and at any time, discharge taxes, liens, or interest on the Collateral, and such discharge by Secured Party shall become a debt owing to Secured Party by Debtor and secured hereby.

10. INSURANCE.

(a) Unless otherwise agreed to in writing, signed by both parties, Debtor shall insure at Debtor's expense the tangible Collateral, against theft and those hazards ordinarily covered by standard form all-risk insurance policies for amounts equal to the replacement value thereof, but in no event less than the full amount of the obligations set out herein; that such insurance will name both Debtor and Secured Party as insureds thereunder as their respective interests may appear, will be placed with a company or companies satisfactory to Secured Party, will provide that all losses shall be adjusted with and paid to both Debtor and Secured Party and will be subject to alteration or

cancellation only after ten (10) days written notice to Secured Party; and that Debtor will deliver to Secured Party a certificate or memorandum of such insurance within ten (10) days of the date hereof and renewals of such policy or policies at least fifteen (15) days prior to the expiration date(s) thereof, the said renewals or policies to be marked "paid" by the issuing company or agent;

(b) If Debtor fails to keep the Collateral insured as above specified, then the Secured Party, may, at Secured Party's option, insure the same for its insurable value and the cost of such insurance to Secured Party shall become a debt owing to Secured Party by Debtor and secured hereby; the proceeds from such insurance, if collected, shall be credited on the indebtedness secured hereby, less the cost of collecting the same, or, at the election of the Secured Party, may be used in repairing or replacing the Collateral; and

(c) No loss or damage to the Collateral shall otherwise affect Debtor's obligations hereunder.

11. TIME OF PERFORMANCE.

When performing any act under this Security Agreement, time shall be of the essence.

12. WAIVER.

Failure of Secured Party to exercise any right or remedy, including but not limited to the acceptance of partial or delinquent payments, shall not be a waiver of any obligation of Debtor or right to Secured Party or constitute a waiver of any other similar default subsequently occurring.

13. PAYMENT.

If Debtor pays said indebtedness, and reimburses the Secured Party for any amount which Secured Party may have expended under the provisions hereunder, and shall do and perform all other acts and things herein agreed to be done, this conveyance and Security Agreement shall be null and void.

14. EVENTS OF DEFAULT.

Debtor shall be deemed to be in default hereunder in the event that:

- (a) Debtor shall default in the payment or performance of any of the obligations herein;
- (b) Any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement executed by the parties should prove to have been false in any material respect when made or furnished;
- (c) Any substantial loss, theft, destruction or damage to the Collateral should occur;
- (d) Debtor should make a general assignment for the benefit of creditors, should suspend business or commit any act amounting to business failure, or should make a voluntary assignment or

transfer of its interest in any of the Collateral (except as expressly authorized by Secured Party in writing or as authorized pursuant to Paragraph 6 of this Security Agreement) or in all or substantially all of its property;

(e) A petition under any chapter of the Bankruptcy Code or for the appointment of a receiver of all or any part of the property of Debtor, or under any other proceeding for the relief of creditors should be filed by or against Debtor; or

(f) Debtor shall default in the payment or performance of any of the following agreements: that certain Franchise Agreement dated [_____], by and between Debtor, as franchisee, and Secured Party, as franchisor (the “Franchise Agreement”) or the Promissory Note.

15. REMEDIES OF SECURED PARTY.

In the event of default hereunder, or any time Secured Party in good faith believes that the prospective payment or performance owing to Secured Party is impaired, Secured Party may then, or at any time thereafter (such default not having previously been cured), declare the whole of the indebtedness including, but not limited to the Promissory Note, hereby secured with interest thereon, to be immediately due and payable, without notice or demand therefore, and shall then have all the remedies of a secured party under the laws of the State of Illinois , including without limitation the following:

(a) Secured Party may require Debtor to assemble the Collateral and to make it available to Secured Party at any convenient place designated by Secured Party.

(b) Secured Party may take possession of the Collateral and control of any proceeds thereof, enter into any premises on which the Collateral or any proceeds or any part thereof may be situated and remove the same therefrom. Debtor hereby waives and releases Secured Party of and from any and all claims in connection with such removal.

(c) Secured Party is expressly authorized to ask, demand, receive, compound, compromise, collect, and give receipts for payments of accounts receivable secured hereby, to institute, prosecute and compromise suits to recover thereon, and Secured Party shall be required to account only for such payments thereon as are actually received by Secured Party.

(d) Written notice, when required by law, sent to Debtor’s address shown above, or if none is shown, to any address of Debtor in Secured Party’s files, at least five (5) calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice.

(e) Debtor shall reimburse Secured Party for any expense incurred by Secured Party in protecting or enforcing Secured Party’s right under this Security Agreement, including without limitation reasonable attorneys’ fees and legal expenses and all expenses of insuring, taking possession, holding, preparing for disposition, and disposing of the Collateral. After deduction of such expenses, Secured Party may apply the proceeds of disposition to the indebtedness specifically

secured hereby, as well as any other indebtedness or liability of Debtor to Secured Party secured hereby, in such order and amounts as Secured Party elects.

(f) Debtor waives to the extent allowed by law all personal property rights of exemption allowed Debtor under the Constitution and laws of Illinois or any other jurisdiction, in connection with or related to the collection of the indebtedness created herein, whether by garnishment, levy, attachment or any other process of law. Debtor agrees to pay all costs of collection and foreclosure hereof, including reasonable attorneys' fees in the event said indebtedness is not paid to maturity or other default occurs hereunder.

(g) No remedy of Secured Party hereunder shall be exclusive of any other remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy.

16. CROSS DEFAULT.

A default by Debtor under this Security Agreement shall also constitute a material breach of the Franchise Agreement.

17. TERMINATION.

When the Promissory Note is paid in full (not by renewal or substitution of the Promissory Note), then this Security Agreement expires.

18. GOVERNING LAW.

This Security Agreement shall be subject to and construed in accordance with the laws of the State of Illinois in all respects. If any provision hereof is contrary to, or prohibited by or deemed invalid by such laws, such provision shall be inapplicable and deemed omitted but shall not invalidate the remaining provisions hereof which shall remain valid and in full force and effect.

19. CONSENT TO JURISDICTION

Any action relating to this Security Agreement must be commenced in a court of general jurisdiction in the Northern District of Illinois. Debtor irrevocably submits to the jurisdiction of such courts and waives any objection it might have to either the jurisdiction or venue of such courts.

20. MISCELLANEOUS.

All rights of Secured Party hereunder shall inure to the benefit of secured Party's heirs, successors and assigns; and the obligations, warranties and covenants of Debtor shall bind Debtor, Debtor's heirs, successors and assigns. This Security Agreement shall take effect on the date hereof. Each person signing hereunder acknowledges receipt of an executed copy of this Security Agreement.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed this _____ day of _____, _____.

SECURED PARTY

SPRING-GREEN LAWN CARE CORP.,
a Delaware corporation

By: _____
Theodore T. Hofer, Chief Executive
Officer

DEBTOR

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of
entity]

Title of Signatory: _____

**(IF YOU ARE AN INDIVIDUALLY
AND NOT A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

[signature of individual franchisee]

Print Name: _____

EXHIBIT Q
PROMISSORY NOTE AND SECURITY AGREEMENT
(~~Green~~Industry Associate Marketing Financing)

PROMISSORY NOTE

Principal Amount: [\$ _____]

[City, State]
Issue Date: _____, 20__

FOR VALUE RECEIVED, the undersigned, [_____] (“Maker”), doing business under the name Spring-Green Lawn Care in the State of [_____] and qualified to do business in the State of [_____], promises to pay to the order of SPRING-GREEN LAWN CARE CORP. (“Payee”), a Delaware corporation, the principal sum of [_____] [(\$ _____)].

This Promissory Note is issued for monies owed by Maker to Payee under the Franchise Agreement dated [_____, 20__] by and between Maker and Payee (the “Franchise Agreement”). The obligations hereunder are secured by that certain security agreement of even date herewith by and between [_____], as debtor, and Spring-Green Lawn Care Corp., as secured party (the “Security Agreement”), which secures the payment of all monies and obligations due under this Promissory Note. All capitalized terms not defined in this Promissory Note have the meaning in the Franchise Agreement.

From and after [_____, 20__] (the “Initiation Date”), principal due under this Promissory Note will be payable by Maker to Payee in monthly payments of: (a) [_____] [(\$ _____)], with interest accruing but unpaid, for the first twenty-four (24) months after the Initiation Date, and (b) [_____] [(\$ _____)], plus interest on such amounts, for the subsequent thirty-six (36) months. All payments will be made via electronic funds transfer, on the last Monday of each month after the Initiation Date; provided that unless sooner paid pursuant to the terms hereof, all outstanding principal, interest and other amounts under this Promissory Note, shall be due and payable in a lump sum on the fifth (5th) anniversary of the Initiation Date (“Maturity Date”).

Notwithstanding anything to the contrary in this Promissory Note, Payee hereby agrees to forgive, cancel and waive any and all outstanding amounts due under this Promissory Note as of the second anniversary of the Initiation Date, if: (a) the Gross Sales of Maker’s Spring-Green Business during the first two (2) years after the Initiation Date exceeds One Hundred Seventy Five Thousand and 00/100 Dollars (\$175,000.00); and (b) during the same two (2) year period, Maker and its owners, affiliates and guarantors, have each complied with all of their respective obligations under this Promissory Note, the Security Agreement, the Franchise Agreement, and/or any other agreement with Payee or its affiliates.

The outstanding principal balance of this Promissory Note shall accrue interest at the rate of ~~five~~ [___] percent (~~5~~ ___ %) per annum ~~above the Bank of America Prime Rate as of the Issue Date~~; provided, that Payee hereby agrees to waive any interest accruing prior to the second anniversary of the Initiation Date if Maker and its owners, affiliates and guarantors have each complied with all of their respective obligations under this Promissory Note, the Security

Agreement, the Franchise Agreement, and/or any other agreement with Payee or its affiliates during the entirety of the term of this Note.

Maker hereby agrees to pay all costs of collecting or securing, or attempting to collect or secure, this Promissory Note, including reasonable attorneys' fees, whether the same be collected or secured by any attorney consulted with reference to suit or otherwise. Maker further waives demand, presentment, protest, notice of protest, suit and all other requirements necessary to hold it liable.

This Promissory Note may be prepaid, in whole or in part at any time without penalty or prepayment fee. All payments on this Promissory Note shall be applied first to the payment of all costs, fees or other charges incurred in connection with the indebtedness evidenced hereby, next to the payment of accrued interest, then to the reduction of the principal amount.

A default by Maker under this Promissory Note shall constitute a material breach of the Franchise Agreement. Upon the occurrence of an event of default under the Franchise Agreement, the Security Agreement, or this Promissory Note, all outstanding amounts due hereunder shall be immediately due and payable, including any and all principal or interest that would otherwise have been waived or forgiven under the terms hereof absent such event of default, all which will be deemed due and owing in full.

Maker shall remain liable for the payment of this Promissory Note, including interest, notwithstanding any extension of time of payment or any indulgence of any kind or nature that Payee may grant to Maker, whether with or without notice to Maker, and Maker hereby expressly waives such notice. No release of any or all of the security given for this obligation shall release any other maker, co-maker, surety, guarantor or other party hereto in any capacity. Payee shall not be required to look first to the collateral for payment of this Promissory Note, but may proceed against Maker in such a manner as it deems desirable.

All of Payee's rights and remedies under this Promissory Note are cumulative and non-exclusive. The terms of this Promissory Note may be waived only by a written instrument signed by Payee. No waiver by Payee of any breach hereof or default hereunder shall be deemed a waiver of any preceding or succeeding breach or default and no failure by Payee to exercise any right or privilege hereunder shall be deemed a waiver of Payee's rights to exercise the same or any other right or privilege at any subsequent time.

Should this Promissory Note be signed by more than one person, firm or corporation or combination thereof, all of the obligations herein contained shall be considered joint and several obligations of each signer hereof. In such case the liability of each such person shall be absolute, unconditional and without regard to the liability of any other party hereto.

This Promissory Note is not negotiable nor is it assignable, provided, however, Payee may assign this Promissory Note upon a sale of substantially all of its assets or to an affiliate at any time.

The validity, construction and enforceability of this Promissory Note shall be governed in all respects by the laws of the State of Illinois, without regard to its conflicts of laws rules. In the event any one or more of the provisions of this Promissory Note shall for any reason be held invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event any one or more of the provisions of this Promissory Note operate or would prospectively operate to invalidate this Promissory Note, then, and in either of such events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Promissory Note and the remaining provisions of this Promissory Note shall remain operative and in full force and effect.

Any action relating to this Promissory Note must be commenced in a court of general jurisdiction in the Northern District of Illinois. The Maker irrevocably submits to the jurisdiction of such courts and waives any objection it might have to either the jurisdiction or venue of such courts.

Time is of the essence with respect to all Maker's obligations and agreements under this Promissory Note.

This Promissory Note is given, executed and delivered by the Maker.

MAKER

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signator: _____

DATED: _____

**(IF YOU ARE AN INDIVIDUALLY AND
NOT A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into between SPRING-GREEN LAWN CARE CORP., a Delaware corporation (hereinafter referred to as “Secured Party”), and [] whose principal business address is [] (hereinafter referred to as “Debtor”).

1. CREATION OF SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest in the Collateral described in Section 2, to secure the performance and payment of the sum of [] (\$[]), as evidenced by that certain note for such amount executed on even date herewith (the “Promissory Note”), and to secure all Debtor’s present and future debts, obligations, and liabilities of whatever nature and whenever created, including future advances to be evidenced by like notes to be made by Debtor to Secured Party at Secured Party’s option, and all liabilities of Debtor to Secured Party now existing or hereafter incurred, matured, or unmatured, direct or contingent, and any renewals and extensions thereof.

2. COLLATERAL

The collateral subject to this Security Agreement (hereinafter referred to as the “Collateral”) is:

All of the inventory including without limitation, chemical products sold by Debtor, all goods, merchandise, raw and processed, finished goods and other tangible personal property now owned or hereafter acquired and held for sale or lease or to be furnished under contracts of service or used or consumed, including without limitation, returned or repossessed goods, and contract rights with respect to all inventory;

All accounts, accounts receivable, documents, instruments, chattel paper, notes, drafts, contracts, orders, general intangibles, security deposits, escrowed payments, building permits, licenses, phone numbers, and choices in action and other forms of obligations and receivables now or hereafter received by or belonging to Debtor for goods sold by Debtor or for services rendered by Debtor, its agents, servants and employees; all cash and non-cash proceeds thereof; all guaranties and securities therefore; all right, title and interest of Debtor in the merchandise which gave rise thereto; and all rights of Debtor, whether now owned or hereafter acquired, earned or yet to be earned, under contracts to sell goods or render services, all of which are to be free from any and all claims of Debtor or anyone claiming through or under Debtor; and

All equipment, machinery, parts, motor vehicles, appliances, accessions, supplies, computer hardware and peripheral equipment, computer software, furniture, fixture, furnishings signs, brochures, printed materials of any kind, lists, data or similar information relating to current, former and prospective customers or clients, technology, know-how, designs, processes, inventions, methods, drawings, techniques, formulas, patterns, and computations of Debtor personally owned or hereafter acquired by Debtor.

“COLLATERAL” shall also be deemed to include all products and proceeds of the foregoing.

3. DEBTOR’S WARRANTIES.

Debtor warrants:

(a) Ownership - Debtor has, or in acquisition will have, full and free simple title to the Collateral, free of all encumbrances, except for the security interest hereby granted and any security interest in the Collateral granted prior to the date of this Security Agreement, of which Debtor warrants it has given written notice to the Secured Party. Debtor further warrants that it will forever defend the title to the Collateral unto the Secured Party, its successors and assigns, against the claims of all persons.

(b) Priority - Debtor acknowledges and agrees that all sales of inventory by Secured Party from this date forward shall be secured by this Security Agreement and that Secured Party shall hold a Purchase Money Security Interest in such inventory, which shall take priority over all other security interests in such inventory, and Debtor warrants that it shall take all steps required by law or deemed necessary by Secured Party to notify other parties and otherwise assure such priority. Debtor further acknowledges and agrees that its intention in this Security Agreement is to grant to Secured Party a security interest of first priority in all of the Collateral and that Debtor shall therefore make its best efforts to obtain releases or subordination agreements or to assist Secured Party in obtaining releases or to subordinate any security interests that may be deemed to have priority over the interest granted herein to Secured Party.

(c) Location of Collateral - The Collateral will be kept at the addresses shown above, or other such addresses of which Debtor gives the Secured Party prior written notice.

(d) Use - Collateral used or to be used primarily for business purposes.

(e) Change of Address - Debtor shall immediately advise Secured Party in writing of any change in address.

(f) Performance of this Security Agreement - Debtor shall perform all covenants and agreements set forth in this Security Agreement.

4. FINANCING STATEMENT.

At the request of Secured Party, Debtor will join in executing, or will execute, all necessary financing statements and any other documents deemed necessary by Secured Party in a form satisfactory to Secured Party and pay the cost of filing such statements or other documents. Debtor warrants that no financing statement covering the Collateral or any part thereof or any proceeds thereof is presently on file in any public office, except as referred to in Paragraph 3 of this Security Agreement.

5. PERSONS BOUND.

This Security Agreement benefits Secured Party, and Secured Party's heirs, personal representatives, successors and assigns, and binds Debtor and Debtor's respective heirs, personal representatives, successors, and assigns.

6. ALIENATION OF COLLATERAL.

Debtor will not, without the written consent of Secured Party, sell, contract to sell, lease, encumber, or otherwise dispose of the Collateral or any interest therein or permit it to become an accession to other goods except in the ordinary course of business until this Security Agreement and all debts secured thereby have been fully satisfied.

7. PROTECTION OF COLLATERAL.

Debtor shall keep the Collateral in good order and repair; Debtor shall not waste or destroy the Collateral or any part thereof; and Debtor shall not use the Collateral in violation of any statute or ordinance. Secured Party shall have the right to examine and inspect the Collateral at any reasonable time.

8. MAINTENANCE OF COLLATERAL.

Debtor shall not permit the value of the Collateral to be impaired. Further, Debtor shall keep the Collateral free from all liens, encumbrances, and security interests (other than Secured Party's security interest) and defend it against all claims and legal proceedings by persons other than Secured Party, and Debtor shall pay all costs, expenses, and fees in doing same. Unless Debtor has represented that the Collateral will be attached to real estate by describing the real estate and naming the record owner thereof, Debtor will not allow the Collateral to become attached to real estate in such manner as to become a fixture or a part of any real estate.

9. TAXES AND ASSESSMENTS.

Debtor shall pay promptly when due all taxes, license fees, assessments and other charges levied on the Collateral or on its use and operation. Secured Party may, at Secured Party's option and at any time, discharge taxes, liens, or interest on the Collateral, and such discharge by Secured Party shall become a debt owing to Secured Party by Debtor and secured hereby.

10. INSURANCE.

(a) Unless otherwise agreed to in writing, signed by both parties, Debtor shall insure at Debtor's expense the tangible Collateral, against theft and those hazards ordinarily covered by standard form all-risk insurance policies for amounts equal to the replacement value thereof, but in no event less than the full amount of the obligations set out herein; that such insurance will name both Debtor and Secured Party as insureds thereunder as their respective interests may appear, will be placed with a company or companies satisfactory to Secured Party, will provide that all losses shall be adjusted with and paid to both Debtor and Secured Party and will be subject to alteration or

cancellation only after ten (10) days written notice to Secured Party; and that Debtor will deliver to Secured Party a certificate or memorandum of such insurance within ten (10) days of the date hereof and renewals of such policy or policies at least fifteen (15) days prior to the expiration date(s) thereof, the said renewals or policies to be marked “paid” by the issuing company or agent;

(b) If Debtor fails to keep the Collateral insured as above specified, then the Secured Party, may, at Secured Party’s option, insure the same for its insurable value and the cost of such insurance to Secured Party shall become a debt owing to Secured Party by Debtor and secured hereby; the proceeds from such insurance, if collected, shall be credited on the indebtedness secured hereby, less the cost of collecting the same, or, at the election of the Secured Party, may be used in repairing or replacing the Collateral; and

(c) No loss or damage to the Collateral shall otherwise affect Debtor’s obligations hereunder.

11. TIME OF PERFORMANCE.

When performing any act under this Security Agreement, time shall be of the essence.

12. WAIVER.

Failure of Secured Party to exercise any right or remedy, including but not limited to the acceptance of partial or delinquent payments, shall not be a waiver of any obligation of Debtor or right to Secured Party or constitute a waiver of any other similar default subsequently occurring.

13. PAYMENT.

If Debtor pays said indebtedness, and reimburses the Secured Party for any amount which Secured Party may have expended under the provisions hereunder, and shall do and perform all other acts and things herein agreed to be done, this conveyance and Security Agreement shall be null and void.

14. EVENTS OF DEFAULT.

Debtor shall be deemed to be in default hereunder in the event that:

- (a) Debtor shall default in the payment or performance of any of the obligations herein;
- (b) Any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement executed by the parties should prove to have been false in any material respect when made or furnished;
- (c) Any substantial loss, theft, destruction or damage to the Collateral should occur;
- (d) Debtor should make a general assignment for the benefit of creditors, should suspend business or commit any act amounting to business failure, or should make a voluntary assignment or

transfer of its interest in any of the Collateral (except as expressly authorized by Secured Party in writing or as authorized pursuant to Paragraph 6 of this Security Agreement) or in all or substantially all of its property;

(e) A petition under any chapter of the Bankruptcy Code or for the appointment of a receiver of all or any part of the property of Debtor, or under any other proceeding for the relief of creditors should be filed by or against Debtor; or

(f) Debtor shall default in the payment or performance of any of the following agreements: that certain Franchise Agreement dated [_____], by and between Debtor, as franchisee, and Secured Party, as franchisor (the “Franchise Agreement”) or the Promissory Note.

15. REMEDIES OF SECURED PARTY.

In the event of default hereunder, or any time Secured Party in good faith believes that the prospective payment or performance owing to Secured Party is impaired, Secured Party may then, or at any time thereafter (such default not having previously been cured), declare the whole of the indebtedness including, but not limited to the Promissory Note, hereby secured with interest thereon, to be immediately due and payable, without notice or demand therefore, and shall then have all the remedies of a secured party under the laws of the State of Illinois , including without limitation the following:

(a) Secured Party may require Debtor to assemble the Collateral and to make it available to Secured Party at any convenient place designated by Secured Party.

(b) Secured Party may take possession of the Collateral and control of any proceeds thereof, enter into any premises on which the Collateral or any proceeds or any part thereof may be situated and remove the same therefrom. Debtor hereby waives and releases Secured Party of and from any and all claims in connection with such removal.

(c) Secured Party is expressly authorized to ask, demand, receive, compound, compromise, collect, and give receipts for payments of accounts receivable secured hereby, to institute, prosecute and compromise suits to recover thereon, and Secured Party shall be required to account only for such payments thereon as are actually received by Secured Party.

(d) Written notice, when required by law, sent to Debtor’s address shown above, or if none is shown, to any address of Debtor in Secured Party’s files, at least five (5) calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice.

(e) Debtor shall reimburse Secured Party for any expense incurred by Secured Party in protecting or enforcing Secured Party’s right under this Security Agreement, including without limitation reasonable attorneys’ fees and legal expenses and all expenses of insuring, taking possession, holding, preparing for disposition, and disposing of the Collateral. After deduction of such expenses, Secured Party may apply the proceeds of disposition to the indebtedness specifically

secured hereby, as well as any other indebtedness or liability of Debtor to Secured Party secured hereby, in such order and amounts as Secured Party elects.

(f) Debtor waives to the extent allowed by law all personal property rights of exemption allowed Debtor under the Constitution and laws of Illinois or any other jurisdiction, in connection with or related to the collection of the indebtedness created herein, whether by garnishment, levy, attachment or any other process of law. Debtor agrees to pay all costs of collection and foreclosure hereof, including reasonable attorneys' fees in the event said indebtedness is not paid to maturity or other default occurs hereunder.

(g) No remedy of Secured Party hereunder shall be exclusive of any other remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy.

16. CROSS DEFAULT.

A default by Debtor under this Security Agreement shall also constitute a material breach of the Franchise Agreement.

17. TERMINATION.

When the Promissory Note is paid in full (not by renewal or substitution of the Promissory Note), then this Security Agreement expires.

18. GOVERNING LAW.

This Security Agreement shall be subject to and construed in accordance with the laws of the State of Illinois in all respects. If any provision hereof is contrary to, or prohibited by or deemed invalid by such laws, such provision shall be inapplicable and deemed omitted but shall not invalidate the remaining provisions hereof which shall remain valid and in full force and effect.

19. CONSENT TO JURISDICTION

Any action relating to this Security Agreement must be commenced in a court of general jurisdiction in the Northern District of Illinois. Debtor irrevocably submits to the jurisdiction of such courts and waives any objection it might have to either the jurisdiction or venue of such courts.

20. MISCELLANEOUS.

All rights of Secured Party hereunder shall inure to the benefit of secured Party's heirs, successors and assigns; and the obligations, warranties and covenants of Debtor shall bind Debtor, Debtor's heirs, successors and assigns. This Security Agreement shall take effect on the date hereof. Each person signing hereunder acknowledges receipt of an executed copy of this Security Agreement.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed this
_____ day of _____, _____.

SECURED PARTY

SPRING-GREEN LAWN CARE CORP.,
a Delaware corporation

By: _____
Theodore T. Hofer, Chief Executive
Officer

DEBTOR

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of
entity]

Title of Signator: _____

**(IF YOU ARE AN INDIVIDUALLY
AND NOT A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

[signature of individual franchisee]

Print Name: _____

EXHIBIT R
PROMISSORY NOTE AND SECURITY AGREEMENT
(Initial Property Data Financing)

PROMISSORY NOTE

Principal Amount: [\$ _____]

[City, State]
Issue Date: _____, 20__

FOR VALUE RECEIVED, the undersigned, [_____] (“Maker”), doing business under the name Spring-Green Lawn Care in the State of [_____] and qualified to do business in the State of [_____], promises to pay to the order of SPRING-GREEN LAWN CARE CORP. (“Payee”), a Delaware corporation, the principal sum of [_____] [(\$ _____)].

Said principal shall be payable by Maker making monthly payments of [_____] [(\$ _____)] (each a “Note Payment”) to Payee, via electronic funds transfer, beginning with the first payment due on the [____] day of [_____], 20__ and the last Monday of each month thereafter; provided that unless sooner paid pursuant to the terms hereof, the final Note Payment together with the entire outstanding principal balance, plus all interest accrued thereon, shall be due and payable in a lump sum on the fifth (5th) anniversary of the Issue Date (“Maturity Date”).

The outstanding principal balance of this Promissory Note shall accrue interest at the rate of ~~five percent~~ [_____] (~~5~~ %)] per annum ~~above the Bank of America Prime Rate as of the Issue Date.~~

Maker hereby agrees to pay all costs of collecting or securing, or attempting to collect or secure, this Promissory Note, including reasonable attorneys’ fees, whether the same be collected or secured by any attorney consulted with reference to suit or otherwise. Maker further waives demand, presentment, protest, notice of protest, suit and all other requirements necessary to hold it liable.

This Promissory Note is issued for monies owed by Maker to Payee under the Franchise Agreement dated [_____], 20__ by and between Maker and Payee (the “Franchise Agreement”). The obligations hereunder are secured by that certain security agreement of even date herewith by and between [_____], as debtor, and Spring-Green Lawn Care Corp., as secured party (the “Security Agreement”), which secures the payment of all monies and obligations due under this Promissory Note.

This Promissory Note may be prepaid, in whole or in part at any time without penalty or prepayment fee. All payments on this Promissory Note shall be applied first to the payment of all costs, fees or other charges incurred in connection with the indebtedness evidenced hereby, next to the payment of accrued interest, then to the reduction of the principal amount.

A default by Maker under this Promissory Note shall constitute a material breach of the Franchise Agreement. Upon the occurrence of an event of default under the Franchise Agreement, the Security Agreement, or this Promissory Note, all outstanding payments due hereunder shall be immediately due and payable.

Maker shall remain liable for the payment of this Promissory Note, including interest, notwithstanding any extension of time of payment or any indulgence of any kind or nature that Payee may grant to Maker, whether with or without notice to Maker, and Maker hereby expressly waives such notice. No release of any or all of the security given for this obligation shall release any other maker, co-maker, surety, guarantor or other party hereto in any capacity. Payee shall not be required to look first to the collateral for payment of this Promissory Note, but may proceed against Maker in such a manner as it deems desirable.

All of Payee's rights and remedies under this Promissory Note are cumulative and non-exclusive. The terms of this Promissory Note may be waived only by a written instrument signed by Payee. No waiver by Payee of any breach hereof or default hereunder shall be deemed a waiver of any preceding or succeeding breach or default and no failure by Payee to exercise any right or privilege hereunder shall be deemed a waiver of Payee's rights to exercise the same or any other right or privilege at any subsequent time.

Should this Promissory Note be signed by more than one person, firm or corporation or combination thereof, all of the obligations herein contained shall be considered joint and several obligations of each signer hereof. In such case the liability of each such person shall be absolute, unconditional and without regard to the liability of any other party hereto.

This Promissory Note is not negotiable nor is it assignable, provided, however, Payee may assign this Promissory Note upon a sale of substantially all of its assets or to an affiliate at any time.

The validity, construction and enforceability of this Promissory Note shall be governed in all respects by the laws of the State of Illinois, without regard to its conflicts of laws rules. In the event any one or more of the provisions of this Promissory Note shall for any reason be held invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event any one or more of the provisions of this Promissory Note operate or would prospectively operate to invalidate this Promissory Note, then, and in either of such events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Promissory Note and the remaining provisions of this Promissory Note shall remain operative and in full force and effect.

Any action relating to this Promissory Note must be commenced in a court of general jurisdiction in the Northern District of Illinois. The Maker irrevocably submits to the jurisdiction of such courts and waives any objection it might have to either the jurisdiction or venue of such courts.

Time is of the essence with respect to all Maker's obligations and agreements under this Promissory Note.

This Promissory Note is given, executed and delivered by the Maker.

MAKER

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of entity]

Title of Signatory: _____

DATED: _____

**(IF YOU ARE AN INDIVIDUALLY AND
NOT A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

DATED: _____

[signature of individual franchisee]

Print Name: _____

DATED: _____

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into between SPRING-GREEN LAWN CARE CORP., a Delaware corporation (hereinafter referred to as “Secured Party”), and [] whose principal business address is [] (hereinafter referred to as “Debtor”).

1. CREATION OF SECURITY INTEREST

Debtor hereby grants to Secured Party a security interest in the Collateral described in Section 2, to secure the performance and payment of the sum of [] (\$[]), as evidenced by that certain note for such amount executed on even date herewith (the “Promissory Note”), and to secure all Debtor’s present and future debts, obligations, and liabilities of whatever nature and whenever created, including future advances to be evidenced by like notes to be made by Debtor to Secured Party at Secured Party’s option, and all liabilities of Debtor to Secured Party now existing or hereafter incurred, matured, or unmatured, direct or contingent, and any renewals and extensions thereof.

2. COLLATERAL

The collateral subject to this Security Agreement (hereinafter referred to as the “Collateral”) is:

All of the inventory including without limitation, chemical products sold by Debtor, all goods, merchandise, raw and processed, finished goods and other tangible personal property now owned or hereafter acquired and held for sale or lease or to be furnished under contracts of service or used or consumed, including without limitation, returned or repossessed goods, and contract rights with respect to all inventory;

All accounts, accounts receivable, documents, instruments, chattel paper, notes, drafts, contracts, orders, general intangibles, security deposits, escrowed payments, building permits, licenses, phone numbers, and choices in action and other forms of obligations and receivables now or hereafter received by or belonging to Debtor for goods sold by Debtor or for services rendered by Debtor, its agents, servants and employees; all cash and non-cash proceeds thereof; all guaranties and securities therefore; all right, title and interest of Debtor in the merchandise which gave rise thereto; and all rights of Debtor, whether now owned or hereafter acquired, earned or yet to be earned, under contracts to sell goods or render services, all of which are to be free from any and all claims of Debtor or anyone claiming through or under Debtor; and

All equipment, machinery, parts, motor vehicles, appliances, accessions, supplies, computer hardware and peripheral equipment, computer software, furniture, fixture, furnishings signs, brochures, printed materials of any kind, lists, data or similar information relating to current, former and prospective customers or clients, technology, know-how, designs, processes, inventions, methods, drawings, techniques, formulas, patterns, and computations of Debtor personally owned or hereafter acquired by Debtor.

“COLLATERAL” shall also be deemed to include all products and proceeds of the foregoing.

3. DEBTOR’S WARRANTIES.

Debtor warrants:

(a) Ownership - Debtor has, or in acquisition will have, full and free simple title to the Collateral, free of all encumbrances, except for the security interest hereby granted and any security interest in the Collateral granted prior to the date of this Security Agreement, of which Debtor warrants it has given written notice to the Secured Party. Debtor further warrants that it will forever defend the title to the Collateral unto the Secured Party, its successors and assigns, against the claims of all persons.

(b) Priority - Debtor acknowledges and agrees that all sales of inventory by Secured Party from this date forward shall be secured by this Security Agreement and that Secured Party shall hold a Purchase Money Security Interest in such inventory, which shall take priority over all other security interests in such inventory, and Debtor warrants that it shall take all steps required by law or deemed necessary by Secured Party to notify other parties and otherwise assure such priority. Debtor further acknowledges and agrees that its intention in this Security Agreement is to grant to Secured Party a security interest of first priority in all of the Collateral and that Debtor shall therefore make its best efforts to obtain releases or subordination agreements or to assist Secured Party in obtaining releases or to subordinate any security interests that may be deemed to have priority over the interest granted herein to Secured Party.

(c) Location of Collateral - The Collateral will be kept at the addresses shown above, or other such addresses of which Debtor gives the Secured Party prior written notice.

(d) Use - Collateral used or to be used primarily for business purposes.

(e) Change of Address - Debtor shall immediately advise Secured Party in writing of any change in address.

(f) Performance of this Security Agreement - Debtor shall perform all covenants and agreements set forth in this Security Agreement.

4. FINANCING STATEMENT.

At the request of Secured Party, Debtor will join in executing, or will execute, all necessary financing statements and any other documents deemed necessary by Secured Party in a form satisfactory to Secured Party and pay the cost of filing such statements or other documents. Debtor warrants that no financing statement covering the Collateral or any part thereof or any proceeds thereof is presently on file in any public office, except as referred to in Paragraph 3 of this Security Agreement.

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This Security Agreement benefits Secured Party, and Secured Party's heirs, personal representatives, successors and assigns, and binds Debtor and Debtor's respective heirs, personal representatives, successors, and assigns.

6. ALIENATION OF COLLATERAL.

Debtor will not, without the written consent of Secured Party, sell, contract to sell, lease, encumber, or otherwise dispose of the Collateral or any interest therein or permit it to become an accession to other goods except in the ordinary course of business until this Security Agreement and all debts secured thereby have been fully satisfied.

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Debtor shall keep the Collateral in good order and repair; Debtor shall not waste or destroy the Collateral or any part thereof; and Debtor shall not use the Collateral in violation of any statute or ordinance. Secured Party shall have the right to examine and inspect the Collateral at any reasonable time.

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Debtor shall not permit the value of the Collateral to be impaired. Further, Debtor shall keep the Collateral free from all liens, encumbrances, and security interests (other than Secured Party's security interest) and defend it against all claims and legal proceedings by persons other than Secured Party, and Debtor shall pay all costs, expenses, and fees in doing same. Unless Debtor has represented that the Collateral will be attached to real estate by describing the real estate and naming the record owner thereof, Debtor will not allow the Collateral to become attached to real estate in such manner as to become a fixture or a part of any real estate.

9. TAXES AND ASSESSMENTS.

Debtor shall pay promptly when due all taxes, license fees, assessments and other charges levied on the Collateral or on its use and operation. Secured Party may, at Secured Party's option and at any time, discharge taxes, liens, or interest on the Collateral, and such discharge by Secured Party shall become a debt owing to Secured Party by Debtor and secured hereby.

10. INSURANCE.

(a) Unless otherwise agreed to in writing, signed by both parties, Debtor shall insure at Debtor's expense the tangible Collateral, against theft and those hazards ordinarily covered by standard form all-risk insurance policies for amounts equal to the replacement value thereof, but in no event less than the full amount of the obligations set out herein; that such insurance will name both Debtor and Secured Party as insureds thereunder as their respective interests may appear, will be placed with a company or companies satisfactory to Secured Party, will provide that all losses shall be adjusted with and paid to both Debtor and Secured Party and will be subject to alteration or

cancellation only after ten (10) days written notice to Secured Party; and that Debtor will deliver to Secured Party a certificate or memorandum of such insurance within ten (10) days of the date hereof and renewals of such policy or policies at least fifteen (15) days prior to the expiration date(s) thereof, the said renewals or policies to be marked "paid" by the issuing company or agent;

(b) If Debtor fails to keep the Collateral insured as above specified, then the Secured Party, may, at Secured Party's option, insure the same for its insurable value and the cost of such insurance to Secured Party shall become a debt owing to Secured Party by Debtor and secured hereby; the proceeds from such insurance, if collected, shall be credited on the indebtedness secured hereby, less the cost of collecting the same, or, at the election of the Secured Party, may be used in repairing or replacing the Collateral; and

(c) No loss or damage to the Collateral shall otherwise affect Debtor's obligations hereunder.

11. TIME OF PERFORMANCE.

When performing any act under this Security Agreement, time shall be of the essence.

12. WAIVER.

Failure of Secured Party to exercise any right or remedy, including but not limited to the acceptance of partial or delinquent payments, shall not be a waiver of any obligation of Debtor or right to Secured Party or constitute a waiver of any other similar default subsequently occurring.

13. PAYMENT.

If Debtor pays said indebtedness, and reimburses the Secured Party for any amount which Secured Party may have expended under the provisions hereunder, and shall do and perform all other acts and things herein agreed to be done, this conveyance and Security Agreement shall be null and void.

14. EVENTS OF DEFAULT.

Debtor shall be deemed to be in default hereunder in the event that:

- (a) Debtor shall default in the payment or performance of any of the obligations herein;
- (b) Any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement executed by the parties should prove to have been false in any material respect when made or furnished;
- (c) Any substantial loss, theft, destruction or damage to the Collateral should occur;
- (d) Debtor should make a general assignment for the benefit of creditors, should suspend business or commit any act amounting to business failure, or should make a voluntary assignment or

transfer of its interest in any of the Collateral (except as expressly authorized by Secured Party in writing or as authorized pursuant to Paragraph 6 of this Security Agreement) or in all or substantially all of its property;

(e) A petition under any chapter of the Bankruptcy Code or for the appointment of a receiver of all or any part of the property of Debtor, or under any other proceeding for the relief of creditors should be filed by or against Debtor; or

(f) Debtor shall default in the payment or performance of any of the following agreements: that certain Franchise Agreement dated [_____], by and between Debtor, as franchisee, and Secured Party, as franchisor (the “Franchise Agreement”) or the Promissory Note.

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In the event of default hereunder, or any time Secured Party in good faith believes that the prospective payment or performance owing to Secured Party is impaired, Secured Party may then, or at any time thereafter (such default not having previously been cured), declare the whole of the indebtedness including, but not limited to the Promissory Note, hereby secured with interest thereon, to be immediately due and payable, without notice or demand therefore, and shall then have all the remedies of a secured party under the laws of the State of Illinois , including without limitation the following:

(a) Secured Party may require Debtor to assemble the Collateral and to make it available to Secured Party at any convenient place designated by Secured Party.

(b) Secured Party may take possession of the Collateral and control of any proceeds thereof, enter into any premises on which the Collateral or any proceeds or any part thereof may be situated and remove the same therefrom. Debtor hereby waives and releases Secured Party of and from any and all claims in connection with such removal.

(c) Secured Party is expressly authorized to ask, demand, receive, compound, compromise, collect, and give receipts for payments of accounts receivable secured hereby, to institute, prosecute and compromise suits to recover thereon, and Secured Party shall be required to account only for such payments thereon as are actually received by Secured Party.

(d) Written notice, when required by law, sent to Debtor’s address shown above, or if none is shown, to any address of Debtor in Secured Party’s files, at least five (5) calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice.

(e) Debtor shall reimburse Secured Party for any expense incurred by Secured Party in protecting or enforcing Secured Party’s right under this Security Agreement, including without limitation reasonable attorneys’ fees and legal expenses and all expenses of insuring, taking possession, holding, preparing for disposition, and disposing of the Collateral. After deduction of such expenses, Secured Party may apply the proceeds of disposition to the indebtedness specifically

secured hereby, as well as any other indebtedness or liability of Debtor to Secured Party secured hereby, in such order and amounts as Secured Party elects.

(f) Debtor waives to the extent allowed by law all personal property rights of exemption allowed Debtor under the Constitution and laws of Illinois or any other jurisdiction, in connection with or related to the collection of the indebtedness created herein, whether by garnishment, levy, attachment or any other process of law. Debtor agrees to pay all costs of collection and foreclosure hereof, including reasonable attorneys' fees in the event said indebtedness is not paid to maturity or other default occurs hereunder.

(g) No remedy of Secured Party hereunder shall be exclusive of any other remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy.

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A default by Debtor under this Security Agreement shall also constitute a material breach of the Franchise Agreement.

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When the Promissory Note is paid in full (not by renewal or substitution of the Promissory Note), then this Security Agreement expires.

18. GOVERNING LAW.

This Security Agreement shall be subject to and construed in accordance with the laws of the State of Illinois in all respects. If any provision hereof is contrary to, or prohibited by or deemed invalid by such laws, such provision shall be inapplicable and deemed omitted but shall not invalidate the remaining provisions hereof which shall remain valid and in full force and effect.

19. CONSENT TO JURISDICTION

Any action relating to this Security Agreement must be commenced in a court of general jurisdiction in the Northern District of Illinois. Debtor irrevocably submits to the jurisdiction of such courts and waives any objection it might have to either the jurisdiction or venue of such courts.

20. MISCELLANEOUS.

All rights of Secured Party hereunder shall inure to the benefit of secured Party's heirs, successors and assigns; and the obligations, warranties and covenants of Debtor shall bind Debtor, Debtor's heirs, successors and assigns. This Security Agreement shall take effect on the date hereof. Each person signing hereunder acknowledges receipt of an executed copy of this Security Agreement.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed this
_____ day of _____, _____.

SECURED PARTY

SPRING-GREEN LAWN CARE CORP.,
a Delaware corporation

By: _____
Theodore T. Hofer, Chief Executive
Officer

DEBTOR

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

[Print Name of Franchisee Entity]

By: _____
[signature of person signing on behalf of
entity]

Title of Signator: _____

**(IF YOU ARE AN INDIVIDUALLY
AND NOT A LEGAL ENTITY):**

[signature of individual franchisee]

Print Name: _____

[signature of individual franchisee]

Print Name: _____

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:

State	Effective Date
Illinois	April 3, 2023 Pending
Indiana	March 31, 2023 Pending
Maryland	June 12, 2023 Pending
Michigan	March 31 25, 2023 2024
Minnesota	May 4, 2023 Pending
South Dakota	March 31, 2023 Pending
Virginia	May 4, 2023 Pending
Washington	June 16, 2023 Pending
Wisconsin	March 31 22, 2023 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 S
RECEIPTS

