

FRANCHISE DISCLOSURE DOCUMENT

DEPARTMENT OF CORPORATIONS RECEIVED LOS ANGELES OFFICE

DEC 1 9 2012

EG Systems, Inc. An Indiana Corporation Doing business as Scotts LawnService 14111 Scottslawn Road Marysville, Ohio 43041 937-644-7297 www.scottslawnservice.com



You, the franchisee, will own and operate a Scotts LawnService business offering lawn care services to private residences and commercial establishments for an initial term of 10 years with the right, upon payment of a renewal fee and compliance with other conditions, to renew for additional successive 10-year renewal terms. We offer certain franchisees operating a Scotts LawnService lawn care services business, who meet our requirements, the opportunity to add to the existing lawn care services business a Miracle-Gro tree and shrub care services business The initial term of the license for a Miracle-Gro tree and shrub care services business will equal the remainder of the then-current term of the franchisee's Franchise Agreement.

The total investment necessary to begin operation of a Scotts LawnService franchise ranges from \$94,400 to \$312,800. This includes the \$33,000 to \$123,000 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to add a Miracle-Gro Tree and Shrub Care business to a Scotts LawnService franchise ranges from \$55,750 to \$153,200. This includes the \$9,000 to \$33,500 that must be paid to the franchisor or its affiliate(s).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information contained in this document.

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jim Miller, Director of Franchising, 14111 Scottslawn Road, Marysville, Ohio 43041, (937) 644-7297.

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, N.W., Washington, D.C. 20580 You can also visit the FTC's home page at www.ftc gov for additional information Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit M for information about the franchisor or about franchising in your state.

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

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

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN OHIO. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN OHIO THAN IN YOUR HOME STATE

THE FRANCHISE AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

YOU ARE REQUIRED TO PURCHASE PRODUCT INVENTORY AND EQUIPMENT FROM OUR PARENT COMPANY. AS A RESULT OF ONGOING REVIEW BY CERTAIN FEDERAL AGENCIES, WE HAVE BEEN IN THE PAST, AND MAY BE IN THE FUTURE, TEMPORARILY PROHIBITED FROM SELLING OR SHIPPING CERTAIN PRODUCTS, WHICH MAY RESULT IN YOUR LOSS OF SALES OR REVENUES

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates

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