



Initial Investment

Flexibility involving equipment and computer hardware make your initial investment in a Spring-Green franchise compatible with your financial resources. This is a summary taken from Spring-Green’s 2009 Franchise Disclosure Document showing an estimate of the low and the high ends of the initial investment range needed to start a lawn care service. This is not intended to be a sales offering.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure⁽¹⁾	Amount (Low-High Range)		Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽²⁾	\$30,000	\$40,000	See Item 5	See Item 5	Us
Vehicles, Equipment and Fixtures ⁽³⁾	\$6,090	\$7,280	As Agreed	As Incurred	Us or Outside Suppliers
Opening Inventory and Supplies ⁽⁴⁾	\$4,175	\$4,175	As Agreed	As Incurred	Us or Outside Suppliers
Initial Marketing Campaign Fee	\$25,000	\$25,000	Lump Sum	See Item 5	Us
Training Expenses	\$950	\$950	As Incurred	As Incurred	Outside Suppliers
Real Estate ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A
Miscellaneous Opening Costs	\$1,525	\$1,525	As Incurred	As Incurred	Third Parties
Additional Funds - 6 months ⁽⁶⁾	\$20,000	\$20,000	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT ⁽⁷⁾	\$87,740	\$98,930			

Explanatory Notes

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

(2) As described in Item 5, 50% of the Initial Franchise Fee is due when you sign the Franchise Agreement, and the remainder is due before training. The Initial Franchise Fee is non-refundable unless you attend training, but do not complete to our satisfaction. (See Item 5.) If you are already a party to a Franchise Agreement with us, we will reduce the Initial Franchise Fee by 50% of the Initial Franchise Fee for the selected Territory size. (See Item 6.)

(3) Because our franchisees typically lease their vehicles, equipment and most of their computer hardware and software, these amounts represent the initial lease payment for those items that can be leased. This includes 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 6 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. This amount also includes the purchase of software and hardware not available for lease.

If you elect to purchase, rather than lease, the vehicles, equipment and software, we estimate that your costs will be: \$24,500 for the production vehicle that you will equip to perform the lawn and tree care services; and \$24,610 to \$30,560 for the lawn and tree care equipment and software.

(4) This amount reflects the purchase of inventory and supplies before taxes and applicable delivery charges.

(5) We have not included any amounts for rental of space. Typically, you will initially operate your Franchised Business from your home. If you choose to rent space, it should be available at a low rental due to the limited space required and the fact that the location of the space is not significant.

(6) During the initial phase of your operation, which we estimate to be 6 months, you will need capital to support ongoing expenses such as payroll (excluding your salary and draws), supplies, insurance, royalties, and advertising and lease payments to the extent these costs are not covered by the gross sales of the Franchised Business. Your working capital needs may vary widely from the working capital needs of other franchisees. Your costs will depend on factors such as the time of year you commence operations, how well you follow our methods and procedures, your management skill, your experience and business acumen, the local market for our services, the prevailing wage rate in your area, competition, and the sales level reached during your initial phase of operation. 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 31 years of experience in this business to compile these estimates and on information we have obtained from our franchisees. In general, the high end of the estimate range represents additional ride on application equipment and the maximum franchise fee. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Except for the equipment and software lease option 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. The estimate does not include any finance charge, taxes, interest, or debt service obligation. Property expenses are not disclosed in this Item 7 since we encourage you to operate your Franchised Business out of your home.