

Provision	Section in Franchise Agreement	Summary
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. We did not independently verify the accuracy of the information. 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 2018 Gross Profit Margin Results as a Percentage of Gross Sales for 64 Franchised Businesses in Operation 1 Full Year or More			
As of December 31, 2018^{(1) (2) (7)}			
Line Item	Average	Median	Number and Percentage of Franchised Businesses that Attained or Surpassed the Average
Material Costs (See Note 3)	13.97%	13.28%	35 of 64 (55%) had lower than average Material Costs
Direct Labor Costs (See Note 4)	18.22%	17.22%	38 of 64 (59%) had lower than average Direct Labor Costs
Cost of Sales (See Note 5)	32.19%	31.50%	34 of 64 (53%) had lower than average Cost of Sales
Gross Profit Margin (See Note 6)	67.81%	68.50%	34 of 64 (53%) had higher than average Gross Profit Margin

Notes to Table A:

(1) As of December 31, 2018, 122 franchised Territories were in operation, 117 of which had been in operation for at least the full calendar year. These 117 Territories were owned by 72 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 64 Franchised Businesses of the 72 Franchised Businesses that were in operation for at least the full calendar year as of December 31, 2018. These 64 Franchised Businesses operated 107 of the 122 Territories that were operational during the 2018 calendar year. Data concerning the remaining 8 Franchised Businesses that were in operation for at least one full year as of December 31, 2018, 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 and tree 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 and tree 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.

INDEPENDENT FRANCHISE OWNERS			
Table B			
Statement of the 2018 Annual Gross Sales Results for Independent Franchised Businesses in Operation for 1 Full Calendar Year or More as of December 31, 2018⁽¹⁾			
	Average	Median	Number and Percentage that Attained or Surpassed the Average:
Average Gross Sales Per Franchised Business ^{(2) (7)}	\$639,934	\$492,896	29 of 72 Franchised Businesses (40%)
Average Gross Sales Per Franchised Business – Single Territory ^{(3) (7)}	\$447,747	\$338,236	12 of 41 Franchised Businesses (29%)
Average Gross Sales Per Franchised Business – Multiple Territories ^{(4) (7)}	\$894,116	\$756,672	14 of 31 Franchised Businesses (45%)
Average Revenue Per Customer ⁽⁵⁾	\$407	\$404	35 of 72 Franchised Businesses (49%)
Average Gross Sales Per Full-Time Production Vehicle ⁽⁶⁾	\$148,630	\$145,733	153 of 310 Full-Time Production Vehicles (49%)

Notes to Table B:

(1) We compiled information contained in Table B from information for 72 Franchised Businesses that were in business for 1 full calendar year or more as of December 31, 2018 and operated for the full calendar year in 2018. These 72 Franchised Businesses operate with a total of 310 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) The Gross Sales per Franchised Business for the 72 Franchised Businesses ranged from \$36,059 (95,895 SFDUs in the applicable Territory) to \$2,423,232 (162,814 SFDUs in the applicable Territories). For the 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 134,433 and the median SFDU count was 106,115. Of those 29 Franchised Businesses, 14 Franchised Businesses met or exceeded 134,433 SFDUs.

(3) 41 of the 72 Franchised Businesses operated in only 1 Territory consisting of fewer than 130,000 SFDUs. The Gross Sales per Franchised Business for the 41 Franchised Businesses ranged from \$36,059 (95,895 SFDUs in the applicable Territory) to \$2,423,232 (162,814 SFDUs in the applicable Territory). For the 12 of 41 Franchised Businesses that met or exceeded the average Gross Sales per Franchised Business, the average SFDU count in the applicable Territory was 75,873 and the median SFDU count was 71,260. Of those 12 Franchised Businesses, 5 Franchised Businesses met or exceeded 75,873 SFDUs. Within this subset of 41 Franchised Businesses, 13 Franchised Businesses operated in 1 Territory of 60,000 or fewer SFDUs. Of these 13 Franchised Businesses, the Gross Sales per Franchised Business ranged from \$224,429 to \$1,144,692, with an average of \$440,693 and a median of \$357,051. 4 of those 13 (31%) Franchised Businesses met or exceeded the average of \$440,693. Of the 5 that met or exceeded the average, the average SFDU count in the Territory was 47,779 and the median SFDU count in the Territory was 51,344. Of those 4 Franchised Businesses, 3 Franchised Businesses met or exceeded 47,779 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) 31 of the 72 Franchised Businesses operate a Franchised Business in more than 1 Territory (consisting of a range of 152,520 to 162,814 SFDUs). For the 14 of 31 Franchised Businesses that met or exceeded the average Gross Sales per Franchised Business, the average SFDU count in the applicable Territory(ies) was 173,156 and the median SFDU count was 153,079. Of those 14 Franchised Businesses, 5 Franchised Businesses met or exceeded 173,156 SFDUs. The Gross Sales per Franchised Business for the 31 Franchised Businesses ranged from \$211,185 (152,520 SFDUs in the applicable Territories) to \$2,432,232 (162,814 SFDUs in the applicable Territories).

(5) The Revenue per Customer per Franchised Business for the 72 Franchised Businesses ranged from \$246 to \$733. To compute the average Revenue per Customer, we totaled all invoices for all services for each Franchised Business in Table B for the 2018 calendar year 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) The Gross Sales per Full-Time Production Vehicle for the 72 Franchised Businesses with a total of 310 full-time production vehicles ranged from \$36,059 to \$270,395. To compute the Average Gross Sales per full-time production vehicle, we totaled the Gross Sales for all 72 Franchised Businesses and divided it by the 310 full-time production vehicles used by such businesses.

(7) To compute Average Gross Sales per Franchised Business, we totaled the Gross Sales for all 72 Franchised Businesses and divided it by the 72 Franchised Businesses. To compute the Average Gross Sales for the 41 Franchised Businesses that operate in only 1 Territory consisting of fewer than 130,000 SFDUs, we totaled the Gross Sales for the 41 Franchised Businesses and divided it by the 41 Franchised Businesses. To compute the Average Gross Sales for the 31 Franchised Businesses that operate in more than 1 Territory, we totaled the Gross Sales for the 31 Franchised Businesses and divided it by the 31 Franchised Businesses.

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 ⁽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
Marketing Investment – Percentage of Revenue ⁽²⁾	9.1%	9.4%	31 of the 70 (44%) had lower than average marketing investment percentage.	2.6% to 51.8%
Revenue from New Services Sold and Billed to Customers ⁽³⁾	\$164,894	\$137,844	26 of the 70 (37%) had higher than average of new services sold and billed to customers.	\$32,239 to \$569,640
Return on each \$1 Invested in Marketing ⁽⁴⁾	\$2.76	\$2.64	31 of the 70 (44%) had higher than average return on each \$1 invested in marketing.	\$1.18 to \$7.48
Retention of Customers ⁽⁵⁾	77.4%	76.7%	29 of the 70 (41%) had higher than average retention of customers.	58.6% to 88.0%
Franchised Businesses That Operated in Only 1 Territory				
	Average	Median	Number and Percentage of Franchised Businesses That Attained or Surpassed the Average	Range
Marketing Investment – Percentage of Revenue ⁽²⁾	10.3%	12.5%	18 of the 39 (46%) had lower than average marketing investment percentage.	4.0% to 51.8%
Revenue from New Services Sold and Billed to Customers ⁽³⁾	\$117,134	\$102,025	14 of the 39 (36%) had higher than average of new services sold and billed to customers.	\$32,239 to \$265,157
Return on each \$1 Invested in Marketing ⁽⁴⁾	\$2.44	\$2.52	21 of the 39 (54%) had higher than average return on each \$1 invested in marketing.	\$1.18 to \$5.52
Retention of Customers ⁽⁵⁾	77.3%	76.2%	16 of the 39 (41%) had higher than average retention of customers.	61.2% to 88.0%

Notes to Table C:

(1) We compiled information contained in Table C from 70 of the 72 Franchised Businesses that operated for at least one full year as of December 31, 2018 and participated in a marketing campaign approved by us. Data concerning the remaining 2 Franchised Businesses that operated for at least one full year as of December 31, 2018, 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. In addition to the 70 Franchised Businesses, we also included results for a subset of 39 (out of 39 total) of the 70 Franchised Businesses that operated in only 1 Territory in 2018. 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.

(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 2018. 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 2018 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 2016 to 2018⁽¹⁾**

Outlet Type	Year	Franchise Territories at the Start of the Year	Franchise Territories at the End of the Year	Net Change
Franchised ⁽²⁾	2016	109	109	0
	2017	109	117	+8
	2018	117	122	+5
Affiliate-Owned ⁽³⁾	2016	26	26	0
	2017	26	26	0
	2018	26	26	0
Total Outlets	2016	135	135	0
	2017	135	143	+8
	2018	143	148	+5

- 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, 2018, there were 75 Franchised Businesses (not affiliate-owned) that operated the 122 Territories.
- 3/ As of December 31, 2018, our affiliate, Superior Lawns, operated its 26 territories from 5 locations.

TABLE NO. 2

**TRANSFERS OF FRANCHISE TERRITORIES FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2016 to 2018⁽¹⁾**

State	Year	Number of Transfers
Colorado	2016	0
	2017	1
	2018	0