

INVESTMENT PROPOSAL

William Thomas Design LLC

Minority Equity Investment

Prepared by Evan & Chris

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Introduction

William,

Thank you for taking the time to meet with us and for your openness in discussing a potential partnership. We came away impressed by what you've built — a highly profitable, well-run business with exceptional relationships in the luxury home market.

This proposal outlines our interest in acquiring a minority equity stake in William Thomas Design. Our goal is to be value-added partners — providing capital, strategic guidance, and connections — while you continue to run the business exactly as you see fit.

We believe this can be a true win-win: you get liquidity and growth resources, and we get the opportunity to participate in a business we believe in, led by someone we trust.

What We Understand

Based on our conversation, here is our understanding of William Thomas Design:

2025 Revenue	~\$2.2 million
Net Profit	~\$600,000 (~40% margins)
Project Volume	40-50 projects per year
Business Model	Asset-light; all labor subcontracted
Key Relationships	Chris Freeman (go-to landscaper), Gary Hancock, Valdara Custom Homes
Your Interest	Open to selling 20-30% stake; retain full operational control

This is an impressive business. You've built something real — exceptional margins, a steady stream of high-end projects, and a reputation that brings in work without heavy marketing spend. The numbers speak for themselves.

Our Proposal

We propose the following investment structure:

Investment Amount: \$225,000

Equity Stake: 25%

Key Terms

Valuation	\$900,000 (1.5x trailing net profit)
Investment	\$225,000 for 25% equity
Control	You retain 100% operational control — all day-to-day decisions remain yours
Distributions	Quarterly pro-rata profit distributions (25% of declared distributions to investors)
Information Rights	Quarterly P&L summary; annual tax documents
Board/Governance	No board seat required; informal quarterly check-in only

Valuation Rationale

We want to be transparent about how we arrived at this number.

Industry benchmarks: Landscape businesses typically trade at 2x EBITDA when sold. At that range, your business would be valued at \$1.2M. Businesses with your profit margins and growth trajectory can command multiples at the higher end of that range.

Our approach: We applied a 1.5x multiple, which we believe reflects the strong fundamentals of your business while acknowledging that this is a minority stake without control rights. This is a fair valuation that leaves room for everyone to win.

The result: A \$900,000 valuation that recognizes the real value you've created.

Scenario	Valuation	25% Stake
Industry standard (2.0x)	\$1,200,000	\$300,000
Our proposal (1.5x)	\$900,000	\$225,000
Conservative (1.0x)	\$600,000	\$150,000

Key-Man Insurance (Optional)

While not a requirement of this investment, we would recommend considering a key-man life and disability insurance policy. This is something that benefits everyone involved.

Coverage Amount	\$500,000 (life and disability)
Beneficiary	William Thomas Design LLC (company-owned policy)
Purpose	Provides funds to support the business and protect your family if needed
Cost (Est.)	~\$1,500-3,000/year (tax-deductible business expense)

Why we recommend it: This is good business practice regardless of our investment. It protects your family and gives you peace of mind. Many business owners in your position carry this type of coverage. We're happy to proceed with or without it.

What We Bring to the Table

Beyond capital, we aim to be value-added partners:

- **Builder relationships:** Introductions to other luxury home builders in our network
- **Business strategy:** Guidance on growth opportunities (like adding a maintenance partnership to capture recurring revenue)
- **Financial planning:** Help with cash flow management, pricing strategy, and financial reporting
- **Sounding board:** Someone to talk through big decisions with — no judgment, no pressure

We are **not** looking to tell you how to run your business. You know landscaping better than we ever will. Our role is to support, not to direct.

What This Means for You

WHAT YOU GET	WHAT YOU KEEP
<ul style="list-style-type: none">• \$225,000 cash at closing• Partners invested in your success• Access to builder network• Strategic support (when you want it)	<ul style="list-style-type: none">• 75% ownership• 100% operational control• All hiring/firing decisions• All client relationships• Your brand and reputation

Illustrative Returns (For Investors)

For transparency, here is how we view the potential returns on this investment:

Scenario	Annual Distribution	Annual Return
Flat (\$600K profit, 80% distributed)	\$120,000	53%
Growth (\$750K profit, 80% distributed)	\$150,000	67%
Downside (\$400K profit, 80% distributed)	\$80,000	36%

Note: Distribution policy is at your discretion as majority owner. These are illustrative only.

Proposed Next Steps

- Your review:** Take time to consider this proposal and discuss with your wife/advisors
- Follow-up call:** Schedule a call to discuss questions or negotiate terms
- Due diligence:** Share 2-3 years of financial records (P&L, tax returns) for verification
- Legal drafting:** Engage attorneys to draft operating agreement amendment
- Closing:** Execute documents and fund investment

William — we believe in what you've built and would be honored to be part of its next chapter. This is not a take-it-or-leave-it offer; we're open to discussing terms that work for everyone.

Looking forward to your thoughts.

Sincerely,

Evan & Chris