

## FRANCHISE DISCLOSURE DOCUMENT



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PILLAR TO POST, INC. (the “Franchisor”) offers executive model franchises within a specified territory for the operation of a home inspection business offering unique residential inspection services, as well as related products and services, for single family and various multi-family residences.

We offer you the opportunity to purchase a home inspection franchise in a non-exclusive territory. The boundaries of the territory are established with reference to the boundaries utilized in the area by local boards of realtors and other demographic factors including housing units, housing re-sale activity, real estate offices, and population. We also consider the number of existing franchisees currently in the territory, if any, their current market share, and their planned growth. The total investment necessary to begin operation of a Pillar To Post franchised business is from \$102,690 to \$134,290. This includes \$60,500 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 the Franchise Development Department at 14502 N. Dale Mabry Highway, Suite 200, Tampa, Florida 33618 or at (877) 963-3129.

The terms of your contract will govern your franchise relationship. Do not 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 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, DC 20580. You can also

visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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## 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:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	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 A and B.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Pillar To Post business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Pillar To Post franchisee?</b>	Item 20 or Exhibits A and B list current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 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 H.

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 mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.

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## **ITEM 1 - THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

*To simplify the language in this Franchise Disclosure Document, "Pillar To Post", "us", "our", "we", etc. means Pillar To Post, Inc., the Franchisor. "You" means the individual, corporation, limited liability company or other legal entity who buys the franchise (including its individual owners).*

### **Franchisor, Parent and Affiliates**

Our name is PILLAR TO POST, INC. We are a Delaware corporation that was incorporated on July 11, 1994. We do business as "Pillar To Post" and "Pillar To Post Home Inspectors." Our principal place of business is located at 14502 North Dale Mabry Hwy., Suite 200, Tampa, FL 33618. Our affiliate, Pillar To Post, Inc., a Canadian corporation ("Pillar To Post (Canada)"), operates our international home office located at 5399 Eglinton Avenue W., Suite 110, Toronto, Ontario, Canada M9C 5K9.

Our corporate parent is FS Brands, Inc., a Delaware corporation. FS Property Services (U.S.) Inc., a Delaware corporation, formerly known as The Franchise Company (US) Inc., is the majority shareholder of FS Brands, Inc. The principal place of business of FS Brands, Inc. is 2621 Van Buren Avenue, Suite 550A, Audubon, PA 19403. Pillar To Post (Canada)'s corporate parent is FS Brands, Inc., a Canadian corporation ("FS Brands (Canada)"). The principal place of business of FS Brands (Canada) is 1140 Bay Street, Suite 400, Toronto, Ontario, Canada MJ5 2B4.

### **Predecessor**

There is no predecessor to Pillar To Post.

### **Agent for Service of Process**

Our agents for service of process are listed in Exhibit H.

### **Prior Experience**

We have offered franchises in the United States for residential home inspection services for single family and various multi-family homes since March 15, 1995. We originally offered franchises in exclusive territories, and there are current franchisees that still operate in exclusive territories. In 2009, we began offering franchises in non-exclusive territories. We currently only offer non-exclusive territories to franchisees. We have never offered franchises in other lines of business. Neither we nor any of our affiliates have ever conducted a residential home inspection business prior to Pillar To Post. As of December 31, 2024, we had 412 individual home inspection franchise units in the United States (376 with non-exclusive territories and 36 with exclusive territories). Pillar To Post (Canada) offers franchises in Canada for residential inspection services for single family and various multi-family homes and has done so since September 1, 1994. As of December 31, 2024, Pillar To Post (Canada) had 43 individual home inspection franchise units in Canada (40 with non-exclusive territories and 3 with exclusive territories).



## **The Franchise Offered**

We franchise the operation of independently owned and operated businesses which offer distinctive residential inspection services for single family and multi-family residences, as well as added services including mold testing, radon testing, septic system inspection, sewer scoping, swimming pool, spa and hot tub inspection, water system testing, well inspection, wind mitigation inspection, virtual open house, and other health and safety-related services.

We offer our services and products under the names “Pillar To Post” and “Pillar To Post Home Inspectors.” We are not engaged in any other business activities. The market for the services to be provided by you is developed and arises primarily from the purchase or sale of single-family and multi-family homes. You will provide homeowners, home sellers, homebuyers and others involved in the real estate industry with clear, unbiased, objective information about a home’s condition in accordance with Pillar To Post’s brand standards and operating basics. Each franchisee will offer its services to its customers directly or through referral sources such as real estate brokers and agents, lawyers, mortgage lenders, and relocation services. You will have to compete for this market in your territory with other businesses offering the same or similar services on a local, regional, and national basis, including other authorized Pillar To Post home inspection franchises.

We and Pillar To Post (Canada), in conjunction with other experts in the field of home inspection, have developed a training and instruction program for you that includes all aspects of marketing, managing and operating the franchised business in accordance with Pillar To Post’s mandatory policies, practices, procedures, regulations, and standards, including its brand standards and operating basics. The experience of our officers, directors and employees in the operation and administration of a home inspection franchise system has given them the experience to administer this home inspection franchise system.

## **Applicable Regulations**

Some states require licensing or certification for home inspectors. You should determine whether any licensing or certification is required in your location. You alone are responsible for investigating, understanding and complying with all other applicable laws, regulations and requirements applicable to you and your Pillar To Post home inspection franchise.

## **Other Pillar To Post Affiliates**

The following is a list of Pillar To Post’s affiliates (other than Pillar To Post (Canada) discussed above), including the principal address, a description of the business, and the number of franchises of each. Other than as disclosed below, neither Pillar To Post nor its predecessors nor any of the affiliates described below presently operate businesses of the type that they franchise, offer franchises in any other line of business, or engage in any other type of business.

<b>Company/Address</b>	<b>Type of Business/Year Began Offering Franchises</b>	<b>Number of Franchises as of December 31, 2024</b>
California Closet Company, Inc., a California corporation  2001 W. Phelps Road, Suite 1 Phoenix, AZ 85023	Residential and commercial customized closet, office, garage, and storage space design, production, and installation services and related products / 1980	38 (United States) 5 (Canada) 2 (other International)
Certa ProPainters, Ltd., a Massachusetts corporation  2621 Van Buren Avenue, Suite 550A, Audubon, PA 19403	Residential and commercial painting and decorating franchises / 1992	303 (United States)
Certa Pro Painters Ltd., a Canadian corporation  1140 Bay Street, Suite 4000 Toronto, Ontario M5S 2B4 Canada	Residential and commercial painting and decorating franchises / 1990	26 (Canada)
Floorcoverings International, Ltd., a Georgia corporation  5390 Triangle Parkway Suite 125 Norcross GA 30092	Mobile retail floor covering business / 1998	281 (United States) 8 (Canada)
Paul Davis Restoration, Inc, a Florida corporation  7251 Salisbury Road, Suite 6 Jacksonville, FL 32256	Loss mitigation and emergency services for residential and commercial structures / 2009	245 (United States) PDES 36
Paul Davis Restoration, Inc., a Canadian corporation  38 Crockford Boulevard Toronto, Ontario M1R 3C2 Canada	Structural reconstruction and emergency services, including drying, cleaning, loss mitigation and mold remediation, of residential and commercial structures and contents / 2014	63 (Canada)

<b><i>AFFILIATES WHICH MAY FROM TIME TO TIME PROVIDE PRODUCTS OR SERVICES TO THE FRANCHISOR AND/OR ITS FRANCHISEES:</i></b>		
Tele-Link Services, Inc., an Ontario corporation  700 Richmond Street, Suite 416 London, Ontario N6A 5C7 Canada	Answering services and telemarketing and customer survey services for the franchisor and its franchisees	N/A

## **ITEM 2 - BUSINESS EXPERIENCE**

President and Chief Executive Officer, Director: Charles Furlough

Mr. Furlough joined Pillar To Post in 2007 as Director Franchise Field Support. In 2009, he became Vice President Franchise Field Support. In 2014, he became Vice President Field Operations. In 2017, he became Senior Vice President Field Operations. In 2023, he became President, Chief Executive Officer, and a Director. Mr. Furlough maintains his primary office at 7401 Four Brothers Way, Willow Springs, North Carolina 27592-9092.

Vice President Field Operations: Deron Ellis

Mr. Ellis joined Pillar To Post in 2018 as a Regional Director. In 2023, he became Vice President of Field Operations. Prior to joining Pillar To Post, Mr. Ellis was Regional Director of Operations for Sport Clips, Inc. from 2015 to 2018. Mr. Ellis maintains his primary office at 1650 Raleigh Street, Suite 601, Denver, Colorado 80204.

Chief Financial Officer: Jeff Sholdice

Mr. Sholdice joined Pillar To Post in 2018 initially as Vice President Finance & Internal Operations. In 2025, he became Chief Financial Officer. From 2011 to the present, Mr. Sholdice has owned and operated a Great Clips franchise. From 2017 to 2019, he served as a part-time Instructor of Finance and Accounting at Sheridan College. Mr. Sholdice maintains his primary office at 5399 Eglinton Avenue W., Suite 110, Toronto, Ontario M9C 5K6.

Vice President Marketing: Becky Beyer

Ms. Beyer joined Pillar To Post in 2024 as Vice President Marketing. Prior to joining Pillar To Post, she was Vice President of Marketing for Anywhere Real Estate from 2022 to 2023 and Vice President of Customer Experience for Anywhere Real Estate from 2018 to 2022. Ms. Beyer maintains her primary office at 5399 Eglinton Avenue W., Suite 110, Suite 110, Toronto, Ontario M9C 5K6

Vice President Technical Standards and Development: Chuck Gravely, P. Eng. M. Eng.

Mr. Gravely joined Pillar To Post in 2002. From 2002 to 2014, he served as a member of the technical support team, which provides training and ongoing technical support related to the home inspection services provided by franchisees. In 2014, he became Vice President of Technical Standards and Development. Mr. Gravely maintains his primary office at 5399 Eglinton Avenue W., Suite 110, Toronto, Ontario M9C 5K6.

Vice President Learning Development & Communications: Kimberly Baker

Ms. Baker joined Pillar To Post in 2006 as Director of Training and Development. In 2021, she became Vice President Learning Development & Communications. She maintains her primary office at 5399 Eglinton Avenue W., Suite 110, Toronto, Ontario M9C 5K6.

Vice President Business Development: Adam Brown

Mr. Brown joined Pillar To Post as Vice President Business Development in 2022. Prior to joining Pillar To Post, Mr. Brown was Vice President of Business Development for Propy.com from 2021 to 2022 and Vice President of Sales for Cinch Home Services from 2018 to 2021. Mr. Brown maintains his primary office at 1043 Nooning Tree, Chesterfield, MO 63017.

Chief Technology Officer: Guy Dewar

Mr. Dewar joined Pillar To Post in 2018 as Vice President Information Technology. In 2025, he became Chief Technology Officer. Prior to joining Pillar To Post, Mr. Dewar was in independent IT consultant for retail businesses from 2008 to 2018. Mr. Dewar maintains his primary office at 5399 Eglinton Avenue W., Suite 110, Toronto, Ontario M9C 5K6.

Director, Secretary and Treasurer: Brian McDonough

Mr. McDonough was appointed as a Director, Secretary and Treasurer of Pillar To Post in 2021. Mr. McDonough has served as Vice President, Finance of FS Brands, Inc. since 2021. He previously served as Director of Finance for FS Brands, Inc. from 2019 to 2021 and Controller of College ProPainters (U.S.) Ltd. from 2014 to 2019. He also serves as a Director, Secretary and Treasurer of California Closet Company, Inc., Certa ProPainters Ltd., Floorcoverings International, Ltd., Paul Davis Restoration, Inc., and Magic Bubbles Franchising, LLC. Mr. McDonough maintains his primary office at 150 Green Tree Road, Oaks, Pennsylvania 19456-1066.

Director: Charles E. Chase

Mr. Chase became Director of Pillar To Post in 2010. Since 2011, Mr. Chase has been a Director and President of FS Brands, Inc. He also serves as a Director of California Closet Company, Inc., Certa ProPainters Ltd., Floorcoverings International, Ltd., Paul Davis Restoration,

Inc., and Magic Bubbles Franchising, LLC. Mr. Chase maintains his primary office at 2621 Van Buren Avenue, Suite 550A, Audubon, PA 19403.

### **ITEM 3 - LITIGATION**

Except for the 1 actions described below, there is no litigation that must be disclosed in this item:

#### **Pending Actions**

There are no actions required to be disclosed.

#### **Prior Actions**

KJ Loughery, Inc. v. Pillar To Post, Inc., AAA Case No. 01-17-0007-13731, American Arbitration Association. On December 4, 2017, KJ Loughery, Inc., a master franchisee, commenced an action against us before the American Arbitration Association (the “KJ Loughery Arbitration”) in Tampa, Florida. The arbitration demand asserted claims for wrongful non-renewal under the New Jersey Franchise Practices Act (“NJFPA”), unreasonable standards of performance under the NJFPA, breach of certain master franchise agreements, breach of the implied covenant of good faith and fair dealing, and violation of the Florida Deceptive and Unfair Trade Practices Act. We filed an answering statement and counterclaim, which denied each claim and sought a declaratory judgment that the master franchise agreements would expire upon expiration of the current terms of those agreements. On February 26, 2018, the parties entered into a settlement, pursuant to which we agreed to purchase the master franchises in Pennsylvania and New Jersey from KJ Loughery, Inc., we agreed to waive any initial franchise fee for a unit franchise agreement between KJ Loughery, Inc. and Jim Loughery or his designee for a territory in New Jersey, and the parties agreed to dismiss and release all claims.

#### **Governmental Actions**

There are no actions required to be disclosed.

#### **Pending Affiliate Actions**

There are no actions required to be disclosed.

#### **Prior Affiliate Actions**

There are no actions required to be disclosed.

#### **Affiliate Litigation Against Franchisees Commenced in the Past Fiscal Year**

There are no actions required to be disclosed.

Other than these actions, 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**

You must pay us the initial franchise fee when the franchise agreement is signed. The amount of the initial franchise fee for a Pillar To Post home inspection franchised business is \$58,500. The total paid to us for a franchise is \$60,500, which includes the initial franchise fee, \$1,000 for the registration fee for your first Brand Conference, and \$1,000 for your first inspection tablet computer.

The initial franchise fee is not refundable in whole or in part.

Included in the initial franchise fee is the cost of initial training and access to certain Pillar To Post® proprietary manuals and computer software.

#### **ITEM 6 - OTHER FEES**

<b>Name of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty (See Note A)	7% of Gross Revenues; minimum monthly payments of \$0 per month in months 1-12 after your Training Completion Date; \$582 per month in months 13-24 after your Training Completion Date; \$1,164 per month in months 25-36 after your Training Completion Date; \$1,746 per month in months 37-48 after your Training Completion Date; and \$2,328 per month in months 49-60 after your Training Completion Date or through the end of the term of the Franchise Agreement, whichever occurs first.	Monthly Royalty Fee payments due on the 10th business day of the next month for the previous month's revenues.	

<b>Name of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Brand (See Note B)	4% of Gross Revenues.	Same as Royalty Fee.	
IT Fee (See Note C)	The current IT Fee is \$5.50 for each home inspection performed.	IT Fee payments due on the 10 <sup>th</sup> business day of the next month for home inspections performed in the previous month.	See Item 11. We may change or increase the IT Fee upon 90 days advance notice to you in the event the costs incurred by us in connection with providing such software are changed or increased, or when we determine that maintenance, repair or upgrade is required. In no event will the IT Fee be adjusted more than one time in any calendar year.
Inspection Numbers (See Note D)	The current cost of each Inspection Number is \$28.50.	Purchased as needed, typically twenty at a time. Invoiced as purchased.	Inspection numbers are purchased from and assigned by us. We may change or increase the cost of each inspection number upon 90 days advance notice to you in the event the costs incurred by us are changed or increased.
Financial Reporting Fee (See Note E)	The current Financial Reporting Fee is \$30.00 per month.	Financial Reporting Fee payments are due on the 10 <sup>th</sup> business day of each month.	See Item 11. We may change or increase the Financial Report Fee upon 90 days advance notice to you in the event the costs incurred by us in connection with providing access to such software are changed or increased, or when we determine that maintenance, repair or upgrade is required. In no event will the Financial Reporting Fee be adjusted more than one time in any calendar year.
EZBook Connections (See Note F)	The current user fee is \$33.45 for each home inspection booked. If you book 90% or more	The user fees for EZBook Connections are due on the 10 <sup>th</sup> business day of the	EZBook Connections provides telephone answering and inspection booking services. See Item

<b>Name of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
	of your home inspections through EZBook Connections in any month, the current user fee is reduced to \$29.75 for each home inspection booked that month.	next month for services provided in the previous month.	11. If you elect to use EZBook Connections, you must schedule a minimum of 80% of your home inspections through EZBook Connections. We may change or increase the user fee for these services upon 90 days advance notice to you in the event the costs incurred by us are changed or increased. In no event will these fees be adjusted more than one time in any calendar year.
PTP360 (See Note G)	The current fee is \$3.10 for each home inspection performed.	The fees for PTP360 are due on the 10 <sup>th</sup> business day of the next month for services provided in the previous month.	See Item 11. We may change or increase the fees for access to this software upon 90 days advance notice to you in the event the costs incurred by us are changed or increased, or when we determine that maintenance, repair or upgrade is required. In no event will these fees be adjusted more than one time in any calendar year.
PTPFloorplan (See Note G)	The current fee depends on the size of the house and is \$21.00 for houses less than 4,000 sq/ft; \$43.00 for houses between 4,001-6,000 sq/ft; \$80.50 for houses between 6,001-8,500 sq/ft; \$161.75 for houses between 8,501-13,500 sq/ft; and \$350.00 for houses greater than 13,501 sq/ft.	The fees for PTPFloorplan are due on the 10 <sup>th</sup> business day of the next month for services provided in the previous month.	See Item 11. We may change or increase the fees for access to this software upon 90 days advance notice to you in the event the costs incurred by us are changed or increased, or when we determine that maintenance, repair or upgrade is required. In no event will these fees be adjusted more than one time in any calendar year.
PTPVirtual OpenHouse	The current fee is \$10.00 for each	The fees for PTPVirtualOpenHouse	See Item 11. We may change or increase the fees



<b>Name of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
(See Note G)	PTPVirtualOpenHouse provided.	are due on the 10 <sup>th</sup> business day of the next month for services provided in the previous month.	for access to this software upon 90 days advance notice to you in the event the costs incurred by us are changed or increased, or when we determine that maintenance, repair or upgrade is required. In no event will these fees be adjusted more than one time in any calendar year.
PTPHomeManual (See Note H)	The current fee is \$9.45 for each PTPHomeManual provided.	The fees for PTPHomeManual are due on the 10 <sup>th</sup> business day of the next month for services provided in the previous month.	See Item 11. We may change or increase the fees for access to this service upon 90 days advance notice to you in the event the costs incurred by us are changed or increased, or when we determine that maintenance, repair or upgrade is required. In no event shall these fees be adjusted more than one time any calendar year.
Brand Conference Fee (See Note I)	The Brand Conference Fee includes the registration fee for one person to attend the Brand Conference. It is typically between \$900 and \$1,200. The Brand Conference Fee for the 2024 Brand Conference was \$924 if paid by an early deadline or \$1,099.	The Brand Conference Fee for one person to attend the Brand Conference is determined by us at the beginning of each year for the Brand Conference scheduled the following calendar year. The Brand Conference Fee for your first Brand Conference is paid at execution of the Franchise Agreement. The Brand Conference Fee for your second Brand Conference and each annual Brand Conference thereafter is paid in 12 monthly	You are required to attend our Brand Conference, which is held annually at a location we choose. See Item 11. The Brand Conference Fees are mandatory and non-refundable.

<b>Name of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
		installments from January through December each year.	
Transfer (See Note J)	\$4,000	Due prior to consummation of transfer.	Payable when franchise is transferred.
Referral Fee (See Note K)	\$15,000	Due at closing of the transfer.	Payable if we refer a transferee to you.
Renewal (See Note L)	\$2,500	Due 1 year to 6 months prior to renewal.	You are required to pay an administrative fee upon renewal after the first 5 year term and each 5 year term thereafter.
Audit (See Note M)	Cost of audit, plus underpayment, plus interest of 18% on underpayment.	Due 30 days after billing.	Cost of audit payable only if audit shows underpayment of at least 2% of Gross Revenues for any month.
Transfer to entity wholly owned by Franchisee (See Note N)	\$1,000	Due prior to consummation of transfer.	Payable upon execution of transfer documents unless assignment occurs within 6 months of execution of the Franchise Agreement.
Interest on Late Payments	18% per annum calculated daily or maximum rate permitted by law	Due immediately.	This interest rate applies to any money you owe us after the due date.
Attorneys' Fees and other costs	Will vary under circumstances.	Due as incurred.	Payable if you fail to comply with the Franchise Agreement or if we are joined in a lawsuit based on your operation of the franchise.
Indemnification	Will vary under circumstances.	Due as incurred.	You must reimburse us for our losses and expenses as a result of third party claims arising from your failures or breaches under the Franchise Agreement, your operation of the franchise and any other unauthorized acts.

In addition to the initial franchise fee described in Item 5, you will or may be required to make the payments described above. You pay all of these payments to us. All of the fees that you are required to pay are uniformly imposed. None of these payments are refundable.

The following describes in more detail the fees paid to us listed above.

Notes:

(A) You will be required to pay to us a continuing Royalty Fee equal to seven percent (7%) of the Gross Revenues of the franchised business, to be paid and accounted for monthly, or the applicable minimum Royalty Fee, whichever is greater. The minimum monthly Royalty Fee shall be: (a) \$0 per month for months 1-12 after your Training Completion Date; (b) \$582 per month for months 13-24 after your Training Completion Date; (c) \$1,164 per month for months 25-36 after your Training Completion Date; (d) \$1,746 per month for months 37-48 after your Training Completion Date; and (e) \$2,328 per month for months 49-60 after your Training Completion Date or through the end of the term of the Franchise Agreement, whichever occurs first. Payments for the previous month are due on the tenth (10th) business day of each month. We require you to pay continuing Royalty Fees by electronic funds transfer, and you must provide all documentation required to authorize such electronic payments. The term "Gross Revenues" is defined in the Franchise Agreement as including all sums received by you from or arising out of the sale of all services and products sold or rendered by the franchised business, whether for cash or credit and regardless of collection in the case of credit, and all other income of every kind and nature related to the franchised business, excluding (i) gratuities paid by customers to employees of the franchised business during such period, and (ii) any sales taxes or other taxes collected by you during such period from your customers and paid to the appropriate authority. "Training Completion Date" is defined in the Franchise Agreement as the date you successfully complete and graduate from phase 3 of the initial training program.

(B) You will be required to pay a continuing Brand Fee to a promotion and advertising fund (the "Brand Fund") equal to four percent (4%) of the Gross Revenues of the franchised business, to be paid and accounted for monthly. Payments for the previous month are due on the tenth (10th) business day of each month. We require you to pay continuing Brand Fees by electronic funds transfer, and you must provide all documentation required to authorize such electronic payments.

(C) You are required to pay us a continuing IT Fee for every home inspection performed by the franchised business. This fee includes the license and subscription fees necessary to provide you access to OnePoint, our proprietary bundle of software and related data storage that you are required to use in the operation of the franchised business. See Item 11. The current IT Fee is \$5.50 per inspection. Payments of the IT Fees for home inspections performed in the previous month are due on the tenth (10th) business day of each month. We require you to pay continuing IT Fees by electronic funds transfer, and you must provide all documentation required to authorize such electronic payments. The IT Fee may be changed or increased by us upon 90 days advance notice to you in the event the costs incurred by us in connection with providing such software and data storage are changed or increased. The IT Fee will not be adjusted as provided above more than one (1) time in any calendar year, and any such adjustment shall be equally applied to all users. You must pay for the costs of computer, software and data storage

maintenance, repairs, upgrades and updates, and there is no contractual limitation on the frequency or costs of these obligations in the Franchise Agreement.

(D) You are required to purchase inspection numbers from us. This includes the electronic presentation, catalog, and storage of each home inspection that is provided to your customers. The current cost of each inspection number is \$28.50. You must use a new inspection number for each home inspection performed by the Pillar To Post home inspection franchise. Inspection numbers are purchased as needed, typically at least twenty at a time, and you will be invoiced as they are purchased. We require you to pay all invoices for inspection numbers by electronic funds transfer, and you must provide all documentation required to authorize such electronic payments. We may change or increase the cost of each inspection number upon 90 days advance notice to you in the event the costs incurred by us are changed or increased. See Item 8.

(E) You are required to pay us a continuing Financial Reporting Fee each month. This fee provides you access to software, currently provided by Qvinci, that connects directly with QuickBooks and creates consolidated financial reports for your franchised business. See Item 11. The current Financial Reporting Fee is \$30.00 per month. Payments of the Financial Reporting Fee are due on the tenth (10th) business day of each month. We require you to pay continuing Financial Reporting Fees by electronic funds transfer, and you must provide all documentation required to authorize such electronic payments. The Financial Reporting Fee may be changed or increased by us upon 90 days advance notice to you in the event the costs incurred by us in connection with providing access to such software are changed or increased. The Financial Reporting Fee will not be adjusted as provided above more than one (1) time in any calendar year, and any such adjustment shall be equally applied to all users. You must pay for the costs of computer, software maintenance, repairs, upgrades and updates, and there is no contractual limitation on the frequency or costs of these obligations in the Franchise Agreement.

(F) EZBook Connections provides you telephone answering and inspection booking services. If you elect to use EZBook Connections, you are required to pay us a user fee for each booked inspection. You also are currently required to book a minimum of 80% of your home inspections through EZBook Connections. The current user fee is \$33.45 for each home inspection booked. If you book 90% or more of your home inspections through EZBook Connections in any month, the current user fee is reduced to \$29.75 for each home inspection booked that month. Payments of the user fees are due on the tenth (10th) business day of each month for services provided the previous month. We require you to pay all invoices for the user fees by electronic funds transfer, and you must provide all documentation required to authorize such electronic payments. We may change or increase the user fee upon 90 days advance notice to you in the event the costs incurred by us are changed or increased. This fee will not be adjusted as provided above more than one (1) time in any calendar year, and any such adjustment shall be equally applied to all users. If you do not elect to use EZBook Connections, you will have to employ a full-time employee to answer your telephone and book your inspections in accordance with our standards and specifications, and that employee must successfully complete our EZBook Direct training program.

(G) We provide you access to software that creates PTP360, PTPFloorplan, and PTPVirtualOpenHouse. PTP360 is included in each home inspection report. A PTPFloorplan can

be included in the home inspection report at the election of the customer. Currently, a PTP Floorplan is only offered to customers who purchase a Prestige Package. For calendar year 2024, 36% of customers throughout the Pillar To Post system purchased a Prestige Package that included a PTP Floorplan. A PTPVirtualOpenHouse is an additional service sold separately from a home inspection and can be packaged with a PTPFloorplan. See Item 11. You are required to pay us fees for access to this software. Payments of the fees are due on the tenth (10th) business day of each month for services provided the previous month. We require you to pay all invoices for these fees by electronic funds transfer and you must provide all documentation required to authorize such electronic payments. We may change or increase these fees upon 90 days advance notice to you in the event the costs incurred by us are changed or increased. These fees will not be adjusted as provided above more than one (1) time in any calendar year, and any such adjustment shall be equally applied to all users. You must pay for the costs of computers, software and data storage maintenance, repairs, upgrades and updates, and there is no contractual limitation on the frequency or costs of these obligations in the Franchise Agreement.

(H) We provide you access to PTPHomeManual, which is included with each home inspection. See Item 11. You are required to pay us a fee for access to this service. The current fee is \$9.45 for each PTPHomeManual provided. Payments of the user fees are due on the tenth (10th) business day of each month for services provided the previous month. We require you to pay all invoices for the user fees by electronic funds transfer, and you must provide all documentation required to authorize such electronic payments. We may change or increase the user fee upon 90 days advance notice to you in the event the costs incurred by us are changed or increased. This fee will not be adjusted as provided above more than one (1) time in any calendar year, and any such adjustment shall be equally applied to all users.

(I) You are required to attend our annual Brand Conference. See Item 11. The Brand Conference Fee includes the registration fee for one person to attend the Brand Conference. It is typically between \$900 and \$1,200, depending on costs and location. The Brand Conference Fee for one person to attend the 2024 Brand Conference was \$924 if paid by an early deadline or \$1,099. We determine the Brand Conference Fee for the Brand Conference at the beginning of each year for the conference scheduled the following calendar year. You will be required to pay the Brand Conference Fee for your initial Brand Conference at the time you sign your Franchise Agreement. See Item 5. The Brand Conference Fee for your second Brand Conference and each annual Brand Conference thereafter is paid in twelve (12) monthly installments from January through December each year. The Brand Conference Fees are mandatory and non-refundable. Payment of the Brand Conference Fee as required by the Franchise Agreement will allow you to attend the conference without paying the standard registration fee. We require you to pay all invoices for annual registration fees by electronic funds transfer, and you must provide all documentation required to authorize such electronic payments.

(J) In the event you wish to assign or transfer the Franchise Agreement (which we must approve in writing and which gives rise to a right of first refusal as described in Item 17 below), you must pay to us a transfer fee of \$4,000, intended to cover the reasonable costs and expenses associated with reviewing the application to transfer, including, without limitation, management, legal and accounting fees.

(K) If, prior to commencing serious negotiations with you or one of your principals, a transferee (or any individual associated with any transferee entity) was referred by Franchisor to Franchisee after having contact with us or a member of our franchise recruitment team, then you also must pay us an additional referral fee of \$15,000.

(L) You must, at a minimum of 6 months prior to your renewal date, inform us in writing that you will be renewing your franchise. If you do not inform us of your intent to renew, your franchise agreement may expire without the opportunity to renew. Upon such notice of your intent to renew, you must pay to us an administrative fee of \$2,500, intended to cover the reasonable costs and expenses associated with reviewing the application to renew, including, without limitation, management, legal and accounting fees.

(M) If we should cause an audit to be made for any period and the Gross Revenues and business transacted as shown by your reports of Gross Revenues and home inspections performed are found to be understated by more than two percent (2%), you must immediately pay for the cost of such audit as well as the additional amount payable as shown by such audit, plus interest from the date of underpayment; otherwise, the cost of such audit will be paid by us.

(N) Under limited circumstances, a Franchisee who is a natural person may assign this Agreement, the Pillar To Post home inspection franchise, and/or the Franchisee's rights and obligations hereunder on one occasion to a corporation, limited liability company or partnership organized by the Franchisee for that purpose only. Except for an assignment that occurs in the first 6 months after execution of the Franchise Agreement, the franchisee must pay a fee of \$1,000 intended to cover the reasonable costs and expenses associated with document preparation and review.

## **ITEM 7 - ESTIMATED INITIAL INVESTMENT**

### **YOUR ESTIMATED INITIAL INVESTMENT**

<b>Item</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is Made</b>
INITIAL FRANCHISE FEE (See Note A)	\$58,500	Lump Sum	Due at signing of Franchise Agreement	Pillar To Post, Inc.
REAL ESTATE AND IMPROVEMENTS (See Note B)	Not Included in Total	N/A	N/A	N/A
PILLAR TO POST TOOL BUNDLE (See Note C)	\$3,500 - \$4,500	Lump Sum	Due prior to initial training	Approved suppliers
LOCAL TOOL/EQUIPMENT PURCHASES (See Note D)	\$1,000 - \$2,000	As Incurred	Due upon completion of initial training	Various local suppliers

<b>Item</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is Made</b>
COMPUTER EQUIPMENT AND SOFTWARE (See Note E)	\$3,500 - \$6,000	As Incurred	Due prior to initial training	Approved supplier
PTP360 EQUIPMENT PACKAGE (See Note F)	\$800 - \$1,000	As Incurred	Due prior to initial training	Approved supplier
OFFICE EQUIPMENT, FURNITURE AND SUPPLIES (See Note G)	\$750- \$1,000	As Incurred	Due upon completion of initial training	Various local suppliers
BUSINESS TELEPHONE SERVICE - SETUP (See Note H)	\$190	One-Time Start-Up Fee and Monthly	Due upon set up of account and monthly thereafter	Approved supplier
CONNECTED SERVICES (See Note I)	\$300 - \$600	As Incurred	Due as incurred	Various local suppliers
FOUNDATIONS FOR SUCCESS MARKETING BUNDLE (See Note J)	\$3,000 - \$5,000	Lump Sum	Due at initial training	Approved supplier
BUSINESS LICENSES AND NAME REGISTRATION (See Note K)	\$300 - \$1,000	As Incurred	Due as incurred	Various governmental authorities
FOUNDATIONS FOR SUCCESS AUTOMATED MARKETING CAMPAIGN (See Note L)	\$10,000 - \$15,000	Lump Sum	Due at initial training	Approved supplier
VEHICLE (See Note M)	\$3,000 - \$6,000	As Incurred	Due as incurred	Various local suppliers
VEHICLE BRANDING (See Note N)	\$3,000 - \$4,000	Lump Sum	Due as incurred	Approved supplier
PROFESSIONAL SERVICES (See Note O)	\$1,500 - \$2,500	As Incurred	Due as incurred	Various local suppliers

<b>Item</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is Made</b>
PILLAR TO POST ATTIRE (See Note P)	\$500 - \$1,000	Lump Sum	Due upon completion of initial training	Approved supplier
VARIOUS ACCOUNT SET UP FEES AND ORGANIZATION DUES (See Note Q)	\$600 - \$1,000	As Incurred	Due upon set up of accounts	Various approved suppliers
ERRORS AND OMISSIONS AND OTHER INSURANCE PREMIUMS FOR FIRST 3 MONTHS (See Note R)	\$750 - \$1,000	Monthly, Quarterly or Yearly	Due upon set up of coverage	Approved insurance carrier
PILLAR TO POST ANNUAL CONFERENCE AND REGIONAL MEETINGS (See Note S)	\$1,500 - \$4,000	As Incurred	Due as incurred	Pillar To Post, Airlines, or Ground Transportation, Hotel
ADDITIONAL FUNDS - 3 MONTHS (See Note T)	\$10,000 - \$20,000	As Incurred	Due as incurred	Suppliers, Utilities, etc.
<b>TOTAL</b>	<b>\$102,690 - \$134,290</b>			

None of these payments is refundable.

Notes:

(A) The initial franchise fee is \$58,500. The initial franchise fee is not refundable in whole or in part.

(B) The vast majority of Pillar To Post franchisees operate their businesses from their homes, which we recommend. If you decide to operate your business from a location other than your home, you may lease office space. Typical locations are commercial areas or strip centers. Rent is estimated to be between \$20 and \$30 per square foot in most regions of the country, depending on factors such as size, condition and location of the leased premises. We suggest that your office be less than 1,000 square feet. If you choose to rent office space, we estimate leasehold improvements at between \$0 and \$7,500, depending on factors such as size, condition, location of the leased premises, and landlord contributions.



(C) You must purchase a set of specific tools from our approved supplier upon registering for initial training. This tools list will be provided to you at that time in the form of an order form with the approved supplier.

(D) In addition to the Pillar To Post tool bundle that you order from an approved supplier, you will receive a list of tools/equipment necessary to operate your franchised business that you must purchase from local suppliers of your choosing.

(E) Successful operation of your franchised business depends heavily upon the use of computers and the internet. Pillar To Post has a required inspection tablet computer. You will be required to purchase your initial inspection tablet computer when you sign the Franchise Agreement, which will be sent to you prior to the start of the initial training and used during training. You will be required to purchase a monthly data plan to support your inspection tablet computer. You will also be required to purchase an additional office computer, the requirements of which are set forth in Item 11.

(F) You will be required to purchase from an approved supplier an equipment package to enable you to utilize PTP360 technology. The equipment package includes a 360° camera, tripod, bag and memory card.

(G) You will need to operate a home office with typical office equipment, which can be purchased locally from a supplier of your choice. This equipment includes, but is not limited to, a desk, desk chair, office printer, scanner, high-speed internet service, etc. You will also need to purchase office supplies including, but not limited to, paper, ink, pens, pencils, miscellaneous supplies, etc.

(H) You will be required to establish an account with our designated supplier to maintain two (2) business telephone lines that will be used in the operation of the franchised business (the “Business Lines”). The current pricing for the Business Lines includes a one-time start-up fee of \$40 and a continuing monthly fee of \$49.97.

(I) You will be required to establish accounts for internet and cell phone services from local providers.

(J) You will be required to order a Foundations for Success Marketing Bundle from our approved supplier while you are in initial training. This bundle will include the materials you need for your start-up marketing program such as business cards, realtor brochures, face-to-face marketing materials, etc.

(K) You will need to obtain a business license and register an assumed or fictitious name for your business as required by state and local law.

(L) As part of your Foundations for Success start-up marketing program, you will be required to set up an account and utilize an automated, digital marketing campaign with our approved supplier. The cost of this campaign will vary depending on the number of names in your

initial database of realtor contacts. The cost of this campaign is paid for while you are in initial training.

(M) You will be required to purchase or lease a vehicle to use in the operation of the franchised business that meets our standards and specifications. You will be responsible for all expenses associated with the vehicle used in the operation of the franchised business, including any required down payment, any monthly loan or lease payments, gas, and insurance.

(N) You will be required to purchase from an approved supplier and install Pillar To Post<sup>®</sup> branded vehicle wraps or lettering kits for each vehicle used by you and each of your team members in the operation of the franchised business.

(O) You may need to obtain professional services from an attorney and/or an accountant in connection with starting and setting up your business.

(P) You and your team members are required to wear approved Pillar To Post<sup>®</sup> branded shirts when meeting with clients and realtors, conducting inspections, and attending other business functions. You will order approved branded shirts of your choice for you and each team member from our approved suppliers prior to or upon completion of initial training.

(Q) For the successful operation of your franchised business, you will want to maintain membership in various local trade organizations that will require annual dues. Examples of these organizations include the local Board of Realtors and national home inspection associations. Additionally, there are several suppliers utilized in the ongoing operation of your franchised business with whom you will need to set up accounts and, with some, there may be initial set-up fees involved.

(R) You must, prior to opening the franchised business and thereafter at all times during the entire term of the Franchise Agreement, and any renewal thereof, at your own expense, maintain in full force and effect, certain insurance policies, including (i) professional liability (errors and omissions) insurance, (ii) general liability insurance, including product liability insurance, (iii) commercial auto insurance, (iv) and business personal property insurance, insuring you and us against any liability that may accrue by reason of your operation of the franchised business. The required minimum amount of insurance coverage is currently \$1 million per occurrence and \$2 million in the aggregate for professional liability coverage, \$1 million per occurrence and \$2 million in the aggregate for general liability coverage, \$1 million per occurrence and \$2 million in the aggregate for commercial auto coverage, \$1 million per occurrence and \$2 million in the aggregate for business personal property coverage, and \$1 million per occurrence and \$2 million in the aggregate for cyber insurance coverage. In addition, you must maintain workers' compensation insurance, employer's liability insurance, and such other insurance as may be required by law in the jurisdiction in which the franchised business is located. We will provide you with a list of all approved insurance carriers, and you must obtain all required insurance coverage from an insurance carrier approved by us. Currently, the approved list requires you to obtain your professional liability insurance and general liability insurance under an insurance program we have established with Citadel Inspector Pro. You will be required to obtain and maintain these policies of insurance, part of which will normally be required to be paid in advance.

We estimate that the cost of professional liability insurance and general liability insurance will be \$750 for the first three (3) months and \$2,600 to \$3,000 for the first year. Because there can be substantial variations in the cost of insurance, you need to contact representatives of Citadel Inspector Pro and/or our other approved insurance carriers for further information. Premiums are generally based on annual coverage and various monthly, quarterly or annual payment plans may be available.

(S) You are required to attend and participate in Pillar To Post's annual Brand Conference. You will be required to pay the registration fee for your first annual Brand Conference when you sign the Franchise Agreement. You also are required to attend and participate in at least one (1) regional meeting each year. The costs necessary to attend these meetings will vary based on your location and the location of the meetings.

(T) We recommend that you provide for the possibility that expenses may exceed revenues and maintain sufficient cash reserves to carry you through the start-up and development stage of your business. The exact amount of such reserves will vary from operation to operation and cannot be meaningfully estimated. You should consult with your accountant and financial advisor to develop a business plan for your particular operation. These additional funds also may be used for expenses such as required state or local licensing or certification, additional training to satisfy state and local licensing requirements, employee expenses, and supervised inspections required to satisfy state and local licensing requirements. You are responsible for determining all licensing and certification requirements in your particular jurisdiction. We have estimated this amount of additional working capital based on our over 25 years of experience operating a home inspection franchised business.

The figures stated above do not include any provision for managerial salaries or draws by you based upon the assumption that you will be the full-time manager of the franchised business. They also do not include any applicable taxes.

## **ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You are required to use our OnePoint software platform in the operation of the Pillar To Post home inspection franchise. You must pay us an IT Fee for access to that software platform. The IT Fee includes the license and subscription fees necessary to provide the proprietary bundle of software and related cloud-based data storage included in the software platform. See Items 6 and 11. We may designate another supplier or suppliers for the software and data storage that you must use in the operation of the franchised business. As of the effective date of this Franchise Disclosure Document, there are no other approved suppliers for software and data storage other than us.

You are required to purchase inspection numbers from us. This includes the electronic presentation, catalog, and storage of each home inspection that is provided to your customers. We may designate another supplier or suppliers for the inspection numbers that you must use in the operation of the franchised business. As of the effective date of this Franchise Disclosure Document, there are no other approved suppliers for inspection numbers other than us.

You are required to use our telephone answering and inspection booking services called EZBook Connections or our telephone answering and inspection booking training services called EZBook Direct in the operation of the Pillar To Post home inspection franchise. If you elect to use EZBook Connections to answer your telephone and book your inspections, you must pay us a user fee for access to those services. See Items 6 and 11. If you do not elect to use EZBook Connections, you will have to employ a full-time employee to answer your telephone and book your inspections, and that employee must successfully complete our EZBook Direct training program. We may designate another supplier or suppliers for the telephone answering and inspection booking services or the telephone answering and inspection booking training services that you must use in the operation of the franchised business. As of the effective date of this Franchise Disclosure Document, there are no other approved suppliers for telephone answering and inspection booking services or telephone answering and inspection booking training services other than us.

You are required to use software in the operation of the Pillar To Post home inspection franchise that creates PTP360, PTPFloorplan, and PTPVirtualOpenHouse from compatible 360° photos (the “PTP360 Software”). DocuSketch, the current supplier of the PTP360 Software, is not affiliated with us. You must pay us user fees for access to the PTP360 Software. See Items 6 and 11. We may designate another supplier or suppliers for the PTP360 Software that you must use in the operation of the franchised business. As of the effective date of this Franchise Disclosure Document, there are no other approved suppliers for the PTP360 Software.

You are required to purchase Pillar To Post marketing brochures, business cards, letterhead and other marketing materials from BFC Forms Service, Inc. (“BFC”), telephone services from Clarity Voice, telephone answering services from One Contact Canada, branded clothing and promotional items from The Branding Company, vehicle wraps and signage from IDP Graphics, environmental laboratory services from EMSL Analytics, Inc., PTPEstimates services from BOSSCAT Home Services, professional liability insurance and general liability insurance under an insurance program with Citadel Inspector Pro, other required insurance from one of our designated insurance providers, an inspection tablet computer from our designated supplier, an infrared camera from our designated supplier, a 360° camera and equipment package from our designated supplier, and Premium and Prestige appliance recall checks from our designated supplier. These suppliers are not affiliated with us, and we may designate another supplier for any or all of these products, services or supplies. As of the date of this Franchise Disclosure Document, there are no other approved suppliers for these items.

The cost of the required products, services and supplies purchased in accordance with the Franchise Disclosure Document, the Franchise Agreement and the Operations Manual (“Manual”), including fees for products and services paid to us, represent approximately 64% of the total cost to establish your franchise and approximately 50% of the total cost to operate your franchise. For fiscal year ended December 31, 2024, we generated revenues of \$5,075,240 as a result of required purchases from approved suppliers, which is 35.9% of our total revenues of \$14,127,981. In 2024, these revenues were generated from payments from BFC and other designated suppliers. We have negotiated purchase arrangements with the designated suppliers that you are required to utilize in the operation of your business, which arrangements include the price terms.

You must order from the designated suppliers or other approved suppliers that we designate such initial inventory of Pillar To Post clothing apparel, marketing brochures and promotional supplies, business cards and letterhead, and vehicle wraps and signage as required by us in the Manual or otherwise in writing, or as may be provided in the Franchise Agreement. You must provide to us reasonable and timely proof of such orders.

All products sold or offered for sale by the franchised business must meet our then current standards and specifications as established in the Manual or otherwise in writing. We have the right to require you to purchase from approved suppliers or us other items as we may from time to time require for the operation of the franchised business. As of the date of this Franchise Disclosure Document, there are no other products or services that must be purchased from approved suppliers or us. We provide specifications to the suppliers that we designate for all products.

We reserve the right to formulate and modify our standards and specifications for operating a franchised business. This includes requiring that you take all steps, including but not limited to those related to visibility and management of your franchised business that are necessary to ensure that your location is compliant with all data privacy and security laws and Payment Card Industry Data Security Standards (PCI DSS) requirements, as such standards may be revised and modified by the PCI Security Standards Council (see [pcisecuritystandards.org](http://pcisecuritystandards.org)), or such successor organization or standards that we may reasonably specify. Our standards and specifications are described in the Franchise Agreement, the Manual, and other written documents. We have the right, under the Franchise Agreement, to change the standards and specifications applicable to operation of the franchised business, including standards and specifications for approved services and products, equipment, signs, furnishings, supplies, fixtures, inventory, computer systems (hardware, software, applications, data network and internet connection minimum bandwidth capacities), privacy policies, encryption requirements, data and IT security policies - including implementation of phishing and other security awareness programs and training, cyber incident notification requirements, and Artificial Intelligence policies by written notice to you or through changes in the Manual. We may issue our standards or specifications for goods and services, and changes to those standards and specifications, in writing directly to you or our approved supplier. You may incur an increased cost to comply with these changes at your own expense.

You are required to maintain insurance coverage of the types and minimum amounts specified in the Manual, this Franchise Disclosure Document, the Franchise Agreement or supplementary notices. You are currently required to maintain professional liability (errors and omissions) insurance, general liability insurance, commercial auto insurance, business personal property insurance, and cyber insurance. The required minimum amount of insurance coverage is currently \$1 million for professional liability coverage per occurrence and \$2 million in aggregate, \$1 million for general liability coverage per occurrence and \$2 million in aggregate, \$1 million for commercial auto coverage per occurrence and \$2 million in aggregate, \$1 million for business personal property coverage per occurrence and \$2 million in aggregate, and \$1 million for cyber insurance coverage per occurrence and \$2 million in aggregate. You are required to maintain all required insurance with insurance companies approved by us. All professional liability insurance and general liability insurance must be purchased under the insurance program we have established with Citadel Inspector Pro. All required insurance must name us and our designee(s) as additional insureds and must provide that it may not be terminated, amended, canceled, or modified without

at least thirty (30) days prior written notice to us. You are required to provide certificates of insurance evidencing such coverage prior to the opening of the franchised business and thereafter at least fifteen (15) days prior to the expiration of any policy. Any failure to have the appropriate insurance shall be considered a material breach of the Franchise Agreement.

You must purchase and install, at your expense, all fixtures, furnishings, home inspection services equipment, other equipment (including, without limitation, a telephone, computer, proprietary software, etc.), decor, signs and vehicle wraps as we may reasonably direct from time to time. You are required to have a computer system with the minimum required computer equipment in Item 11 below, which we can modify and update at any time. You must pay for the costs for computer software maintenance, repairs, upgrades and updates and there is no contractual limitation on the frequency or cost of this obligation in the Franchise Agreement.

You must purchase all products and services needed in the franchised business and not covered in the discussion under this Item 8 solely from us or from suppliers who demonstrate to our continuing reasonable satisfaction the ability to meet our standards and specifications, who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved by us in the Manual or otherwise in writing. If you desire to purchase products or services from other than approved suppliers, you must submit to us a written request to approve the proposed supplier, together with such information as we may reasonably require. We will have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility designated by us. A charge not to exceed the reasonable cost of the evaluation and testing must be paid by you. We will, within ninety (90) days after receipt of such completed request and completion of such evaluation and testing (if required by us), notify you in writing of our approval or disapproval of the proposed supplier. Approval will not be unreasonably withheld. You must not sell or offer for sale any products or services of the proposed supplier until our written approval of the proposed supplier is received by you. We may from time to time revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease to purchase from the disapproved supplier.

We do not have any purchasing or distribution cooperatives.

Except as discussed above, we have no purchase arrangements with suppliers, nor do we negotiate purchase arrangements with suppliers for your benefit. You do not receive any material benefit for using designated or approved sources. You are not required to purchase or lease any other goods or services from us or from a supplier designated by us.

No franchise officer owns an interest in any supplier.

## **ITEM 9 - FRANCHISEE'S OBLIGATIONS**

**This table lists your principal obligations under the Franchise Agreement 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.**

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure document item</b>
a. Site selection and acquisition/Lease	Section 1	Item 7
b. Pre-opening purchases/leases	Section 7	Item 8
c. Site development and other pre-opening requirements	Not Applicable	Not Applicable
d. Initial and ongoing training	Section 6	Item 11
e. Opening	Section 5	Item 7
f. Fees	Section 4	Items 5 and 6
g. Compliance with standards and policies/operating manual	Sections 7 and 9	Item 16
h. Trademarks and proprietary information	Section 8	Item 13
i. Restrictions on products/ services offered	Section 7	Item 8
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Section 15.2	Items 12 and 15
l. Ongoing product/service purchases	Section 7	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 5 and 7	Item 8
n. Insurance	Section 13	Items 6 and 8
o. Advertising	Section 12	Item 11
p. Indemnification	Section 20, Exhibit B	Not Applicable
q. Owner's participation/management/staffing	Sections 7 and 17.1	Item 15
r. Records/reports	Section 11	Item 6
s. Inspections and audits	Sections 7.9, 11.4 and 15.2	Item 6
t. Transfer	Section 14	Items 6 and 17
u. Renewal	Section 2	Item 17
v. Post-termination obligations	Section 16	Item 17
w. Non-competition covenants	Section 17	Item 17
x. Dispute resolution	Section 25	Item 17
y.		

## **ITEM 10 - FINANCING**

We do not offer direct or indirect financing to franchisees. We do not arrange financing from other sources. We do not guarantee any of your notes, leases, or obligations.

**ITEM 11 - FRANCHISOR'S ASSISTANCE,  
ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

**Except as listed below, Pillar To Post is not required to provide you with any assistance.**

**Pre-Opening Assistance**

Before you open your business, we will:

1. Designate your territory (Franchise Agreement - Section 1 and Exhibit A).
2. Conduct a training program that you must satisfactorily complete prior to opening your business (Franchise Agreement - Section 6).
3. Supply our Manual (Franchise Agreement - Section 9).
4. Supply access to our computer software and data storage (Franchise Agreement - Section 9).
5. You are responsible for setting the prices for the products and services that you provide. We do not set minimum and/or maximum prices at which you must sell products and services.

Although we are not bound to do so by the Franchise Agreement, we generally assist you in making the franchised business ready to commence operations. We estimate the typical length of time between the execution of the Franchise Agreement and the commencement of a franchised business is between seventy-five (75) and one hundred twenty-five (125) days. The factors that affect this time are state licensing, training, zoning or local ordinances, permitting, etc. A franchised business must be opened within one hundred twenty (120) days of the date you complete the initial training program.

You select your business site within your territory subject to our approval. The vast majority of Pillar To Post franchisees operate their businesses from their homes, which we recommend. In most cases, a franchisee's home is located within the territory discussed in Item 12 below. You must have our written approval to change the approved location of your business or to operate your business from a location outside of your territory. If you have not obtained an approved location for your business at the time that the Franchise Agreement is executed, you must obtain a location through purchase or lease that meets our then-current standards and specifications as determined by us in our sole subjective discretion exercised in good faith within sixty (60) days of the date the Franchise Agreement is executed. You must be open for business within one hundred twenty (120) days of the date you complete the initial training program. We can agree to extend this deadline for an additional sixty (60) days if we determine in our sole subjective discretion that your failure to obtain an approved location or open for business did not result from your failure to exercise due diligence or use your best efforts. If the site is not agreed



upon or if you are not open for business within these time periods, we can terminate the Franchise Agreement. We do not act as a lessor or lease property to you.

We consider a number of factors in deciding whether to approve a proposed location or a request to relocate an approved location. These factors include the general location, whether the location is located within or in close proximity to the territory, the size of the location, and other factors which we may consider relevant.

### **Post-Opening Assistance**

During the operation of the franchised business, we will:

1. Develop new products, services and methods, and provide you with information about those developments (Franchise Agreement - Section 3).
2. Supply updates to our Manual (Franchise Agreement - Section 9).
3. Make available updates to our computer software and data storage or make available replacement software and data storage (Franchise Agreement - Section 9).
4. Administer a promotional and advertising program designed to promote and enhance the value of all franchised Pillar To Post home inspection businesses (Franchise Agreement - Section 12).

### **Advertising**

We are not required to spend any amount on advertising in your territory. However, through a promotion and advertising fund (the "Brand Fund"), we make available advertising materials and services to us; we then make them available to you. Materials and services provided by the Brand Fund to all franchisees will include websites, social media presence, video tools, posters, brochures, search engine optimization, online reputation management, and other miscellaneous items. You will receive certain samples at no charge. If you want additional copies, you must pay the associated costs.

You may develop advertising materials for your own use, at your own cost. We must approve the advertising materials in advance of you using the materials and the approval must be in writing. You are not required to participate in any local or regional advertising cooperative, and we do not have the power to require that cooperatives be formed, changed, dissolved or merged. However, we strongly recommend that you spend between three percent (3%) and eight percent (8%) of the Gross Revenues of the franchised business on local marketing in addition to the Brand Fund contributions discussed below. We also strongly recommend marketing cooperation with other franchisees as a way to further promote your business and the overall presence and awareness of the Pillar To Post brand in the market.

Occasionally, we provide for placement of advertising on behalf of the entire franchise system. However, most placement is done on a local basis, typically by individual franchisees. We

reserve the right to use fees paid to the Brand Fund to place advertising in national media (including broadcast, print or other media) at any time.

You will be required to pay a monthly Brand Fee to the Brand Fund equal to four percent (4%) of the monthly Gross Revenues of the franchised business.

We administer the Brand Fund in the following manner:

1. We will direct all promotion and advertising programs, with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation of these materials. The Brand Fund is intended to maximize general public recognition, acceptance, and use of the System, particularly within the real estate industry. We are not obligated, in administering the Brand Fund, to make expenditures that are equivalent or proportionate to each franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Fund.

2. The Brand Fund, all contributions to it, and any earnings on the funds, will be used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System, including, among other things, the costs of preparing and conducting traditional media and social media advertising campaigns; direct mail advertising; marketing surveys; employing advertising and/or public relations agencies to assist in the promotions; purchasing promotional items; employing agencies specializing in search engine optimization, online reputation management and other online and social media marketing services, and providing promotional and other marketing materials, websites, social media presence and services to the businesses operating under the System. No part of the Brand Fund will be used for solicitation of franchise sales.

3. You must contribute to the Brand Fund by separate EFT made payable to the Brand Fund. All sums paid by franchisees to the Brand Fund will be maintained in a segregated account separate from our other accounts. Except for the reasonable expenses and overhead incurred to administer the Brand Fund discussed below, the Brand Fund and any earnings will not otherwise inure to the benefit of us. We currently do not operate any company-owned units. To the extent that we do so in the future, the company-owned units will be required to contribute to the Brand Fund on the same basis as franchisees. Separate bookkeeping accounts will be maintained for the Brand Fund. Any fund balance not spent in the fiscal year in which it accrues is carried over for use in future fiscal years. An annual financial statement of the Brand Fund, which is reviewed but not audited, will be made available to the Chairman and Vice-Chairman of the Franchise Advisory Council, a representative body of franchisees. During the fiscal year ending December 31, 2024, the Brand Fund spent 18% on national media placement, 8% on real estate industry alliances/tradeshows, 36% on marketing services directly benefitting franchisees (including search engine optimization (SEO) services, online reputation management services, social media services, public relations (PR) services, and other creative content), 25% on Administration, and 13% on miscellaneous marketing expenses.

4. The Brand Fund may be used to compensate us for reasonable expenses and overhead incurred for accounting, collection, bookkeeping, reporting and legal services which we provide to the Brand Fund to support marketing activities and for out-of-pocket expenses. In addition, we may provide products and services to the Brand Fund, including Pillar To Post brochures and web-hosting services. Any such products or services provided by us will be provided at a cost comparable to those costs that the Brand Fund would otherwise incur if the products or services were obtained from unaffiliated third parties.

### **Computer Requirements**

You are required to have a computer system that includes:

#### **Inspection Tablet**

The required inspection tablet is an important business tool to be used in the field to input inspection information. The standards for the inspection tablet change from time to time according to our software requirements, manufacturer availability, and changes in available technology. You will order your first inspection tablet directly from our designated supplier for delivery to you before the start of the Initial Training Program. Your first inspection tablet will be set up with the proprietary software described below. The estimated cost to purchase the inspection tablet is between \$1,200 and \$1,400, which includes a protective case and other accessories. You must pay for the costs of any computer maintenance, repairs, upgrades and updates that we may require from time to time, and there are no contractual limitations on the frequency or costs of these obligations in the Franchise Agreement. Additionally, you will need the ability to connect your inspection tablet to the internet when completing home inspections. You may elect to acquire a data package for your inspection tablet to support internet access. The monthly cost for such a data package ranges from \$50 to \$150 per month.

#### **Office Computer**

The minimum requirements for the office computer are:

Component	Requirement
Computer and processor	Windows PC: Intel i5 or i7 processor, dual core minimum (i7 recommended) Apple: Apple Silicon M1 or higher (M1 Recommended)
Memory	16 GB or higher
Hard disk	512GB solid state or higher
Display	VGA or compatible
Operating system	Windows 11 or MacOS/X (latest version)
Software	Office 2024 OR Microsoft M365 Subscription Adobe Acrobat Reader DC

Component	Requirement
	Antivirus (Windows Defender or equivalent)
Internet connection	Broadband Internet Access, minimum 10 Mbps download

The standards for the office computer change from time to time according to our software requirements and changes in available technology. The estimated cost to purchase the office computer and other office computer equipment is \$1,000 – \$2,000. You must pay for the costs of any computer maintenance, repairs, upgrades and updates that we may require from time to time, and there is no contractual limitations on the frequency or costs of these obligations in the Franchise Agreement. Additionally, the office computer will require internet access.

### **Software and Data Storage**

You must use computer software and data storage that will be made available or designated by us from time to time. You must pay for the costs of any software or data storage maintenance, repairs, upgrades and updates that we may require from time to time, and there is no contractual limitations on the frequency or costs of these obligations in the Franchise Agreement.

We provide you access to our OnePoint software platform, which is a proprietary bundle of software that includes Salesforce.com, DocuSign, Schedulo, Amazon cloud services and other third-party software, and PTPHomePage. OnePoint provides you a complete software platform for marketing your business; booking, confirming and communicating with your customers and referral sources; creating, executing and managing your agreements with customers; creating invoices and processing payments; and creating home inspection reports delivered electronically to your customers. We also provide you access to software provided by DocuSketch that creates PTP360, PTPFloorplan, and PTPVirtualOpenHouse from compatible 360° photos (the “PTP360 Software”). OnePoint and the PTP360 Software utilize cloud-based storage and are interactive with most mobile devices. You are required to use OnePoint and the PTP360 Software in the operation of the franchised business. The cost of the licensing and subscription fees paid by us to provide you access to OnePoint and the related data storage is included in the continuing IT Fee. The costs of the licensing and subscription fees paid by us to provide you access to the PTP360 Software is included in user fees that are paid separately. See Item 6. We will provide ongoing maintenance, repairs, upgrades or updates for the software and data storage. You must pay for the costs of any software or data storage maintenance, repairs, upgrades and updates that we may require from time to time, and there is no contractual limitation on the frequency or costs of these obligations in the Franchise Agreement.

We own and have independent access to the information and data generated and stored by the software that we provide, including customer lists and other customer information, and there are no contractual limitations on our right to access or use this information. Upon expiration or termination of the Franchise Agreement, you may receive electronic copies of each home inspection report prepared by the franchised business using the OnePoint software platform that we provide in pdf or other useable format if requested within 90 days of expiration or termination.

### **Answering and Inspection Booking Services**

We provide telephone answering and inspection booking services called EZBook Connections, which provides call center and first-level customer engagement, consultation and inspection booking services for your franchised business. If you elect to use EZBook Connections in the operation of your franchised business, there are separate user fees for these services due monthly.

You may opt-out of using EZBook Connections provided that you have full-time, dedicated staff available to handle telephone answering and inspection booking services at the local level full-time, Monday through Friday, from 9:00 a.m. to 5:00 p.m. local time. All persons that you designate to provide telephone answering and inspection booking services must successfully complete the EZBook Direct training program. All telephone answering and inspection booking services for the franchised business must comply with our standards or such other standards and specifications established by us from time to time. In the event you fail to maintain our standards for handling telephone answering and inspection booking services at the local level, we can require you to use EZBook Connections at our sole discretion.

### **Financial Reporting Software**

You must use software that will be made available or designated by us from time to time to create consolidated financial reports for the franchised business. We provide you access to the software, currently provided by Qvinci, that connects directly with QuickBooks and creates consolidated financial reports for your franchised business. You are required to use this software in the operation of the franchised business, including to create certain financial reports that are required to be submitted to us under the Franchise Agreement. The cost of the licensing and subscription fees paid by us to provide you access to this software is included in the continuing Financial Reporting Fee. See Item 6. You must pay for the costs of any software maintenance, repairs, upgrades and updates that we may require from time to time, and there is no contractual limitations on the frequency or costs of these obligations under the Franchise Agreement.

### **Operating Manual**

We will loan you a copy of the Manual that contains mandatory and suggested specifications, standards and procedures. The Manual is confidential and remains our property. We will modify the Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement. The total number of pages in the Manual is 13, and it contains links to other information. The table of contents for the Manual is attached as Exhibit C.

### **Staffing**

You must staff the Pillar To Post home inspection franchise with the minimum levels of qualified personnel as we may specify from time to time, and you must add additional home inspectors to meet the current needs of the business and the future growth required by the Franchise Agreement. See Item 12. Currently, you are required to add a full-time home inspector or full-time marketing person to your staff within your first twelve (12) months after you complete your Phase

3 training, and you must maintain that same minimum level of staffing for the remainder of that first year. Beginning on the first day of your second year and continuing through the end of the term of your Franchise Agreement, you are currently required to maintain a minimum staff, inclusive of the owner, that includes one full-time inspector and one full-time marketing person. All members of your staff who perform home inspections are required to successfully complete our training program at your expense.

### **Employment Decisions**

You are at all times responsible for all employment decisions related to your Pillar To Post home inspection franchise, including, but not limited to, hiring, firing, training, promotion, remuneration, compliance with laws (including without limitation wage and hour requirements and human rights legislation), recordkeeping, supervision and discipline of employees.

### **Training**

You (or, if the franchised business is a corporation or limited liability company, then the manager designated by you and acceptable to us, or if a partnership, then 50% of the partners) must successfully complete our training program for new franchisees prior to your actual commencement of business operations. The fee for you or the manager designated by you to attend the training program is included in the initial fee. Additionally, your employees that perform home inspections must successfully complete, at your expense, our training program.

The training program will take place through our live virtual training environment and is coupled with online learning through our AHIT and OnePoint Learning Academy (OPLA) online platforms. You must pay all travel and living expenses of all attendees at the training program. We will not pay compensation for any services performed by you and any other attendees in connection with and during such training. You must satisfactorily complete such training to our sole, subjective satisfaction, exercised in good faith. The training program is held regularly throughout the year.

The training program provides comprehensive instruction and hands-on experience designed to provide franchisees with the knowledge and skills necessary to operate their franchised business effectively. The training program is presented in three phases:

- **Phase 1 – The Ultimate Home Inspection (7 weeks):** This phase is focused on developing technical home inspection skills, system knowledge, and brand standards through hands-on practice and independent inspections. Phase 1 of the training program is scheduled to be completed in 7 weeks, with 5 weeks of instruction and 2 weeks of independent inspections.
- **Phase 2 – Business Leadership (1 week):** This phase is focused on strategic planning, operational leadership, and business growth strategies, culminating in the creation of a formal presentation using our Startup Planning Tool. Phase 2 of the training program is scheduled to be completed in 1 week.

- **Phase 3 – Sales and Marketing Predictable Greatness (2 weeks):** This phase is focused on providing franchisees with the skills necessary to effectively market their business, establish realtor relationships, and drive revenue growth. Phase 3 of the training program is scheduled to be completed in 2 weeks.

There is 1-week set aside for independent study between Phase 1 and Phase 2 of the training program.

Franchisees must successfully complete each phase of the training program to our satisfaction before advancing to the next phase. The estimated 11-week training timeline is only applicable if the franchisee meets all requirements and transitions from one phase to the next without requiring additional time. Many states also have additional training requirements that must be satisfied to get a home inspection license. These state licensing requirements or failure to successfully complete such requirements may delay completion of Phase 1 of the training program. In such cases, franchisees must allocate additional time to fulfill state-specific licensing requirements and/or successfully complete such requirements. These types of delays will extend the overall training duration beyond the estimated 11-week schedule.

## **TRAINING PROGRAM**

### **Phase 1 – The Ultimate Home Inspection:**

<b>COLUMN 1 SUBJECT</b>	<b>COLUMN 2 HOURS OF CLASSROOM TRAINING</b>	<b>COLUMN 3 INDEPENDENT LEARNING</b>	<b>COLUMN 4 LOCATION</b>
Home Inspection Overview	4.5	N/A	Your home office
The Inspection Process	45.0	N/A	Your home office
Exterior Inspection	6.5	11.5	Your home office
Roofing Inspection	8.0	8.0	Your home office
Structure Inspection	7.0	13.0	Your home office
Plumbing System	8.0	13.0	Your home office
HVAC Inspection	9.0	16.0	Your home office
Interior Inspection	2.0	10.0	Your home office
Insulation & Ventilation Inspection	2.0	3.5	Your home office
Pool, Spa, Irrigation and Environment	2.0	4.5	Your home office
SOP (Standard of Practice)	3.0	2.5	Your home office
Reporting Writing	8.0	N/A	Your home office
Ethics/Standards	1.0	N/A	Your home office

<b>COLUMN 1 SUBJECT</b>	<b>COLUMN 2 HOURS OF CLASSROOM TRAINING</b>	<b>COLUMN 3 INDEPENDENT LEARNING</b>	<b>COLUMN 4 LOCATION</b>
Examination	N/A	4.0	Your home office
Practice Inspections (14 inspections)	N/A	62.0	Your home territory
Practice Inspections, Review and Coaching	6.0	N/A	Your home office
Total	104.0	146.0	

**Please note that there may be state-specific licensing requirements that require a greater number of hours of training or additional topics of study. You may be required to expend additional time to complete such additional training in compliance with your state-specific licensing requirements.**

**Phase 2 – Business Leadership:**

<b>COLUMN 1 SUBJECT</b>	<b>COLUMN 2 HOURS OF CLASSROOM TRAINING</b>	<b>COLUMN 3 INDEPENDENT LEARNING</b>	<b>COLUMN 4 LOCATION</b>
Introductions & MVV	1.0	N/A	Your Home Office
Phase 2 Training Overview	0.5	N/A	Your Home Office
The PTP PATH	1.5	N/A	Your Home Office
Independent Learning		3.0	Your Home Office
PTP Building Blocks	1.5	N/A	Your Home Office
The Brand	1.5	N/A	Your Home Office
Voice of the Customer (VOC)	1.5	N/A	Your Home Office
Independent Learning		3.0	Your Home Office
Employee Inspectors	1.5	N/A	Your Home Office
Sales & Marketing Reps	1.5	N/A	Your Home Office
Hiring For Growth	1.5	N/A	Your Home Office
Independent Learning	N/A	3.0	Your Home Office
Financial Planning Workshop	2.0	N/A	Your Home Office
Growth Mindset	1.5	N/A	Your Home Office
Goal Setting & Vision Planning	1.5	N/A	Your Home Office



<b>COLUMN 1 SUBJECT</b>	<b>COLUMN 2 HOURS OF CLASSROOM TRAINING</b>	<b>COLUMN 3 INDEPENDENT LEARNING</b>	<b>COLUMN 4 LOCATION</b>
Independent Learning		3.0	Your Home Office
Start-Up Planning Tool	1.5	N/A	Your Home Office
Good to Great	2.0	N/A	Your Home Office
Brand Experience & Customer-Centric Approach	2.0	N/A	Your Home Office
Independent Learning	N/A	3.0	Your Home Office
<b>Total</b>	<b>22.5</b>	<b>15.0</b>	

**Phase 3 – Sales and Marketing Predictable Greatness:**

<b>COLUMN 1 SUBJECT</b>	<b>COLUMN 2 HOURS OF CLASSROOM TRAINING</b>	<b>COLUMN 3 INDEPENDENT LEARNING</b>	<b>COLUMN 4 LOCATION</b>
Introductions & Orientation	1.0	N/A	Your Home Office
Sales Mindset	1.0	N/A	Your Home Office
Mindset Toolkit	1.0	N/A	Your Home Office
Role Play Workbook	1.0	N/A	Your Home Office
The Realtor & Relationship Selling	2.0	N/A	Your Home Office
Tactics 101	2.0	N/A	Your Home Office
Know You Conversation	2.0	N/A	Your Home Office
Tactics 201 (BIZ Builder)	2.0	N/A	Your Home Office
4 Cs	1.5	N/A	Your Home Office
F.O.R.D	1.5	N/A	Your Home Office
Script Work & Role Play	3.0	N/A	Your Home Office
Start Up Marketing Plan	2.0	N/A	Your Home Office
Social Media How-To & Setup	1.5	N/A	Your Home Office
Handling Objections	2.0	N/A	Your Home Office
Sales Management Tools Workbook	2.0	N/A	Your Home Office

<b>COLUMN 1 SUBJECT</b>	<b>COLUMN 2 HOURS OF CLASSROOM TRAINING</b>	<b>COLUMN 3 INDEPENDENT LEARNING</b>	<b>COLUMN 4 LOCATION</b>
Hit The Streets Simulation	3.0	N/A	Your Home Office
Sales and Marketing Certification	2.0	N/A	Your Home Office
Role Play Assessment	2.0	N/A	Your Home Office
Knowledge Assessment	2.0	N/A	Your Home Office
Group Presentations	3.0	N/A	Your Home Office
Graduation Ceremony	1.0	N/A	Your Home Office
<b>Independent Learning (Daily)</b>		3.0 per day	Your Home Office
<b>Total</b>	<b>36.0</b>	<b>30.0</b>	

#### Instructors' experience

Chuck Gravely, P.Eng., M.Eng., is a licensed professional engineer with a Master of Structural Engineering degree from McGill University. He is a licensed instructor for the Ontario Real Estate Association. Prior to joining Pillar To Post, Mr. Gravely owned his own building inspection business. In 2002, he joined Pillar To Post's technical development and training team. In 2014, he became Vice President of Technical Standards and Development and oversees Pillar To Post's technical team, including development and implementation of Pillar To Post's home inspection reporting system.

Jay Gregg joined Pillar To Post in 2011 and is currently Director of Franchise Development. Mr. Gregg is a former Pillar To Post franchisee who operated his franchised business for 6 years and conducted over 2,000 home inspections. He holds a NHI designation and is WETT and Radon certified.

Trevor Welby-Solomon trained as a home inspector at Durham College in Whitley, Ontario and became a Certified Home Inspector in 1994. He is also a Certified Environmental Inspector and a Registered Home Inspector. He joined Pillar To Post in 1999 and served in various capacities, including Vice President Technical Development, Training and Support until 2014. He continues to support Pillar To Post's training program.

Kimberley Baker joined Pillar To Post in 2006 and is currently Vice President Learning, Development & Communications. Ms. Baker has been responsible for developing and implementing Pillar To Post in- house and on-line training programs.

Graham Clarke joined Pillar To Post in 2015 and is currently a Trainer. Mr. Clarke is a licensed Professional Engineer with a degree in mechanical engineering and a certificate in building science from the University of Toronto. He has been active in the home inspection

industry since 1989. Prior to joining Pillar To Post, Mr. Clarke managed a large, multi-inspector company for many years before starting his own engineering and inspection company. He is an instructor in the home inspection program at Seneca College and is a regular speaker at home inspection conferences across North America. He is a Past President of the Ontario Association of Home Inspectors, and the current President of the Canadian Association of Home and Property Inspectors.

John MacDonald has owned a Pillar To Post franchise in Toronto, Ontario, Canada since 2009. He provides practical field training for new franchisees, including introduction to the Pillar To Post system, brand experience, and home inspection process.

Ryan Schuck joined Pillar To Post in 2020 and is currently the Marketing Services Manager. Prior to joining Pillar To Post, he was a home renovations contractor from 2018 to 2019.

Megan Griffin-Buckle joined Pillar To post in 2021 and is currently the Marketing Services Coordinator. Prior to joining Pillar To Post, she was a Marketing Assistant and Guest Services Agent at The Business Inn & Suites from 2020 to 2021.

Randy Weaver joined Pillar To Post in 2011 as a Start Up Director. He is currently Senior Director, Foundations for Success. He previously worked for Handyman Connection from 2006 to 2011 in a Training/Startup role and as General Manager.

Loreal Gonneau joined Pillar To Post in 2016 and is currently the Director of Customer Engagement. She previously worked at Walmart from 2008 to 2015, where she was responsible for customer engagement and gained experience in streamlining processes, improving efficiency, and elevating customer engagement strategies to drive business growth.

Jeff Sholdice joined Pillar To Post in 2018 and is currently Chief Financial Officer. Mr. Sholdice has over 25 years of financial and operations leadership experience. He is a Certified Public Accountant and holds a Certified Management Accountant designation. He also is an owner of a Great Clips franchise and a prior Instructor of Finance and Accounting at Sheridan College.

You also must attend additional required training courses, webinars, seminars and programs as we may require in our sole discretion from time to time. Except for the cost of instructors and training materials, you must pay all expenses incurred to attend these programs, including applicable registration fees, transportation, lodging, meals and wages.

We will also hold conferences, additional training courses, webinars or seminars to discuss and instruct you in sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs, merchandising procedures, new procedures for inspections, new products, new services, marketing, and general operating procedures. You will be required from time to time to attend these conferences, additional training courses, webinars or seminars which we deem, in our reasonable judgment, to be of major importance to the operation of your franchised business. Currently, we require you to attend an annual convention called Brand Conference and one (1) regional meeting, annually, unless we have approved otherwise in our discretion. You must pay the registration fee for one person to attend the Brand

Conference annually. If you cannot attend for any reason, you will still be required to pay the registration fee and a non-attendance fee. You must pay any registration/training fee and all your travel and living expenses associated with any required conference, training course, seminar or meeting. These events are held at locations in the United States and Canada chosen by us.

We also have established mandatory continuing education requirements for franchisees and their employees to assist in maintaining a standard of excellence in home inspection services. The specific requirements are set forth in the Manual. These requirements may be met through Pillar To Post sponsored events or through seminars and conferences sponsored by professional associations for home inspectors. Additionally, all franchisees and their inspector/employees are required to seek and maintain membership in good standing in a professional association for home inspectors that is approved by us. You must pay any registration training fee and all other travel and living expenses associated with any continuing education programs.

## **ITEM 12 - TERRITORY**

Prior to the execution of the Franchise Agreement, we will designate the size and location of the non-exclusive territory, which will be set forth on a map attached to the Franchise Agreement. We will design your territory by first considering the boundaries established in your area by local boards of realtors. Your territory will ultimately consist of a geographical area typically defined by counties and/or zip codes. There is no standard size of a territory. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You are not allowed to operate the franchised business outside of the territory without our prior written consent. Your territory is protected to the extent that no Pillar To Post franchisees with territories outside your non-exclusive territory will be permitted to operate in your non-exclusive territory.

Except as provided above, you are not granted any rights in connection with the franchised business. You may not solicit orders for inspections of homes located outside of your territory without our prior written consent. You may not use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing, to solicit or make orders for inspections of homes located outside of your territory. If you do, you are subject to termination. We currently do not operate any company-owned units, and therefore, do not solicit orders within your territory. To the extent we do so in the future, we reserve the right to solicit orders within your territory.

The territory is important to both you and to us. Unlike a traditional retail business where the customer comes to you, the franchised business will require you to go to the customer. Additionally, the best referral sources, including real estate brokers, real estate agents, attorneys, mortgage brokers, bankers, insurance agents, and relocation agencies, will also be located throughout the territory. Thus, the franchised business will be operated throughout the geographical boundaries of the territory, not exclusively from the Approved Location.

Pillar To Post previously offered franchises in exclusive territories, and there are current franchisees that still operate in exclusive territories. Pillar To Post previously offered the opportunity for franchisees to convert an exclusive territory to a non-exclusive territory. This

conversion program offered franchisees the opportunity to protect certain referral sources after conversion. Therefore, an existing franchisee within the same territory may have converted that territory from an exclusive territory to a non-exclusive territory and retained the right to solicit business exclusively from a particular real estate agent or other referral source as part of that conversion. If that is the case, you will not be permitted to solicit business from that real estate agent or referral source and they will be specifically identified in an addendum to your Franchise Agreement.

There are no other circumstances that permit us to modify your territory during the term of the Franchise Agreement. Your territory may be modified during any renewal term to address changes in the market or current market conditions.

You must generate Gross Revenues of at least \$100,000 in months 1-12 after your Training Completion Date; \$200,000 in months 13-24 after your Training Completion Date; \$300,000 in months 25-36 after your Training Completion Date; \$400,000 in months 37-48 after your Training Completion Date; and \$500,000 in months 49-60 after your Training Completion Date. These minimum Gross Revenue requirements apply only to the initial term of the Franchise Agreement. In renewal terms, and in the case of the transfer by you of an established territory, the sales volume requirements may be adjusted to reflect the potential of an established market.

You must pay minimum monthly Royalty Fees, if applicable, and you must schedule a minimum of 80% of your home inspections through EZ Book Connections, if applicable.

You do not receive the right to acquire additional franchises.

You are not permitted to relocate the territory of your franchised business. The vast majority of Pillar To Post franchisees operate their businesses from their homes, which we recommend. If you move, you will be permitted to relocate the Approved Location of your franchise to the new address of your home provided that you notify us in advance and your new address is within your territory.

Except for rights expressly granted to you under the Franchise Agreement, we retain all of our rights and discretion with respect to the Trademarks, the Pillar To Post system, and Pillar To Post franchises wherever located, including the right to (a) operate, and grant others the right to operate, Pillar To Post franchises at locations and on terms and conditions we deem appropriate; (b) sell any products or services under the Trademarks or under any other trademarks, service marks or trade dress, through other channels of distribution; and (c) operate, and grant to others the right to operate, home inspection businesses identified by trademarks, service marks or trade dress, other than the Trademarks, under terms and conditions we deem appropriate.

Although we have not done so, we and our affiliates may sell products under the Trademarks through any method of distribution other than a dedicated Pillar To Post franchise, including sales through such channels of distribution as the internet, catalog sales, telemarketing, or other direct marketing sales (together, “alternative distribution channels”). You may not use alternative distribution channels to make sales except as described in the following paragraph and you will receive no compensation for our sales through alternative distribution channels.

If we engage in electronic commerce through any internet, world wide web or other computer network site or sell through any other alternative distribution channel and you operate your franchised business in a protected, non-exclusive territory, we will offer any order for services calling for performance in your territory to the Pillar To Post franchise in that territory whose Approved Location is closest in proximity to the location where the services will be performed at the price we establish. If that franchise chooses not to fulfill the order at the price we establish, it will be offered on the same basis to other Pillar To Post franchises in that territory in an order established based on closest proximity between the franchise's Approved Location and the location where the services will be performed. If no Pillar To Post franchise within the territory agrees to fulfill the order at the price we establish, then we, one of our affiliates or a third party we designate (including a Pillar To Post franchise from outside the territory) may fulfill the order, and you will be entitled to no compensation in connection with that order.

We and our affiliates can use alternative channels of distribution to make sales of products or services under trademarks different from the Trademarks you will use under the Franchise Agreement, but we and our affiliates have not yet made any sales of this type.

### **ITEM 13 - TRADEMARKS**

You are granted the right to open and operate a home inspection business under the name "Pillar To Post Home Inspectors." You may also use our other current or future Trademarks to operate your business. By Trademarks, we mean trade names, trademarks, service marks and logos used to identify your service. One of the Trademarks appears in the upper left-hand corner of the front page of this Franchise Disclosure Document. On September 30, 2014, the Trademark "Pillar To Post Home Inspectors" was registered on the United States Patent and Trademark Office ("USPTO") principal register, registration number 4614467. Our affiliate, Pillar To Post (Canada), currently owns the registered mark. We have the exclusive license to use and license others to use the registered mark in the United States.

All required affidavits of use and renewals have been filed.

You must follow our rules when you use the Trademarks. You cannot use our name or mark as part of a corporate name or with modifying words, designs or symbols except for those that are licensed to you under the Franchise Agreement. You may not use the Trademarks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

The Trademarks are not subject to any presently effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, any state trademark administrator or any court; nor are they subject to any pending interference, opposition, or cancellation proceeding or material litigation that limits or restricts our right to use the Trademarks.

There are no currently effective agreements presently in effect that would limit the rights of us to use or license the use of the Trademarks.

We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. You must promptly notify us of any unauthorized use of the Trademark, any challenge to the validity of the Trademarks, or any challenge to our ownership of or right to use and to license others to use, our right to use, or your right to use, the Trademarks. We will take the action we think is appropriate. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Trademarks. While we are not required to defend you against a claim against your use of the Trademarks, we will reimburse you for your liability and reasonable costs in connection with defending the Trademarks. To be reimbursed, you must have notified us immediately when you learned about the infringement or challenge. However, if we determine, in our sole discretion, that you have not used the Trademarks in accordance with the Franchise Agreement, the cost of such defense, including the cost of any judgment or settlement, will be borne by you.

You must modify or discontinue the use of the Trademarks if we modify or discontinue them. We will bear the costs of modifying your signs and advertising materials to conform to any direction to modify or discontinue the use of the Trademarks but will otherwise have no obligation or liability to you. You must not directly or indirectly contest our right to the Trademarks, trade secrets or business techniques that are a part of the Pillar To Post System and franchised businesses.

We do not know of any infringing uses that would materially affect your use of the Trademarks.

In addition to the above, we have claimed exclusive use of “pillartopost” as an internet domain name and have restricted your rights to use of our Trademarks on public computer networks. You may not establish or maintain a world wide web site, social media presence, email address, or otherwise establish or maintain a presence or advertise on the internet or any other public computer network in connection with the franchised business without our prior written approval. There are a number of restrictions in this regard, as set forth in Section 12 of the Franchise Agreement, and as addressed in Chapter One of the Manual.

#### **ITEM 14 - PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We hold no patents. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in the Manual.

There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the USPTO, the U.S. Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. As of the date of this Franchise Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of them in any state.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Trademarks described in Item 13 above.

You may never – during the initial term, any renewal term or after the Franchise Agreement expires or is terminated – reveal any of our confidential information, including trade secrets, to another person or use it for any other purpose or business. You may not copy any of our confidential information or give it to a third party except as we authorize. All persons affiliated with you must sign our Confidentiality/Non-Competition Agreement. See Exhibit G-5.

Our confidential information will include products, services, equipment, technologies, procedures and strategies relating to the operation of a Pillar To Post franchise; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications that are part of the Pillar To Post System; the Manual; records of customers and referral sources; billings; methods of advertising and promotion; instructional materials; and other matters.

All data collected from former, existing, and/or potential customers and referral sources, including names and addresses, discounts and credit extensions to customers, customer contracts, reports, and status information (collectively “Customer Information”), are our trade secrets and confidential information. You are prohibited from disclosing Customer Information and our other proprietary information, trade secrets, and confidential information to third parties, including entering such information into public/open artificial intelligence (“AI”) models or any other AI model that uses such information to train the AI unless specifically authorized by us. You must adhere to any privacy policies we may now, or in the future, establish with respect to Customer Information.

#### **ITEM 15 - OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS**

You are obligated to participate in the actual operation of the franchised business on an exclusive and full-time basis (minimum of 40 hours per week) during normal business hours. This obligation begins with your attendance at the Initial Training Program and precludes any other part-time employment or other work commitment. You must successfully complete our Initial Training Program and complete the “Foundations for Success” start-up program. In the case of a corporation, limited liability company or partnership franchisee, the direct, on-site supervision must be done by a person who owns a beneficial interest of at least one-half of the corporation, limited liability company or partnership entity, and must have taken the initial training course. That person must participate in the actual operation of the franchised business on an exclusive and full-time basis during normal business hours. In the case of a corporation, all shareholders, in the case of a limited liability company, all members, and in the case of a partnership, all partners, must sign a personal guarantee in the form of Exhibit G-1.

Neither you nor the "on-premises" manager can have an interest in or business relationship with any of Pillar To Post's business competitors. In the case of a corporation, all shareholders, in the case of a limited liability company, all members, and in the case of a partnership, all partners, must sign a Confidentiality/Non-Disclosure Agreement in the form of Exhibit G-5. The manager



or supervisor must sign the same form Confidentiality/Non-Disclosure Agreement (Exhibit G-5) to maintain confidentiality of the proprietary information and trade secrets described in Item 14 and conform to the covenants not to compete described in Item 17. The manager or supervisor, the officers, directors and shareholders of a corporate franchisee, the officers, managers and members of a limited liability company, the general and limited partners of a limited partnership franchisee and each individual who owns a 5% or greater interest in the franchise entity must sign an agreement with covenants similar in substance to those set forth in Section 17 of the Franchise Agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement.

#### **ITEM 16 - RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

We require you to offer and sell only those goods and services which we have approved (see Item 9).

You must offer all goods and services that we designate for all franchisees. These required services are in the area of home inspections and related added services, including mold testing, radon testing, septic system inspection, sewer scoping, swimming pool, spa and hot tub inspection, water system testing, well inspection, wind mitigation inspection, virtual open house, and other health and safety-related services. You must offer all goods and services in accordance with our brand standards and operating basics, and all other mandatory policies, practices, procedures, regulations and specifications that we may establish from time to time. You must offer the Plus, Premium and Prestige packages of goods and services or such other packages of goods and services as we establish from time to time in accordance with our mandatory policies, practices, procedures, regulations and specifications. Any other goods or services used or offered in connection with your home inspection services must be approved by us prior to you using or offering them (see Item 8).

We have the right to add additional authorized services and products that are compatible with a home inspection business that you are required to offer. There are no limits on our right to do so.

An existing Franchisee within the same territory may have converted that territory from an exclusive territory to a non-exclusive territory and retained the right to solicit business exclusively from a particular real estate agent or other referral source as part of that conversion. If that is the case, you will not be permitted to solicit business from that real estate agent or referral source and they will be specifically identified in an addendum to your Franchise Agreement. Except for the foregoing, there are no restrictions as to the identity of the customers to whom you may offer or sell your products or services, except you are restricted to solicit those customers only in your territory.

You must avoid conflicts of interest by neither accepting or offering commissions or allowances, directly or indirectly, nor recommending or referring any form of repair or replacement of parts of any home inspected by the franchised business to yourself or any other person or entity.

**ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND  
DISPUTE RESOLUTION**

This table lists certain important provisions of the franchise agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

**THE FRANCHISE RELATIONSHIP**

<b>Provision</b>	<b>Section in the Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section 2	5 years
b. Renewal or extension of the term	Section 2	If you are in good standing you can add additional terms (up to 5) of 5 years each.
c. Requirements for you to renew or extend	Section 2	<p>You must:</p> <ul style="list-style-type: none"><li>a. provide written notice 6 months prior to expiration of current term,</li><li>b. be in full compliance,</li><li>c. be current on all monetary obligations,</li><li>d. pay renewal fee of \$2,500, and</li><li>e. sign general release in form of Exhibit G-4 to Franchise Agreement.</li></ul> <p>You may be asked to sign a contract with materially different terms and conditions than your original contract. The Royalty Fee, Brand Fee, IT Fee and other fees on renewal will not be greater than the fees that we then impose on similarly-situated renewing franchisees. The boundaries of the territory may be modified to address changes in the market and current market conditions.</p>
d. Termination by franchisee	None	If you are opening a converted Pillar To Post home inspection franchised business, you have a one-time option to terminate the Franchise Agreement effective one hundred eighty (180) days after you open for business by providing prior written notice to us not more than thirty (30) days nor less than fifteen (15) days prior to that date. Except as provided above, you may terminate the Franchise Agreement only if allowed to by law.

<b>Provision</b>	<b>Section in the Franchise Agreement</b>	<b>Summary</b>
e. Termination by franchisor without cause	None	Not applicable.
f. Termination by franchisor with cause	Section 15	We may terminate only if you default. The Franchise Agreement describes defaults throughout. Please read it carefully.
g. "Cause" defined – curable defaults	Sections 15.4 and 15.5	You have 10 days to cure monetary and financial defaults and 30 days to cure all other defaults except for non-curable defaults listed in the Franchise Agreement and h. below.
h. "Cause" defined – non-curable defaults	Sections 15.1 and 15.2	<p>Automatic without notice: insolvency, bankruptcy, assignment for the benefit of creditors, receivership, dissolution or levy.</p> <p>By notice if:</p> <ul style="list-style-type: none"> <li>a. you fail to satisfactorily complete initial on-site training or the “Foundations for Success” start-up program,</li> <li>b. you fail to timely obtain an approved location or open,</li> <li>c. you cease to operate or abandon the franchised business,</li> <li>d. you are convicted of a crime,</li> <li>e. there is a threat of danger to public health or safety that results from continued operation,</li> <li>f. you transfer any interest in the franchised business without our consent,</li> <li>g. you fail to comply with laws regulating home inspectors or you recommend yourself, another franchisee or any other person or entity to effect repairs identified in any inspection report,</li> <li>h. you do not timely effectuate an approved transfer,</li> <li>i. if you fail to meet the minimum Gross Revenue requirements in Section 7.5 of the Franchise Agreement for two (2) consecutive years,</li> <li>j. you fail to comply with Section 17.2 of the Franchise Agreement or obtain</li> </ul>

Provision	Section in the Franchise Agreement	Summary
		<p>execution of required confidentiality agreements,</p> <p>k. you divulge confidential information except as allowed in Sections 9 and 10 of the Franchise Agreement,</p> <p>l. you maintain false books or records or submit false reports,</p> <p>m. you misuse trademarks and proprietary information,</p> <p>n. you refuse to permit us to inspect your business premises or books and records,</p> <p>o. you fail to maintain adequate insurance,</p> <p>p. you receive 3 or more notices to cure during a 12 month period,</p> <p>q. you fail to implement each new or changed software requirement, or</p> <p>r. you fail to attend required conferences, meetings, training courses, seminars and programs.</p>
i. Franchisee's obligations on termination/nonrenewal	Sections 16 and 17	<p>You must:</p> <p>a. pay all you owe to us and affiliates,</p> <p>b. stop using our trademarks, confidential information, trade secrets and Manual,</p> <p>c. deliver to us all confidential information and the Manual,</p> <p>d. cancel assumed name registrations that contain our trademarks,</p> <p>e. stop using telephone numbers listed in directories under our trademarks and assign those numbers to us,</p> <p>f. stop using, terminate, and/or assign to us, at our election, all social media and other online presences used in operation of the franchised business, and</p> <p>g. procure an extended coverage errors and omissions insurance policy for at least two (2) years with us named as an additional insured.</p>
j. Assignment of contract by franchisor	Section 14	There is no restriction on our right to assign.
k. "Transfer" by franchisee – definition	Section 14	Any assignment, transfer, subfranchising, sublicensing or sale of the Franchise

<b>Provision</b>	<b>Section in the Franchise Agreement</b>	<b>Summary</b>
		Agreement, franchised business or any interest in them.
l. Franchisor approval of transfer by Franchisee	Section 14	There is no transfer without approval except to a business entity you form according to requirements of Franchise Agreement.
m. Conditions for franchisor approval of transfer	Section 14	<ul style="list-style-type: none"> <li>a. Transferee must apply to us and demonstrate qualifications necessary to conduct business.</li> <li>b. Transferee must successfully complete initial training program at transferee's expense.</li> <li>c. You must pay transfer fee of \$4,000.</li> <li>d. You must pay referral fee of \$15,000, if applicable.</li> <li>e. You must have cured all defaults and paid all you owe us and affiliates.</li> <li>f. Transferee must apply to us and demonstrate qualifications necessary to conduct business.</li> <li>g. Transferee must successfully complete initial training program at transferee's expense. Transferee must sign new franchise agreement, which may contain different terms.</li> <li>h. Term of new franchise agreement expires on expiration date of your Franchise Agreement.</li> <li>i. You and your owners must sign a general release in the form of Exhibit G-4 to Franchise Agreement.</li> <li>j. All required confidentiality/non-competition agreements must be signed.</li> <li>k. You must give us a copy of signed contract, which we must approve.</li> <li>l. You must procure an extended coverage errors and omissions insurance policy for at least two (2) years with us named as an additional insured.</li> </ul>
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.5	We can match any offer for the Franchised Business.
o. Franchisor's option to purchase franchisee's business	None	Not applicable.

<b>Provision</b>	<b>Section in the Franchise Agreement</b>	<b>Summary</b>
p. Death or disability of franchisee	Section 14.6	Your estate has 120 days in which to sell, assign, transfer or apply for right to continue to operate.
q. Non-competition covenants during the term of the franchise	Section 17.2	You may not be involved in a competing business. The non-competition provisions are subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.3	No competing business for 2 years within old non-exclusive territory. The non-competition provisions are subject to state law.
s. Modification of the agreement	Section 23	No oral modifications generally, but the Manual is subject to change.
t. Integration/merger clause	Section 23	Only the terms of the Franchise Agreement and disclosure document are binding (subject to state law). Any representations or promises outside of the disclosure document or Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 25	Except for certain claims, all disputes must be arbitrated in Florida, subject to state law.
v. Choice of forum	Section 25	Litigation must be in Florida subject to state law.
w. Choice of law	Section 25	Florida law applies subject to state law.

## **ITEM 18 - ARRANGEMENTS WITH PUBLIC FIGURES**

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

## **ITEM 19 - FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to disclose 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 the information is included in the disclosure document. Financial performance information that differs from that included in this 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 performance at a particular location or under particular circumstances.

**Statement of Average and Median Sales of Pillar to Post Franchises with Two or More Home Inspectors for Year Ending December 31, 2024 and December 31, 2023**

Year	Average Sales Per Unit	Average Sales Growth Rate	Median Sales per Unit	Median Sales Growth Rate
2024	\$475,361	12%	\$351,348	8%
2023	\$423,524	-	\$324,277	-

**Statement of Average and Median Job Size of Pillar to Post Franchises with Two or More Home Inspectors for Year Ending December 31, 2024 and December 31, 2023**

Year	Average Job Size	Average Job Size Growth Rate	Median Job Size	Median Job Size Growth Rate
2024	\$724.88	5%	\$711.05	6%
2023	\$692.41	-	\$668.08	-

**Statement of Average and Median Sales and Average and Median Job Size of Pillar To Post Franchises Based on Number of Home Inspectors for Year Ending December 31, 2024 and December 31, 2023**

**2024**

Group	Average Sales Per Unit	Median Sales per Unit	Average Job Size	Median Job Size
A	\$137,522	\$124,002	644.73	634.73
B	\$269,792	\$251,612	696.17	710.97
C	\$574,582	\$523,732	733.15	712.84
D	\$1,997,817	\$1,710,728	987.83	1,033.26

**2023**

Group	Average Sales Per Unit	Median Sales per Unit	Average Job Size	Median Job Size
A	\$120,636	\$108,027	617.16	600.66
B	\$265,475	\$247,123	679.06	659.08
C	\$539,022	\$442,603	685.69	658.67
D	\$1,701,600	\$1,260,896	927.92	889.16

Group A consists of Franchise Units with 1 home inspector.

Group B consists of Franchise Units with 2 home inspectors.

Group C consists of Franchise Units with 3 – 5 home inspectors.

Group D consists of Franchise Units with 6 or more home inspectors.

**Statement of Number of Pillar To Post Franchises Over Certain Annual Sales Thresholds for Years Ending December 31, 2024 and December 31, 2023**

<b>Sales Thresholds</b>	<b>2024</b>	<b>2023</b>
Over \$3,000,000	1	1
\$2,000,000 to \$2,999,999	1	0
\$1,000,000 to \$1,999,999	11	13
\$750,000 to \$999,999	4	2
\$500,000 to \$749,999	21	17
\$250,000 to \$499,999	62	52

**Statement of Average and Median Selling Prices as a Percentage of Annual Sales for Pillar To Post Franchises Sold During Years Ending December 31, 2024 and December 31, 2023**

	<b>2024</b>	<b>2023</b>
Number of Pillar To Post Franchises Sold	11	13
Average Selling Price as a Percentage of Prior Year's Annual Sales	72%	40%
Median Selling Price as a Percentage of Prior Year's Annual Sales	78%	41%
Highest Selling Price as a Percentage of Prior Year's Annual Sales	119%	145%
Lowest Selling Price as a Percentage of Prior Year's Annual Sales	27%	13%
Number of Transactions Above Average Selling Price as a Percentage of Prior Year's Annual Sales	7	5
Number of Transactions Above Median Selling Price as a Percentage of Prior Year's Annual Sales	5	6

**Statement of Percentage of Total Systemwide Sales of Pillar To Post Franchises by Calendar Quarter for Years Ending December 31, 2024 and December 31, 2023**

<b>Calendar Quarter</b>	<b>2024</b>	<b>2023</b>
First Quarter	22%	23%
Second Quarter	29%	29%
Third Quarter	27%	27%
Fourth Quarter	22%	21%

**Some franchises have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.**

“Sales” includes all revenues reported by franchisees to us, including all revenue received from the sale of all services and products in the operation of the franchise. It does not include



sales taxes or other taxes collected by you from customers of your franchised business for transmittal to the appropriate taxing authority.

“Selling Prices” are the gross purchase prices paid for the franchises sold during the subject time period.

The financial performance representation does not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees listed in this disclosure document may be one source of this information.

**Information Regarding Statement of Average and Median Sales and Average and Median Job Size of Pillar to Post Franchises with Two or More Home Inspectors**

The statements of Average and Median Sales and Average and Median Job Size of Pillar To Post Franchises Based with Two or More Home Inspectors consist of the averages and medians of the reported annual sales of the 87 franchisee-owned units that operated in non-exclusive territories with two (2) or more home inspectors that were open during the entire calendar year 2024. These statements do not exclude the results of any franchisee-owned units that operated in non-exclusive territories with two (2) or more home inspectors in 2024.

The 87 franchisee-owned units used for calculating the statement of Average and Median Sales for Pillar To Post Franchises with Two or More Home Inspectors in 2024 had gross sales ranging between \$97,621 and \$3,515,315, of which 24 units, or 28%, attained or surpassed \$475,361 (the Average Sales) and 44 units, or 50%, attained or surpassed \$351,348 (the Median Sales).

The statements of Average and Median Sales and Average and Median Job Size of Pillar To Post Franchises Based with Two or More Home Inspectors consist of the averages and medians of the reported annual sales of the 90 franchisee-owned units that operated in non-exclusive territories with two (2) or more home inspectors that were open during the entire calendar year 2023. These statements exclude the results from 3 franchisee-owned units that operated in non-exclusive territories with two (2) or more home inspectors in 2023. These 3 franchisee-owned units did not report gross sales for each month of the calendar years 2023 despite having a contractual obligation to do so. In the event of a failure to report gross sales that is not approved by us, we require franchisees to pay contractual minimum Royalty and Brand Fee payments pending enforcement of the contractual obligation to report gross sales.

The 90 franchisee-owned units used for calculating the statement of Average and Median Sales for Pillar To Post Franchises with Two or More Home Inspectors in 2023 had gross sales ranging between \$111,639 and \$3,137,558, of which 27 units, or 30%, attained or surpassed \$423,524 (the Average Sales) and 45 units, or 50%, attained or surpassed \$324,277 (the Median Sales).

**Information Regarding Statement of Average and Median Sales and Average and Median Job Size of Pillar To Post Franchises Based on Number of Home Inspectors**

The statements of Average and Median Sales and Average and Median Job Size of Pillar To Post Franchises Based on Number of Home Inspectors consist of the averages and medians of the reported annual sales of the 293 franchisee-owned units that operated in non-exclusive territories and were open during the entire calendar year 2024. Of that total, 206 franchisee-owned units are included in Group A, 47 franchisee-owned units are included in Group B, 36 franchisee-owned units are included in Group C, and 4 franchisee units are included in Group D. These statements exclude the results from 8 franchisee-owned units that operated in non-exclusive territories in 2024. These exclusions include 1 franchisee-owned unit that was started during 2024, and therefore, not open during the entire calendar year of 2024. These exclusions also include 4 franchisee-owned units that were terminated, not renewed, or ceased operations in 2024, and therefore, not open during the entire calendar year of 2024. Finally, these exclusions include 4 franchisee-owned units that did not report gross sales for each month of the calendar year 2024 despite having a contractual obligation to do so. In the event of a failure to report gross sales that is not approved by us, we require franchisees to pay a contractual minimum Royalty and Brand Fee payments pending enforcement of the contractual obligation to report gross sales.

The 206 franchisee-owned units used for calculating the statement of Average and Median Sales for Group A in 2024 had gross sales ranging between \$33,875 and \$474,417, of which 90 units, or 44%, attained or surpassed \$137,522 (the Average Sales) and 103 units, or 50%, attained or surpassed \$124,002 (the Median Sales). The 47 franchisee-owned units used for calculating the statement of Average and Median Sales for Group B in 2024 had gross sales ranging between \$97,621 and \$510,342, of which 22 units, or 47%, attained or surpassed \$269,792 (the Average Sales) and 24 units, or 50%, attained or surpassed \$251,612 (the Median Sales). The 36 franchisee-owned units used for calculating the statement of Average and Median Sales for Group C in 2024 had gross sales ranging between \$299,446 and \$1,137,213, of which 15 units, or 42%, attained or surpassed \$574,582 (the Average Sales) and 18 units, or 50%, attained or surpassed \$523,732 (the Median Sales). The 4 franchisee-owned units used for calculating the statement of Average and Median Sales for Group D in 2024 had gross sales ranging between \$1,054,497 and \$3,515,315, of which 2 units, or 50%, attained or surpassed \$1,997,817 (the Average Sales) and 2 units, or 50%, attained or surpassed \$1,710,728 (the Median Sales).

The statements of Average and Median Sales and Average and Median Job Size of Pillar To Post Franchises Based on Number of Home Inspectors consist of the averages and medians of the reported annual sales of the 294 franchisee-owned units that operated in non-exclusive territories and were open during the entire calendar year 2023. Of that total, 204 franchisee-owned units are included in Group A, 55 franchisee-owned units are included in Group B, 31 franchisee-owned units are included in Group C, and 4 franchisee units are included in Group D. These statements exclude the results from 12 franchisee-owned units that operated in non-exclusive territories in 2023. These exclusions include 12 franchisee-owned units that were started during 2023, and therefore, not open during the entire calendar year of 2023. These exclusions also include 1 franchisee-owned unit that was terminated, not renewed, or ceased operations in 2023, and therefore, not open during the entire calendar year of 2023. Finally, these exclusions include 11 franchisee-owned units that did not report gross sales for each month of the calendar year 2023.

despite having a contractual obligation to do so. In the event of a failure to report gross sales that is not approved by us, we require franchisees to pay contractual minimum Royalty and Brand Fee payments pending enforcement of the contractual obligation to report gross sales.

The 204 franchisee-owned units used for calculating the statement of Average and Median Sales for Group A in 2023 had gross sales ranging between \$38,697 and \$377,092, of which 90 units, or 44%, attained or surpassed \$120,636 (the Average Sales) and 102 units, or 50%, attained or surpassed \$108,027 (the Median Sales). The 55 franchisee-owned units used for calculating the statement of Average and Median Sales for Group B in 2023 had gross sales ranging between \$111,639 and \$574,927, of which 24 units, or 44%, attained or surpassed \$265,475 (the Average Sales) and 27 units, or 50%, attained or surpassed \$247,123 (the Median Sales). The 31 franchisee-owned units used for calculating the statement of Average and Median Sales for Group C in 2023 had gross sales ranging between \$265,660 and \$1,148,609, of which 14 units, or 45%, attained or surpassed \$539,022 (the Average Sales) and 16 units, or 50%, attained or surpassed \$442,603 (the Median Sales). The 4 franchisee-owned units used for calculating the statement of Average and Median Sales for Group D in 2023 had gross sales ranging between \$1,147,024 and \$3,137,585, of which 1 unit, or 25%, attained or surpassed \$1,701,600 (the Average Sales) and 2 units, or 50%, attained or surpassed \$1,260,896 (the Median Sales).

**Information Regarding Number of Pillar To Post Franchises Over Certain Annual Sales Thresholds, Average and Median Selling Prices as a Percentage of Annual Sales, and Percentage of Total Systemwide Sales by Calendar Quarter**

The statements of Number of Franchises Over Certain Annual Sales Thresholds, Average and Median Selling Prices as a Percentage of Annual Sales, and Percentage of Total Systemwide Sales by Calendar Quarter are calculated based on the reported annual sales of \$85,587,013 for 316 franchisee-owned units that operated in either exclusive or non-exclusive territories and were open during the entire calendar year 2024. These statements exclude the results from 10 franchisee-owned units that operated in either exclusive or non-exclusive territories in 2024. These exclusions include 1 franchisee-owned unit that was started during 2024, and therefore, not open during the entire calendar year. These exclusions also include 6 franchisee-owned units that were terminated, not renewed, or ceased operations in 2024, and therefore, not open during the entire calendar year. Finally, these exclusions include 4 franchisee-owned units that did not report gross sales for each month of the calendar year 2024 despite having a contractual obligation to do so. In the event of a failure to report gross sales that is not approved by us, we require franchisees to pay contractual minimum Royalty and Brand Fee payments pending enforcement of the contractual obligation to report gross sales.

The statements of Number of Franchises Over Certain Annual Sales Thresholds, Average and Median Selling Prices as a Percentage of Annual Sales, and Percentage of Total Systemwide Sales by Calendar Quarter are calculated based on the reported annual sales of \$77,253,255 for 318 franchisee-owned units that operated in either exclusive or non-exclusive territories and were open during the entire calendar year 2023. These statements exclude the results from 34 franchisee-owned units that operated in either exclusive or non-exclusive territories in 2023. These exclusions include 12 franchisee-owned units that were started during 2023, and therefore, not open during the entire calendar year. These exclusions also include 20 franchisee-owned units that were

terminated, not renewed, or ceased operations in 2023, and therefore, not open during the entire calendar year. Finally, these exclusions include 14 franchisee-owned units that did not report gross sales for each month of the calendar year 2023 despite having a contractual obligation to do so. In the event of a failure to report gross sales that is not approved by us, we require franchisees to pay contractual minimum Royalty and Brand Fee payments pending enforcement of the contractual obligation to report gross sales.

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

The gross sales of franchisee-owned units were derived from unaudited financial reports submitted by franchisees for the purpose of computing royalties.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 our management by contacting Charles Furlough at 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 and (877) 963-3129, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20 - OUTLETS AND FRANCHISEE INFORMATION**

(Table No. 1)

<b>Systemwide Outlet Summary (Non-Exclusive) For Years 2022/2023/2024</b>				
<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	440	436	-4
	2023	436	407	-29
	2024	407	376	-31
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	440	436	-4
	2023	436	407	-29
	2024	407	376	-31

(Table No. 2)

<b>Transfers of Outlets From Franchisees to New Owners (Non-Exclusive) (Other than the Franchisor) For Years 2022/2023/2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Alabama	2022	0
	2023	0
	2024	0
Alaska	2022	0
	2023	0
	2024	2
Arizona	2022	0
	2023	3
	2024	0
Arkansas	2022	0
	2023	0
	2024	0
California	2022	0
	2023	2
	2024	0
Colorado	2022	1
	2023	2
	2024	1
Connecticut	2022	0
	2023	0
	2024	0
Delaware	2022	0
	2023	0
	2024	0
Florida	2022	2
	2023	4
	2024	0
Georgia	2022	1
	2023	2
	2024	0
Hawaii	2022	0

<b>Transfers of Outlets From Franchisees to New Owners (Non-Exclusive) (Other than the Franchisor) For Years 2022/2023/2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2023	0
	2024	0
Idaho	2022	1
	2023	0
	2024	0
Illinois	2022	0
	2023	0
	2024	0
Indiana	2022	1
	2023	0
	2024	0
Iowa	2022	0
	2023	0
	2024	0
Kansas	2022	0
	2023	0
	2024	0
Kentucky	2022	0
	2023	0
	2024	0
Louisiana	2022	0
	2023	0
	2024	0
Maine	2022	0
	2023	0
	2024	0
Maryland	2022	0
	2023	0
	2024	0
Massachusetts	2022	0
	2023	0
	2024	0
Michigan	2022	1

<b>Transfers of Outlets From Franchisees to New Owners (Non-Exclusive) (Other than the Franchisor) For Years 2022/2023/2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2023	0
	2024	0
Minnesota	2022	1
	2023	0
	2024	2
Mississippi	2022	0
	2023	0
	2024	0
Missouri	2022	1
	2023	0
	2024	0
Montana	2022	0
	2023	1
	2024	0
Nebraska	2022	0
	2023	0
	2024	0
Nevada	2022	0
	2023	0
	2024	1
New Hampshire	2022	0
	2023	0
	2024	0
New Jersey	2022	0
	2023	0
	2024	0
New Mexico	2022	0
	2023	0
	2024	0
New York	2022	0
	2023	1
	2024	0
North Carolina	2022	0

<b>Transfers of Outlets From Franchisees to New Owners (Non-Exclusive) (Other than the Franchisor) For Years 2022/2023/2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2023	1
	2024	0
North Dakota	2022	0
	2023	0
	2024	0
Ohio	2022	1
	2023	0
	2024	3
Oklahoma	2022	0
	2023	0
	2024	0
Oregon	2022	0
	2023	0
	2024	0
Pennsylvania	2022	0
	2023	0
	2024	0
Rhode Island	2022	0
	2023	0
	2024	0
South Carolina	2022	0
	2023	0
	2024	0
South Dakota	2022	0
	2023	0
	2024	0
Tennessee	2022	0
	2023	3
	2024	0
Texas	2022	0
	2023	0
	2024	3
Utah	2022	0



<b>Transfers of Outlets From Franchisees to New Owners (Non-Exclusive) (Other than the Franchisor) For Years 2022/2023/2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2023	3
	2024	0
Vermont	2022	0
	2023	0
	2024	0
Virginia	2022	1
	2023	0
	2024	0
Washington	2022	0
	2023	0
	2024	0
West Virginia	2022	0
	2023	0
	2024	0
Wisconsin	2022	0
	2023	1
	2024	1
Wyoming	2022	0
	2023	0
	2024	0
<b>Total</b>	<b>2022</b>	<b>11</b>
	<b>2023</b>	<b>23</b>
	<b>2024</b>	<b>13</b>

(Table No. 3)

<b>Status of Franchised Outlets (Non-Exclusive) For Years 2022/2023/2024</b>								
<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non- Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations</b>	<b>Outlets at End of the Year</b>
Alabama	2022	7	0	1	0	0	0	6
	2023	6	0	0	0	0	0	6

**Status of Franchised Outlets (Non-Exclusive)  
For Years 2022/2023/2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of the Year
	2024	6	0	0	0	0	0	6
Alaska	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Arizona	2022	11	3	2	0	0	0	12
	2023	12	1	2	1	0	0	10
	2024	10	0	0	0	0	0	10
Arkansas	2022	3	2	0	0	0	0	5
	2023	5	0	1	0	0	0	4
	2024	4	0	0	0	0	0	4
California	2022	23	2	2	1	0	0	22
	2023	22	1	3	0	0	0	20
	2024	20	1	3	2	0	0	22
Colorado	2022	28	2	1	3	0	0	26
	2023	26	0	1	2	0	0	23
	2024	23	1	1	1	0	0	22
Connecticut	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	1	1	1	0	0	6
Delaware	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Florida	2022	34	4	2	1	0	0	35
	2023	35	3	2	0	0	0	36
	2024	36	3	1	1	0	0	37
Georgia	2022	15	4	4	0	0	0	15
	2023	15	3	0	0	0	0	18
	2024	18	1	1	0	0	0	18
Hawaii	2022	2	0	0	0	0	0	2
	2023	2	0	1	0	0	0	1
	2024	1	0	0	0	0	0	1
Idaho	2022	8	0	2	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Illinois	2022	9	0	1	0	0	0	8

**Status of Franchised Outlets (Non-Exclusive)  
For Years 2022/2023/2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of the Year
	2023	8	1	1	0	0	0	8
	2024	8	0	1	0	0	0	7
Indiana	2022	8	3	0	0	0	0	11
	2023	11	0	1	0	0	0	10
	2024	10	0	1	0	0	0	9
Iowa	2022	4	0	1	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	1	0	0	2
Kansas	2022	2	0	1	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Kentucky	2022	2	2	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Louisiana	2022	3	1	1	0	0	0	3
	2023	3	0	2	0	0	0	1
	2024	1	0	0	0	0	0	1
Maine	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Maryland	2022	6	0	0	0	0	0	6
	2023	6	0	0	1	0	0	5
	2024	5	0	1	0	0	0	4
Massachusetts	2022	10	0	1	0	0	0	9
	2023	9	0	1	1	0	0	7
	2024	7	0	0	0	0	0	7
Michigan	2022	16	1	0	0	0	0	17
	2023	17	0	2	1	0	0	14
	2024	14	0	0	1	0	0	13
Minnesota	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
	2024	8	2	1	0	0	0	9

**Status of Franchised Outlets (Non-Exclusive)  
For Years 2022/2023/2024**

<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non- Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations</b>	<b>Outlets at End of the Year</b>
Mississippi	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Missouri	2022	12	2	1	0	0	0	13
	2023	13	0	0	0	0	0	13
	2024	13	1	0	0	0	0	14
Montana	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Nebraska	2022	1	0	0	0	0	0	1
	2023	1	0	0	1	0	0	0
	2024	0	0	0	0	0	0	0
Nevada	2022	4	1	0	0	0	0	5
	2023	5	0	1	0	0	0	4
	2024	4	0	0	0	0	0	4
New Hampshire	2022	2	0	0	0	0	0	2
	2023	2	1	0	1	0	0	2
	2024	2	0	0	0	0	0	2
New Jersey	2022	15	2	1	1	0	0	15
	2023	15	0	3	0	0	0	12
	2024	12	0	1	3	0	0	8
New Mexico	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
New York	2022	12	2	3	2	0	0	9
	2023	9	0	0	1	0	0	8
	2024	8	0	1	0	0	0	7
North Carolina	2022	28	1	0	1	0	0	28
	2023	28	0	6	1	0	0	21
	2024	21	0	0	2	0	0	19
North Dakota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Ohio	2022	11	0	0	0	0	0	11
	2023	11	1	0	1	0	0	11

**Status of Franchised Outlets (Non-Exclusive)  
For Years 2022/2023/2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of the Year
	2024	11	0	0	0	0	0	11
Oklahoma	2022	3	2	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	2	0	0	0	3
Oregon	2022	6	1	0	0	0	0	7
	2023	7	0	1	0	0	0	6
	2024	6	0	2	0	0	0	4
Pennsylvania	2022	29	3	3	2	0	0	27
	2023	27	1	3	0	0	0	25
	2024	25	0	1	0	0	0	24
Rhode Island	2022	3	0	0	1	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
South Carolina	2022	8	0	0	1	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	1	0	0	0	6
South Dakota	2022	1	1	0	0	0	0	2
	2023	2	0	1	0	0	0	1
	2024	1	0	0	0	0	0	1
Tennessee	2022	13	0	1	1	0	0	11
	2023	11	1	1	0	0	0	11
	2024	11	0	0	2	0	0	9
Texas	2022	38	4	4	1	0	0	37
	2023	37	4	3	1	0	0	37
	2024	37	1	1	3	0	0	34
Utah	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Vermont	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Virginia	2022	12	0	0	1	0	0	11
	2023	11	3	0	0	0	0	14
	2024	14	0	1	2	0	0	11
Washington	2022	16	1	1	0	0	0	16

**Status of Franchised Outlets (Non-Exclusive)  
For Years 2022/2023/2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of the Year
West Virginia	2023	16	0	1	1	0	0	14
	2024	14	1	0	3	0	0	13
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Wisconsin	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Wyoming	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
<b>Total</b>	<b>2022</b>	<b>440</b>	<b>45</b>	<b>33</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>436</b>
	<b>2023</b>	<b>436</b>	<b>21</b>	<b>36</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>407</b>
	<b>2024</b>	<b>407</b>	<b>12</b>	<b>21</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>376</b>

(Table No. 4)

**Status of Company-Owned Outlets (Non-Exclusive)  
For Years 2022/2023/2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of the Year
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

We did not operate any Company-Owned Outlets in 2022, 2023 or 2024.

(Table No. 5)

<b>Projected Openings as of December 31, 2024 (Non-Exclusive)</b>			
<b>STATE</b>	<b>FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT OPEN</b>	<b>PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR</b>	<b>PROJECTED NEW COMPANY-OWNED OUTLETS IN THE CURRENT FISCAL YEAR</b>
Alabama	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
California	0	0	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
Florida	0	0	0
Georgia	0	0	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Maine	0	0	0
Maryland	0	0	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	0	0
North Dakota	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0

Projected Openings as of December 31, 2024 (Non-Exclusive)			
STATE	FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT OPEN	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE CURRENT FISCAL YEAR
Rhode Island	0	0	0
South Carolina	0	0	0
Tennessee	0	0	0
Texas	0	0	0
Utah	0	0	0
Virginia	0	0	0
Washington	0	0	0
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

(Table No. 1)

Systemwide Outlet Summary (Exclusive) For Years 2022/2023/2024				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	45	39	-6
	2023	39	38	-1
	2024	38	2	-2
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	45	39	-6
	2023	39	38	-1
	2024	38	2	-2



(Table No. 2)

<b>Transfers of Outlets From Franchisees to New Owners (Exclusive) (Other than the Franchisor) For Years 2022/2023/2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Alabama	2022	0
	2023	0
	2024	0
Alaska	2022	0
	2023	0
	2024	0
Arizona	2022	0
	2023	0
	2024	0
Arkansas	2022	0
	2023	0
	2024	0
California	2022	0
	2023	0
	2024	0
Colorado	2022	0
	2023	0
	2024	0
Connecticut	2022	0
	2023	1
	2024	1
Delaware	2022	0
	2023	0
	2024	0
Florida	2022	0
	2023	0
	2024	0
Georgia	2022	0
	2023	0
	2024	0
Hawaii	2022	0

<b>Transfers of Outlets From Franchisees to New Owners (Exclusive) (Other than the Franchisor) For Years 2022/2023/2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2023	0
	2024	0
Idaho	2022	0
	2023	0
	2024	0
Illinois	2022	0
	2023	0
	2024	0
Indiana	2022	1
	2023	0
	2024	0
Iowa	2022	0
	2023	0
	2024	0
Kansas	2022	0
	2023	0
	2024	0
Kentucky	2022	1
	2023	0
	2024	0
Louisiana	2022	0
	2023	0
	2024	0
Maine	2022	0
	2023	0
	2024	0
Maryland	2022	0
	2023	0
	2024	0
Massachusetts	2022	0
	2023	0
	2024	0
Michigan	2022	0

<b>Transfers of Outlets From Franchisees to New Owners (Exclusive) (Other than the Franchisor) For Years 2022/2023/2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2023	0
	2024	0
Minnesota	2022	0
	2023	0
	2024	0
Mississippi	2022	0
	2023	0
	2024	0
Missouri	2022	1
	2023	0
	2024	0
Montana	2022	0
	2023	0
	2024	0
Nebraska	2022	0
	2023	0
	2024	0
Nevada	2022	0
	2023	0
	2024	0
New Hampshire	2022	0
	2023	0
	2024	0
New Jersey	2022	0
	2023	0
	2024	0
New Mexico	2022	0
	2023	0
	2024	0
New York	2022	0
	2023	0
	2024	0
North Carolina	2022	0

<b>Transfers of Outlets From Franchisees to New Owners (Exclusive) (Other than the Franchisor) For Years 2022/2023/2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2023	0
	2024	0
North Dakota	2022	0
	2023	0
	2024	0
Ohio	2022	0
	2023	2
	2024	0
Oklahoma	2022	0
	2023	0
	2024	0
Oregon	2022	0
	2023	0
	2024	0
Pennsylvania	2022	0
	2023	0
	2024	0
Rhode Island	2022	0
	2023	0
	2024	0
South Carolina	2022	0
	2023	0
	2024	0
South Dakota	2022	0
	2023	0
	2024	0
Tennessee	2022	0
	2023	0
	2024	0
Texas	2022	0
	2023	0
	2024	0
Utah	2022	0

<b>Transfers of Outlets From Franchisees to New Owners (Exclusive) (Other than the Franchisor) For Years 2022/2023/2024</b>		
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2023	2
	2024	0
Vermont	2022	0
	2023	0
	2024	0
Virginia	2022	0
	2023	0
	2024	0
Washington	2022	0
	2023	0
	2024	0
West Virginia	2022	0
	2023	0
	2024	0
Wisconsin	2022	0
	2023	0
	2024	0
Wyoming	2022	0
	2023	0
	2024	0
<b>Total</b>	<b>2022</b>	<b>2</b>
	<b>2023</b>	<b>5</b>
	<b>2024</b>	<b>1</b>

(Table No. 3)

<b>Status of Franchised Outlets (Exclusive) For Years 2022/2023/2024</b>								
<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non- Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations</b>	<b>Outlets at End of the Year</b>
Alabama	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

<b>Status of Franchised Outlets (Exclusive)</b> <b>For Years 2022/2023/2024</b>								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of the Year
Alaska	2024	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Arizona	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Arkansas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
California	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Colorado	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Connecticut	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	1	0	0	0	2
Delaware	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Florida	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Georgia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Hawaii	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Idaho	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Illinois	2022	1	0	0	0	0	0	1

Status of Franchised Outlets (Exclusive) For Years 2022/2023/2024								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of the Year
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2022	2	0	1	0	0	0	1
Indiana	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2022	0	0	0	0	0	0	0
Iowa	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Kansas	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Kentucky	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2022	2	0	1	0	0	0	1
Louisiana	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Maine	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Maryland	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Massachusetts	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Michigan	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	2	0	2	0	0	0	0
Minnesota	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

<b>Status of Franchised Outlets (Exclusive)</b> <b>For Years 2022/2023/2024</b>								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of the Year
Mississippi	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Missouri	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Montana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Nebraska	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Nevada	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New Hampshire	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
New Jersey	2022	6	0	2	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
New Mexico	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New York	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
North Carolina	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
North Dakota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Ohio	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7



<b>Status of Franchised Outlets (Exclusive)</b> <b>For Years 2022/2023/2024</b>								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of the Year
Oklahoma	2024	7	0	0	0	0	0	7
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Oregon	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Pennsylvania	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Rhode Island	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
South Carolina	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
South Dakota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Utah	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Vermont	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Virginia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Washington	2022	4	0	0	0	0	0	4

Status of Franchised Outlets (Exclusive) For Years 2022/2023/2024								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of the Year
West Virginia	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Wisconsin	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Wyoming	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Total	2022	45	0	6	0	0	0	39
	2023	39	0	1	0	0	0	38
	2024	38	0	2	0	0	0	36

(Table No. 4)

Status of Company-Owned Outlets (Exclusive) For Years 2022/2023/2024								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations	Outlets at End of the Year
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

We did not operate any Company-Owned Outlets in 2022, 2023 or 2024.

(Table No. 5)

<b>Projected Openings as of December 31, 2024 (Exclusive)</b>			
<b>STATE</b>	<b>FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT OPEN</b>	<b>PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR</b>	<b>PROJECTED NEW COMPANY-OWNED OUTLETS IN THE CURRENT FISCAL YEAR</b>
Alabama	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
California	0	0	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
Florida	0	0	0
Georgia	0	0	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Maine	0	0	0
Maryland	0	0	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	0	0
North Dakota	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0

<b>Projected Openings as of December 31, 2024 (Exclusive)</b>			
<b>STATE</b>	<b>FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT OPEN</b>	<b>PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR</b>	<b>PROJECTED NEW COMPANY-OWNED OUTLETS IN THE CURRENT FISCAL YEAR</b>
Rhode Island	0	0	0
South Carolina	0	0	0
Tennessee	0	0	0
Texas	0	0	0
Utah	0	0	0
Virginia	0	0	0
Washington	0	0	0
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

Exhibit A lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of December 31, 2024.

Exhibit B lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or 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 Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not signed confidentiality clauses with any current or former franchisees.

Exhibit K lists, to the extent known, the names, addresses, telephone numbers, e-mail address and Web address of each trademark-specific franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed.

Exhibit L lists the independent franchisee organizations that have asked to be included in this Franchise Disclosure Document.

## **ITEM 21 - FINANCIAL STATEMENTS**

Exhibit E to this Franchise Disclosure Document contains the following financial statements:

- (1) Audited consolidated financial statements of FS Brands, Inc., parent of Pillar To Post Inc., for December 31, 2024 and December 31, 2023; and
- (2) Audited consolidated financial statements of FS Brands, Inc., parent of Pillar To Post Inc., for December 31, 2023 and December 31, 2022.

The Federal Trade Commission and certain states require that a Guarantee of Performance be given by FS Brands, Inc. Original guarantees are on file with the states identified in Exhibit H. Copies of the guarantees are attached as Exhibit F. FS Brands, Inc. absolutely and unconditionally guarantees Pillar To Post's obligations under the Franchise Agreement.

## **ITEM 22 - CONTRACTS**

Exhibit G is a copy of the Franchise Agreement. Attached to the Franchise Agreement as Exhibits are: Exhibit G-1, a Personal Guarantee to be signed by you; Exhibit G-2, the Friendship Agreement, which addresses marketing, territory and boundary issues; Exhibit G-3, the Good Neighbor Agreement, which addresses relationships with neighboring franchisees in your non-exclusive territory; Exhibit G-4, the General Release; and Exhibit G-5, the Confidentiality/Non-Competition Agreement.

Additionally, riders to the standard Franchise Agreement are added for certain registration states. See Exhibit J.

## **ITEM 23 - RECEIPT**

You will find copies of a detachable receipt in Exhibit N at the very end of this Franchise Disclosure Document. Return the one copy of the receipt to Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, Florida 33618.

**EXHIBIT A**  
**LIST OF FRANCHISEES**

**Exhibit A**  
**List of Franchises**

**ALASKA**

JC Joint Ventures LLC  
Luke Jacobson and Brian Cameron  
PO Box 790  
Sterling, AK 99762  
(907) 521-7776  
Jul-07  
**Corporate Franchise**

JC Joint Ventures LLC  
Luke Jacobson and Brian Cameron  
PO Box 790  
Sterling, AK 99762  
(907) 521-7776  
Mar-17  
**Corporate Franchise**

**ALABAMA**

Alpha Home Inspections, Inc.  
James Mason  
4939 Eagle Crest Road  
Birmingham, AL 35242  
(205) 919-1913  
Sep-03  
**Corporate Franchise**

PILLAR TO POST®  
John Greer  
730 CR 171  
Killen, AL 35645  
(256) 627-1233  
Jul-13  
**Corporate Franchise**

PILLAR TO POST®  
Matt Homan  
395 Cary Dr  
Auburn, AL 36830  
(334) 591-5174  
Aug-17  
**Corporate Franchise**

TYB Services, LLC  
John Humphreys  
1087 Wood Duck Way  
Alabaster, AL 35007  
(205) 821-8157  
Dec-14  
**Corporate Franchise**

North Alabama Residential Inspections LLC  
Greg Johnson  
125 Bowdock Dr.  
Madison, AL 35756  
(256) 218-0074  
Oct-19  
**Corporate Franchise**

Eastern Shore Home Services LLC  
Daniel Sloan  
110 Echo Ln  
Fairhope, AL 36532  
(251) 517-7264  
Sep-19  
**Corporate Franchise**

**ARIZONA**

Casper Enterprises, LLC  
Chad Casper  
7428 N La Cholla Blvd  
Tucson, AZ 85741  
(520) 271-3005  
Apr-98  
**Corporate Franchise**

Om Sai Shyam LLC  
Ronak Patel  
4317 W Electra Ln  
Glendale, AZ 85310  
(210) 837-4250  
Aug-22  
**Corporate Franchise**

Quinn Premier Enterprises, Inc.  
Randy Hogenmiller  
3318 E. Hononegh Drive  
Phoenix, AZ 85050  
(602) 466-1404  
May-05  
**Corporate Franchise**

PILLAR TO POST®  
Greg DeAvila  
2701 N Ogden Rd  
Mesa, AZ 85215  
(480) 910-4461  
Jul-15  
**Corporate Franchise**

Southern Arizona Home Inspectors LLC  
Luis Guzman  
2301 W San Juan Trail Unit 2  
Tucson, AZ 85713-2542  
(520) 955-6050  
Aug-21  
**Corporate Franchise**

Casper Enterprises, LLC  
Chad Casper  
7428 N La Cholla Blvd  
Tucson, AZ 85741  
(520) 271-3005  
Dec-16  
**Corporate Franchise**

PILLAR TO POST®  
Brandon Hoy

PILLAR TO POST®  
Lonnie Carter

PILLAR TO POST®  
Lonnie Duran

32836 N 43<sup>rd</sup> St  
Cave Creek, AZ 85331  
(480) 504-3865  
Aug-17  
**Corporate Franchise**

1058 N Gila Verde  
Mesa, AZ 85207  
(916) 805-1873  
Jul-23  
**Corporate Franchise**

10611 N Decker Dr.  
Tucson, AZ 85742  
(520) 213-6400  
Feb-19  
**Corporate Franchise**

PILLAR TO POST®  
Greg DeAvila  
2701 N Ogden Rd  
Mesa, AZ 85215  
(480) 910-4461  
Nov-22  
**Corporate Franchise**

## ARKANSAS

PILLAR TO POST®  
Evan Wolfe and Lelan Wolfe  
1709 E Centerton Blvd #416  
Centerton, AR 72758  
(479) 402-1615  
Mar-22  
**Corporate Franchise**

Juniper Home Services LLC  
Walter Paulson  
14212 Clarborne Court,  
Little Rock, AR 72211  
(501) 515-2769  
Jan-16  
**Corporate Franchise**

Cornerstone Home Inspections, LLC  
Kyle Franzen  
1801 N 18th St.  
Paragould, Arkansas 72450  
(870) 450-5588  
Aug-16  
**Corporate Franchise**

PILLAR TO POST®  
Keith Miller  
4305 W Candlewood Pl  
Rogers, AR 72758  
(479) 877-9559  
Feb-22  
**Corporate Franchise**

## CALIFORNIA

PILLAR TO POST®  
Wesley Osaze  
2230 Webster St #420  
Oakland, CA 94621  
(510) 755-4945  
Dec-23  
**Corporate Franchise**

PILLAR TO POST®  
Troy Bostwick  
632 McKinley  
Redlands, CA 92373  
(909) 335-2673  
Oct-19  
**Corporate Franchise**

PILLAR TO POST®  
Timothy Tai  
5330 Diamond Heights Blvd, Unit J205  
San Francisco, CA 94131  
(510) 620-0825  
Jan-03  
**Corporate Franchise**

JPL Services LLC  
Joseph and Sylvie Lang  
154-A W. Foothill Blvd., #290  
Upland, CA 91786  
(909) 989-5114  
Jul-04  
**Corporate Franchise**

Hartsoch Home Inspection Team, Inc.  
Ryan Hartsoch  
818 Morning Dove Lane  
Rocklin, CA 95765  
(916) 251-8907  
Jun-15  
**Corporate Franchise**

KPH Enterprises L.L.C.  
Kevin Held  
535 W. El Segundo Blvd. #400  
Los Angeles, CA 90031  
(213) 328-2555  
Jun-22  
**Corporate Franchise**

Resonant Services Group Inc.  
John Schroeder

PILLAR TO POST®  
Paula Camarena

PILLAR TO POST®  
Rick and Chris Ursitti



4018 Beverly Glen Blvd  
Sherman Oaks, CA 91423  
(818) 788-1244  
Feb-17

**Corporate Franchise**

PILLAR TO POST®  
Mike Booth  
9854 Cerise St.  
Rancho Cucamonga, CA 91730  
(909) 360-9426  
May-15

**Corporate Franchise**

PILLAR TO POST®  
Paige Bohrer & Andrew Cumpston  
PO Box 182  
Seaside, CA 93955  
(831) 884-6160  
Feb-20

**Corporate Franchise**

Vritas LLC  
Sanjay Gandotra  
4531 Laird Circle  
Santa Clara, CA 95054  
(650) 667-0749  
Sep-24

**Corporate Franchise**

5267 Warner Ave Unit 274  
Huntington Beach, CA 92649  
(714) 794-5295  
Sep-18

**Corporate Franchise**

Central Valley Property Inspections, LLC  
Troy Sciumbato  
12337 Haven Rd  
Madera, CA 93636  
(559) 416-6134  
Jul-17

**Corporate Franchise**

Hartsoch Home Inspection Team, Inc.  
Ryan Hartsoch  
818 Morning Dove Lane  
Rocklin, CA 95765  
(916) 251-8907  
Oct-21

**Corporate Franchise**

466 Foothill Blvd, Suite 145  
La Canada, CA 91011  
(323) 622-9403  
Nov-18

**Corporate Franchise**

DDMD, Inc.  
Dustin Diede  
3515 Idlewild Ave  
Napa, CA 94558  
(707) 202-8332  
Jul-17

**Corporate Franchise**

TriCounty Inspections, LLC  
Colin Flynn  
1640 Grand Ave  
Santa Barbara, CA 93103  
(805) 724-9855  
Oct-20

**Corporate Franchise**

**COLORADO**

J&E Inspections LLC  
Joshua Deck  
7073 Cobblecreek Drive  
Colorado Springs, CO 80922  
(719) 633-5639  
Jun-16

**Corporate Franchise**

Diamond Elite Home Inspections LLC  
Jason Rounds  
PO Box 583  
Firestone, CO 80520  
(303) 772-1997  
Mar-98

**Corporate Franchise**

PILLAR TO POST®  
Casey Mendenhall  
431 E Chadwick Dr  
Pueblo West, CO 81007  
(719) 248-8655  
Nov-21

**Corporate Franchise**

Detailed Home Inspections, Inc.  
Scott Lunsford  
8414 Parfet Court  
Arvada, CO 80005  
(303) 456-6789  
Apr-99

**Corporate Franchise**

Denver Professional Home Inspection, LLC  
Chris Walsh  
6795 E Tennessee Ave Ste 413  
Denver, CO 80224  
(303) 655-1177  
Apr-11

**Corporate Franchise**

PILLAR TO POST®  
Robert Abram  
3306 Petalina Ct  
Pueblo West, CO 81007  
(719) 579-6627  
Apr-99

**Corporate Franchise**

PILLAR TO POST®  
Casey Mendenhall  
431 E Chadwick Dr

Front Range Home Inspections, LLC  
Daniel DeVries  
PO Box 270042

Professional Home Inspectors of  
Colorado, Inc  
Brett Lotspeich  
5 Wood Sorrel

Pueblo West, CO 81007  
(719) 248-8655  
Jan-21  
**Corporate Franchise**

Mile High Precision Home Inspection, Inc.  
Steven McBride  
11022 Rosalie Dr.  
Northglenn, CO 80233  
(303) 940-2220  
May-12  
**Corporate Franchise**

Safe Haven Inspections, Inc  
John Fanch  
11648 W 84th Lane  
Arvada, CO 80005  
(720) 708-5717  
Aug-13  
**Corporate Franchise**

J&E Inspections LLC  
Joshua Deck  
7073 Cobblecreek Drive  
Colorado Springs, CO 80922  
(719) 633-5639  
Jul-19  
**Corporate Franchise**

MJM Inspection Services LLC  
Mike Moran  
PO Box 6172  
Eagle, Colorado 81631  
(970) 390-0017  
May-14  
**Corporate Franchise**

Pantheon Strategic Solutions Inc.  
Ted Xavier and Yvette Lo  
2255 Sheridan Blvd. Suite 271  
Edgewater, CO 80214  
(720) 996-7100  
Ape-22  
**Corporate Franchise**

Fort Collins, CO 80525  
(970) 372-8052  
May-09  
**Corporate Franchise**

PILLAR TO POST®  
Craig Cox  
826 Rabbit Run Dr  
Golden, CO 80401  
(303) 433-0379  
Dec-12  
**Corporate Franchise**

PILLAR TO POST®  
Brian Notestein  
5074 Balsam Street  
Colorado Springs, CO 80923  
(719) 300-9626  
Mar-20  
**Corporate Franchise**

A-LL Seasons Home Inspections, LLC  
Matthew Fulmer  
229 N 55th Ave  
Greeley, CO 80634  
(970) 443-0779  
Oct-14  
**Corporate Franchise**

PILLAR TO POST®  
Joe Yaskoweak  
34759 Southern Cross Loop  
Kiowa, CO 80117  
(720) 402-2623  
Mar-21  
**Corporate Franchise**

Littleton, Colorado 80127  
(303) 997-4270  
Aug-17  
**Corporate Franchise**

Peak to Peak Home Inspections, LLC  
Paul & Joellen Camden  
457 Mockingbird Ct  
Highlands Ranch, CO 80129  
(720) 788-7170  
Jun-17  
**Corporate Franchise**

D & I Home Inspections, LLC  
Doug Krueck  
3734 S Mission Parkway  
Aurora, CO 80013  
(303) 650-0601  
Dec-10  
**Corporate Franchise**

PILLAR TO POST®  
Martin Killorin  
3830 Hoyt St  
Wheat Ridge, CO 80033  
(720) 737-0426  
Oct-15  
**Corporate Franchise**

PILLAR TO POST®  
Jeff Emmett  
302 Brook Rd  
Evergreen, CO 80439  
(303) 394-2800  
Mar-24  
**Corporate Franchise**

## CONNECTICUT

PILLAR TO POST®  
Marco Miranda  
74 N. Main Street  
Beacon Falls, CT 06403  
(203) 490-7855

PILLAR TO POST®  
Tyler Pratt  
205 Albert Street  
Torrington, CT 06790  
(860) 496-7744

PILLAR TO POST  
Steven Bakowicz  
79 Cottage Rd  
Oakdale, CT 06370  
(860) 886-3554

Apr-99  
**Corporate Franchise**

PILLAR TO POST®  
Tyler Pratt  
205 Albert Street  
Torrington, CT 06790  
(860) 496-7744  
Feb-11  
**Corporate Franchise**

Trusted Home Inspection, LLC  
Dennis Castellano  
P.O. Box 312  
Derby, CT 06418  
(203) 400-9071  
Dec-16  
**Corporate Franchise**

Aug-19  
**Corporate Franchise**

Home Sweet Home Inspection, LLC  
Eric Lipkin  
54 Hazard Ave., #260  
Enfield, CT 06082  
(860) 970-1515  
Apr-01  
**Corporate Franchise**

Trusted Hands Home Inspection LLC  
Jonathan Long  
341 E Centre St, Unit #146  
Manchester, CT 06040  
(860) 955-9770  
Jun-22  
**Corporate Franchise**

Jan-19  
**Corporate Franchise**

PILLAR TO POST®  
Marco Miranda  
74 N. Main Street  
Beacon Falls, CT 06403  
(203) 490-7855  
Dec-13  
**Corporate Franchise**

## DISTRICT OF COLUMBIA

## FLORIDA

Mike McLendon Enterprises, Inc.  
Michael McLendon  
2429 Flower Ave.,  
Panama City, FL 32405  
(850) 271-0501  
Aug-98  
**Corporate Franchise**

DLG Home Inspections Inc.  
Danny Logue  
4701 Berwyn Court  
Palm Harbour, FL 34685  
(727) 934-8339  
Apr-00  
**Corporate Franchise**

Real Estate Equity Management Co.  
Jacob Blacher  
3475 N. Meridian Avenue  
Miami Beach, FL 33140  
(305) 672-5228  
Sep-01  
**Corporate Franchise**

For Pete's Sake, Inc.  
Jeff Mackey  
5384 Jade Circle  
Orlando, FL 32812

Linzo, Inc.  
Daniel P. Warren  
9221 Clove Court  
Fort Myers, FL 33919  
(239) 728-1458  
May-99  
**Corporate Franchise**

PILLAR TO POST®  
Stephen Shelowitz  
9623 Watercrest Isle  
Parkland, FL 33076  
(754) 229-8777  
Jul-18  
**Corporate Franchise**

Angel Calle, LLC  
Angel Calle  
8445 S.W. 163rd Terrace  
Palmetto Bay, FL 33157  
(305) 528-9521  
Apr-07  
**Corporate Franchise**

El Pibe de Oro, LLC  
Javier Jara  
14697 S. Hwy 475  
Summerfield, FL 34491

CMR Home Inspections, LLC  
Mike Williams  
2954 Ravines Rd  
Middleburg, FL 32068  
(904) 282-9248  
Dec-02  
**Corporate Franchise**

For Pete's Sake, Inc.  
Jeff Mackey  
5384 Jade Circle  
Orlando, FL 32812  
(407) 582-9009  
Aug-01  
**Corporate Franchise**

PILLAR TO POST  
Alan Samuels  
5785 Stone Pointe Drive  
Sarasota, FL 34233  
(941) 920-3977  
Sep-14  
**Corporate Franchise**

CMR Home Inspections, LLC  
Mike Williams  
2954 Ravines Rd  
Middleburg, FL 32068

(407) 582-9009

Dec-16

**Corporate Franchise**

Bentley Inspections LLC  
Brian Bentley  
16877 E Colonial Dr. Suite 175  
Orlando, FL 32820  
(407) 568-1899  
Apr-13

**Corporate Franchise**

PILLAR TO POST®  
Jesus Pina  
7045 Sierra Club Circle, Unit 4403  
Naples, FL 34113  
(239) 427-4888  
May-24

**Corporate Franchise**

PILLAR TO POST®  
Andre Walters and Eileen Juarez  
2001 Ribera Dr.  
Oxnard, CA 93030  
(619) 306-8327  
Dec-22

**Corporate Franchise**

PILLAR TO POST  
Janine Brown  
927 Tivoli Court  
Naples, FL 34104  
(239) 300-4148  
Feb-15

**Corporate Franchise**

RPK Home Inspection Inc  
Ron Kimraj  
3429 Harlequin Drive  
St. Cloud, FL 34772  
(689) 500-1996  
Feb-21

**Corporate Franchise**

PILLAR TO POST®  
Daniel Orellana  
950 SW 151 Place  
Miami, FL 33194  
(954) 401-8189  
Jun-17

**Corporate Franchise**

(352) 804-4760

Jan-99

**Corporate Franchise**

B's Home Solutions, Inc.  
Brendan Haggerty  
10900 NW 20<sup>th</sup> Ct  
Sunrise, FL 33322  
(954) 749-8615  
May-08

**Corporate Franchise**

Grasso Home Inspection, Inc.  
Sam Grasso  
4111 Salmon Dr  
Orlando, FL 32835  
(407) 512-5995  
Jul-13

**Corporate Franchise**

E.K. I Pura Vida LLC  
Eddie Dillon  
P.O. Box 238359  
Port Orange, FL 32123  
(386) 847-0558  
May-14

**Corporate Franchise**

PILLAR TO POST  
Cliff Hughes  
8563 Cypress Springs Rd  
Lake Worth, FL 33467  
(561) 935-1809  
08-16

**Corporate Franchise**

PILLAR TO POST®  
David Ricker and Kelly McAvoy  
968 Paddington Terrace  
Lake Mary, FL 32746  
(407) 942-2026  
May-22

**Corporate Franchise**

Bentley Inspections LLC  
Brian Bentley  
16877 E Colonial Dr. Suite 175  
Orlando, FL 32820  
(407) 568-1899  
Nov-16

**Corporate Franchise**

(904) 282-9248

Dec-02

**Corporate Franchise**

PILLAR TO POST®  
Brian McCormick  
752 S. Edgemon Ave  
Winter Springs, FL 32708  
(407) 417-2874  
Sep-18

**Corporate Franchise**

PILLAR TO POST®  
George Martos  
120 East Oakland Park Blvd #105  
Fort Lauderdale, FL 33334  
(954) 873-6048  
Aug-13

**Corporate Franchise**

CMR Home Inspections, LLC  
Mike Williams  
2954 Ravines Rd  
Middleburg, FL 32068  
(904) 282-9248  
Dec-14

**Corporate Franchise**

Home Inspections By J & M, LLC  
Jack Zaczek  
11481 Old St. Augustine Road, Suite 302  
Jacksonville, FL 32208  
(904) 592-7414  
Apr-13

**Corporate Franchise**

Miami Home Inspectors, LLC  
Ricardo Diaz  
11231 NW 20th St Unit 140 box # 213  
Miami, FL 33172  
(786) 675-7596  
Aug-17

**Corporate Franchise**

FourBe LLC  
Nick Cerami  
13568 Blue Bay Circle  
Fort Myers, FL 33913  
(239) 770- 2690  
Sep-17

**Corporate Franchise**

4tress Hill Corporation  
Scott McGarrity  
518 N. Tampa St., Suite 375  
Tampa, FL 33602  
(813) 685-7573  
Oct-18

**Corporate Franchise**

Eastern Shore Home Services LLC  
Daniel Sloan  
110 Echo Ln  
Fairhope, AL 36532  
(251) 517-7264  
Apr-19

**Corporate Franchise**

BCBN Inspections LLC  
Brad Moltrup  
160 Paramount Dr.  
Sarasota, FL 34232  
(941) 302-5541  
May-21

**Corporate Franchise**

Decision Insights Inc.  
Dan Rigoli  
11090 Rockledge View Dr  
Palm Beach Gardens, FL 33412  
(561) 603-3377  
Jun-23

**Corporate Franchise**

Mas Home Inspection Corp  
Juan Ibarra  
8355 W Flagler St., Suite 221  
Miami, FL 33144  
(305) 299-4626  
Feb-19

**Corporate Franchise**

PILLAR TO POST®  
Scott Langbein  
3425 NW 19th Street  
Cape Coral, FL 33993  
(239) 306-3822  
Aug-19

**Corporate Franchise**

PILLAR TO POST®  
Merklen Li  
15214 Cherry Creek Lane  
Delray Beach, FL 33446  
(561) 414-2227  
May-23

**Corporate Franchise**

VGM Solutions LLC  
Omar Garcia  
16207 Melogold Dr  
Westlake, FL 33470  
(561) 223-1222  
Mar-24

**Corporate Franchise**

NWFlorida Property Inspections LLC  
Daniel Jones  
7299 Frank Reeder Rd  
Pensacola, FL 32526  
(850) 462-5999  
Jul-24

**Corporate Franchise**

PILLAR TO POST®  
Chris Bryant  
3837 SE 7th St  
Ocala, FL 34471  
(352) 875-7450  
Jan-20

**Corporate Franchise**

Kandeel LLC  
Hassan Qandeel  
1224 Finland Dr  
Spring Hill, FL 34609  
(352) 340-2225  
Jun-23

**Corporate Franchise**

**GEORGIA**

Middle Georgia Home Inspectors, LLC  
Matthew Bryant  
110 Erin Lee Court  
Warner Robins, GA 31088  
(478) 960-5041  
Jan-00

**Corporate Franchise**

PILLAR TO POST®  
David Del Giorgio  
458 Argonne Terrace  
Canton, GA 30115  
(770) 213-3582  
May-15

**Corporate Franchise**

PILLAR TO POST®  
Kareem Mincey  
805 S Glynn St. Ste 127-236  
Fayetteville, GA 30214  
(404) 254-7838  
May-19

**Corporate Franchise**

NWGA Inspections LLC  
Jordan Johnson  
3000 Preston Station Drive  
Hixson, TN 37343  
(318) 401-2567  
Nov-24

**Corporate Franchise**

Fidelis Home Inspections Inc  
Tibi Marginean  
P.O. Box 49791  
Athens, GA 30604  
(706) 850-3315  
Mar-13

**Corporate Franchise**

PILLAR TO POST  
Chuck Kirby  
67 Hunters Overlook Drive  
Senoia, GA 30276  
(678) 423-1385  
Jun-16

**Corporate Franchise**

Magnolias & Mortar Home Solutions, LLC

Lawson Inspection Services, LLC

Ridgewood Capital, LLC

Nevada Weatherspoon  
500 Heathmill Ct  
Milton, GA 30004  
(678) 587-5087  
Aug-19

**Corporate Franchise**

PILLAR TO POST®  
James Skurski  
4200 Wild Sonnet Trail NW  
Peachtree Corners, GA 30092  
(770) 575-7813  
Nov-20

**Corporate Franchise**

Unitrade Assessments LLC  
  
Matthew Brooky  
653 Miller Road  
Cedartown, GA 30125  
(470) 864-1210  
May-22

**Corporate Franchise**

Middle Georgia Home Inspectors, LLC  
Matthew Bryant  
110 Erin Lee Court  
Warner Robins, GA 31088  
(478) 960-5041  
Jan-23

**Corporate Franchise**

Bob Lawson  
335 Hunters Trace  
Dallas, GA 30157  
(470)-830-8765  
Oct-21

**Corporate Franchise**

PILLAR TO POST®  
Jason Laetsch  
16142 Belford Dr  
Milton, GA 30004  
(678) 564-9007  
Feb-20

**Corporate Franchise**

T&S Holdings, LLC  
  
Scott Collins  
621 Ballastone Circle  
Bloomington, GA 31302  
(912) 429-7067  
Oct-22

**Corporate Franchise**

Adell Family Services, LLC  
Jeremiah Adell  
5121 Washington Rd. Ste 2  
Evans, GA 30809  
(706) 524-0123  
Feb-23

**Corporate Franchise**

James Sitzman and Jim Sitzman  
2737 Ridgemore Road  
Atlanta, GA 30318  
(404) 855-5338  
Oct-21

**Corporate Franchise**

PILLAR TO POST®  
Kendall Pickens  
PO Box 181  
Calhoun, GA 30703  
(762) 204-9787  
Jan-22

**Corporate Franchise**

ChaconRivers Home Inspection Services,  
LLC  
Wladimir Chacon-MacHez  
23 Matador Way  
Newnan, GA 30263  
(678) 907-3742  
Jul-20

**Corporate Franchise**

YorkB, LLC  
Benjamin York  
4402 Riverchase Dr. Apt 1408  
Phenix City, AL 36867  
(706) 989-4445  
May-23

**Corporate Franchise**

## HAWAII

RLE Inc.  
Richard Elliott  
204-207 Beachwalk  
Honolulu, HI 96830  
(808) 492-1675  
Sep-18

**Corporate Franchise**

## IDAHO

PILLAR TO POST®  
Bill Barry  
948 Old Glory Way  
Chubbuck, ID 83202  
(208) 478-4728

PILLAR TO POST®  
Bill Barry  
948 Old Glory Way  
Chubbuck, ID 83202  
(208) 478-4728

PILLAR TO POST®  
Nick Plante  
3926 South Basilica Way  
Meridian, ID 83642  
(208) 914-8107

Jun-01  
**Corporate Franchise**

PILLAR TO POST®  
Scott Parsons  
1843 W. Colchester Dr.  
Eagle, ID 83616  
(208) 996-9376  
Mar-15

**Corporate Franchise**

PILLAR TO POST®  
Van Lefevre  
4220 Lincoln Rd  
Caldwell, ID 83605  
(208) 504-0005  
May-23

**Corporate Franchise**

July-15  
**Corporate Franchise**

PILLAR TO POST®  
Jon Garnsey  
PO Box 5141  
Twin Falls, ID 83303  
(208) 934-6523  
Jul-18

**Corporate Franchise**

Apr-13  
**Corporate Franchise**

PILLAR TO POST®  
Amanda Wallace and Danny Pankowski  
13601 W McMillan Rd Suite 102-155  
Boise, ID 83713  
(208) 850-6467  
Nov-19

**Corporate Franchise**

## IOWA

PILLAR TO POST®  
Jeff Vry  
210 Sherman St  
Liscomb, IA 50148  
(515) 331-0787  
Mar-12  
**Corporate Franchise**

PILLAR TO POST®  
David Kelling  
927 1st Street SW  
Waverly, IA 50677  
(319) 231-7474  
05-14  
**Corporate Franchise**

## ILLINOIS

Accurate Inspections, Inc.  
Ron Irace  
17202 Lakebrook Dr.  
Orland Park, IL 60467  
(708) 870-2438  
Oct-03  
**Corporate Franchise**

Greater Gateway Inspections LLC  
Josh McDanel  
2710 College Ave. Suite G  
Alton, IL 62002  
(618) 494-8900  
May-16  
**Corporate Franchise**

PILLAR TO POST®  
Rodney Fryer & Mike Davis  
3322 W Lisa Ln  
Peoria, IL 61615  
(309) 688-4490  
May-13  
**Corporate Franchise**

PILLAR TO POST®  
Humza Khan  
1822 Windward Lane  
Hanover Park, IL 60133  
(312) 265-6666  
May-14  
**Corporate Franchise**

Northside Home Inspection, LLC  
Nate Adams  
931 W. Gordon Terrace,  
Chicago, Illinois 60613  
(773) 999-5548  
Nov-16  
**Corporate Franchise**

PILLAR TO POST®  
Jeremiah DeBaker  
677 Avenue Of The Cities, #160  
East Moline, IL 61244  
(309) 206-9420  
Jun-18  
**Corporate Franchise**

Pepper Rogers LLC  
Matt and Autumn Rogers  
122 N 1st St Suite D  
Dekalb, IL 60115  
(815) 517-0025

PILLAR TO POST®  
Matthew Manikham  
4504 Linder Place  
Rockford, IL 61107  
(779) 867-5100

Feb-19  
**Corporate Franchise**

Aug-23  
**Corporate Franchise**

## INDIANA

Douglas Stone, Inc.  
Scott McIntyre  
1724 S Winding Way  
Edgewood, IN 46011  
(317) 606-5670  
Nov-18  
**Corporate Franchise**

Schray & Associates Inc.  
Mike & Alison Schray  
P.O. Box 750573  
Dayton, OH 45475  
(937) 291-9100  
Jul-04  
**Corporate Franchise**

Carrothers Inspection Services, LLC  
Jon Carrothers  
8617 Dutch Elm Way  
Brownsburg, IN 46112  
(317) 550-4044  
May-05  
**Corporate Franchise**

Ardyce, LLC  
David Powell  
3002 Old Tay Bridge  
Jeffersonville, IN 47130  
(812) 725-9221  
Nov-16  
**Corporate Franchise**

PILLAR TO POST®  
Tim James  
10769 Broadway 128  
Crown Point, IN 46307  
(219) 898-4357  
Feb-15  
**Corporate Franchise**

Maher Enterprises, Inc.  
Steve Maher  
1529 West Walnut St.  
Kokomo, IN 46901  
(765) 416-9169  
Sep-22  
**Corporate Franchise**

Carrothers Inspection Services, LLC  
Jon Carrothers  
8617 Dutch Elm Way  
Brownsburg, IN 46112  
(317) 550-4044  
Jul-17  
**Corporate Franchise**

The Hull Team, Inc.  
Richard Hull  
1050 N Hartstrait Road  
Bloomington, IN 47404  
(812) 320-4660  
Mar-22  
**Corporate Franchise**

TDC Enterprises LLC  
Troy Castner  
6404 W Taylor Rd.  
Muncie, IN 47304  
(765) 749-7453  
Aug-17  
**Corporate Franchise**

PILLAR TO POST®  
Jeff Wade  
306 West Elm Street  
Haubstadt, IN 47639  
(812) 664-8988  
Jan-21  
**Corporate Franchise**

## KANSAS

Hancock Enterprises Inc.  
Jason Hancock  
3023 E. Dunham St.  
Wichita, KS 67216  
(316) 570-1444  
Jul-18  
**Corporate Franchise**

## KENTUCKY

Schray & Associates Inc.  
Mike & Alison Schray

Ardyce, LLC  
David Powell

Team Starnes Home Inspectors LLC  
Dave Starnes



P.O. Box 750573  
Dayton, OH 45475  
(937) 291-9100  
Jul-04

**Corporate Franchise**

PILLAR TO POST®  
Brent Persinger  
111 Meadow Lark Trail  
Georgetown, KY 40324  
(859) 270-9377  
Sep-21

**Corporate Franchise**

3002 Old Tay Bridge  
Jeffersonville, IN 47130  
(812) 725-9221  
Jun-02

**Corporate Franchise**

PILLAR TO POST®  
Kevontrae Brown  
1546 Cobra Lane  
Clarksville, TN 37042  
(931) 444-3885  
May-22

**Corporate Franchise**

236 Blair Dr  
Clarksville, TN 37043-1765  
(931) 999-3312  
Sep-20

**Corporate Franchise**

**LOUISIANA**

PILLAR TO POST®  
Chris & Dianna Braud  
17083 Peace Point Dr.  
Springfield, LA 70462  
(225) 460-0654  
Aug-21

**Corporate Franchise**

**MAINE**

PILLAR TO POST®  
Brandon Lussier  
243 Roosevelt Trail Suite 1  
Windham, ME 04062  
(207) 749-3775  
Dec-13

**Corporate Franchise**

Lacombe Enterprises LLC  
Michael Lacombe  
57 Gina St  
Lewiston, ME 04240  
(207) 240-1257  
Aug-17

**Corporate Franchise**

PILLAR TO POST®  
John Goulet  
58 Christian Hill Rd  
Charleston, ME 04422  
(207) 356-9060  
Jan-20

**Corporate Franchise**

**MARYLAND**

Sothorn Maryland Home Inspections, LLC  
John and Patricia Clarke  
7906 Wicker Ln  
La Plata, MD 20646  
(301) 888-2700  
Aug-19

**Corporate Franchise**

Team House To Home Inspections, LLC  
Joseph Brandli  
505 Walker Avenue  
Baltimore, MD 21212  
(443) 473-0620  
Jul-10

**Corporate Franchise**

PILLAR TO POST®  
Jay Rouse  
1537 Light Street  
Baltimore, MD 21230  
(410) 409-5524  
Nov-20

**Corporate Franchise**

JJ Home Inspection, LLC  
James Joshua Luko  
10505 Santa Anita Terrace  
Damascus, MD 20872  
(301) 300-6696  
May-17

**Corporate Franchise**

## MASSACHUSETTS

Andrade Home Inspections LLC  
Robert Andrade  
8 Hannahs Way,  
Charlton, MA 01507  
(508) 868-9098  
Oct-16  
**Corporate Franchise**

Pillar To Post  
Matthew Deveaux  
182 Harrington Rd  
Waltham, Massachusetts 02452  
(781) 960-3670  
Aug-16  
**Corporate Franchise**

Cape and Islands Home Inspection, LLC  
Alan Carney  
83 B Fairway Pointe Rd  
East Falmouth, MA 02536  
(508) 415-5359  
Jan-17  
**Corporate Franchise**

Home Sweet Home Inspection, LLC  
Eric Lipkin  
168 Pleasantview Ave.  
Longmeadow, MA 01106  
(860) 970-1515  
Sep-09  
**Corporate Franchise**

PILLAR TO POST  
Arthur Staffiere  
38 Frost St.  
Arlington, MA 02474  
(781) 488-8650  
May-15  
**Corporate Franchise**

PILLAR TO POST  
Mark Russo  
26 Garrison Street  
Fairhaven, MA 02719  
(508) 542-3947  
Apr-14  
**Corporate Franchise**

S & L Home Services, LLC  
Kyle Steinbock  
109 Morton St West  
Springfield, MA 01089  
(413) 356-5797  
Oct-17  
**Corporate Franchise**

## MICHIGAN

Dalfino & Associates, Inc.  
David Dalfino  
12779 Stark Road  
Livonia, MI 48150  
(734) 427-5577  
May-99  
**Corporate Franchise**

PILLAR TO POST®  
Kyle Studebaker  
2460 Marshall Ave SE  
Grand Rapids, MI 49507  
(616) 970-6661  
Mar-21  
**Corporate Franchise**

PILLAR TO POST  
Scott Docter  
12711 Evergreen Farms NE  
Cedar Springs, MI 49319  
(616) 258-8259  
Apr-14  
**Corporate Franchise**

Beem to Beam. LLC and Richard Gauthier  
Matthew Beemer and Richard Gauthier  
5380 Ethel Street  
Brighton, MI 48116  
(248) 755-3422  
Jul-03  
**Corporate Franchise**

Falsetti Team Inc.  
Dominick Falsetti  
10406 Shawnee Trail  
Gaylord, MI 49735  
(989) 370-3858  
Dec-21  
**Corporate Franchise**

PILLAR TO POST®  
Andrew Blum  
532 Hunt Place  
Ypsilanti, MI 48198  
(734) 707-6693  
May-18  
**Corporate Franchise**

PILLAR TO POST®  
Mark Forbush  
230 East St.  
Vassar, MI 48768  
(989) 992-2090  
Jul-19  
**Corporate Franchise**

PILLAR TO POST®  
Arturo Crosby  
32738 Kathleen Dr.  
Chesterfield, MI 48047  
(586) 648-6778  
Nov-13  
**Corporate Franchise**

PILLAR TO POST®  
Demitrious Powell  
15133 Kercheval Ave Suite 115  
Grosse Pointe Park, MI 48230  
(313) 265-7799  
Jul-18  
**Corporate Franchise**

ChazFig Homes, LLC  
Charles Figurski  
4930 Muriel Drive  
Warren, MI 48092  
(586) 250-8797  
Nov-17  
**Corporate Franchise**

SDMB L.L.C.  
Steven Peterson  
32001 Bondie Drive  
Rockwood, MI 48173  
(734) 767-6570  
Aug-17  
**Corporate Franchise**

PILLAR TO POST®  
Sherry O'Connor  
P.O. Box 899  
Bellaire, MI 49615  
(231) 676-8090  
Dec-14  
**Corporate Franchise**

Stidham Home Inspection Services, LLC  
Eric Stidham  
PO Box 75009  
Salem, MI 48175  
(248) 843-1991  
Aug-19  
**Corporate Franchise**

## MINNESOTA

Airspace, LLC  
Dane Smith  
3543 W 44th St  
Minneapolis, MN 55410  
(612) 562-6140  
May-10  
**Corporate Franchise**

Airspace, LLC  
Dane Smith  
3543 W 44th St  
Minneapolis, MN 55410  
(612) 562-6140  
Oct-18  
**Corporate Franchise**

PILLAR TO POST®  
Dennis Caron  
PO Box 592  
Bemidji, MN 56619  
(218) 444-7716  
Dec-98  
**Corporate Franchise**

PILLAR TO POST®  
Pamela and Craig Erickson  
9891 Gilbert Ave NE  
Monticello, MN 55362  
(763) 332-5600  
Aug-21  
**Corporate Franchise**

Layton Home Inspection, Inc.  
Mark Layton  
316 Longview Terrace  
Minneapolis, MN 55419  
(612) 715-5235  
Aug-15  
**Corporate Franchise**

PILLAR TO POST®  
Jim Thompson  
5021 Prescott Drive  
Minnetonka, MN 55345  
(763) 232-3400  
Jun-06  
**Corporate Franchise**

PILLAR TO POST®  
Darren Herman  
17092 332nd Ave  
Battle Lake, MN 56515  
(218) 864-7100  
Aug-24  
**Corporate Franchise**

Northarvest Company, LLC  
Abe McMahan  
5123 W 98th St #2022  
Minneapolis, MN 55437  
(612) 217-4200  
Aug-24  
**Corporate Franchise**

Wild Daisy Home Inspections, LLC  
Luke Dalchow  
925 Waxon Lane  
Hudson, WI 54016  
(715) 381-5925  
Sep-13  
**Corporate Franchise**

## MISSISSIPPI

## MISSOURI

ECcubed LLC  
Chad Borah  
11424 Gravois Rd  
St. Louis, MO 63126

PILLAR TO POST®  
Scott Frederick  
11084 Gravois Industrial Ct  
St. Louis, MO 63128

PILLAR TO POST®  
Nathanial Klein  
9850 Tessom Ferry Rd  
Saint Louis, MO 63123

(314) 645-7871  
Jun-02  
**Corporate Franchise**

PILLAR TO POST®  
John Atwell  
7055 Howdershell Road  
Hazelwood, MI 63042  
(314) 755-6365  
Nov-15  
**Corporate Franchise**

PILLAR TO POST®  
Caleb Estes  
1582 Roth Drive  
Scott City, MO 63780  
(573) 419-9288  
Feb-16  
**Corporate Franchise**

PILLAR TO POST®  
Ron Alabaugh  
404 SE Williamsburg Dr.  
Lee's Summit, MO 64063  
(816) 620-4403  
Jun-19  
**Corporate Franchise**

PILLAR TO POST®  
William Hass  
14504 WHB Rd  
Smithville, MO 64089  
(816) 835-8884  
Oct-22  
**Corporate Franchise**

(314) 571-9824  
Jun-03  
**Corporate Franchise**

Questover Interim LLC  
Michael Putnam  
312 Avalon Chase Dr  
Fenton, MO 63026  
(314) 966-7678  
May-13  
**Corporate Franchise**

PILLAR TO POST®  
Bryan Ptacek  
15 West 10th Street Unit 902  
Kansas City, MO 64105  
(816) 787-1420  
Nov-17  
**Corporate Franchise**

PILLAR TO POST®  
Steven Weathers  
306 Killarney Lane,  
Smithville, Missouri 64089  
(816) 686-1676  
May-16  
**Corporate Franchise**

PILLAR TO POST®  
Patrick Eades  
26227 West 141st Court  
Olathe, KS 66061  
(913) 999-9932  
Jun-20  
**Corporate Franchise**

(314) 571-9671  
Feb-11  
**Corporate Franchise**

PILLAR TO POST®  
Scott Frederick  
124 W. Jefferson Ave. #201  
Kirkwood, MO 63122  
(314) 571-9824  
Jul-13  
**Corporate Franchise**

PILLAR TO POST®  
Steven Greer  
4601 North 16th Street,  
Ozark, MO 65721  
(417) 731-2774  
Jul-16  
**Corporate Franchise**

PILLAR TO POST®  
Garrett Arasmith  
26958 Ancient Cedar Drive  
Warsaw, MO 65355  
(660) 900-3317  
May-22  
**Corporate Franchise**

Burns Team LLC  
Connor Burns  
15 NW Greentree Ln  
Kansas City, MO 64116  
(816) 226-4700  
Jun-24  
**Corporate Franchise**

## MONTANA

PILLAR TO POST®  
Kelly Campeau  
4504 Snowshoe Rd  
Helena, MT 59602  
(406) 749-2225  
Jan-11  
**Corporate Franchise**

PILLAR TO POST®  
Ian Cooke  
11600 Chumrau Loop  
Missoula, MT 59802  
(406) 203-2823

PILLAR TO POST®  
Jacob Tuka  
1108 52nd St W  
Billings, MT 59106  
(406) 861-9235  
Jun-12  
**Corporate Franchise**

PILLAR TO POST®  
Jacob Tuka  
1108 52nd St W  
Billings, MT 59106  
(406) 861-9235

PILLAR TO POST®  
Ryan (Dean) Indreland  
6850 Indreland Road  
Missoula, MT 59808  
(406) 544-8457  
Jan-15  
**Corporate Franchise**

Straightline Home Inspection LLC  
Scott Norred & Jake Madsen  
722 Waverly Place  
Whitefish, MT 59937  
(406) 260-0844

Sep-18  
**Corporate Franchise**

Mar-16  
**Corporate Franchise**

Mar-16  
**Corporate Franchise**

## NEBRASKA

## NEVADA

Silver and Blue Home Inspections, LLC  
Chris Rand  
4947 Chevalier Drive  
Sparks, NV 89436  
(775) 462-4144  
Jun-22  
**Corporate Franchise**

PILLAR TO POST®  
Jamie Brough  
10925 Southern Highlands Parkway #2046  
Las Vegas, NV 89141  
(702) 285-5332  
Jun-10  
**Corporate Franchise**

PILLAR TO POST®  
Chris Yancey  
3315 Big Sky Drive  
Reno, NV 89503  
(775) 870-9280  
Dec-18  
**Corporate Franchise**

Desert Heat Home Inspectors, LLC  
Steve Brock  
9992 Peak Lookout Street  
Las Vegas, Nevada 89178  
(702) 263-5568  
Jul-16  
**Corporate Franchise**

## NEW HAMPSHIRE

KHW Home & Building Services, LLC  
Keith Wheeler  
PO Box 302  
Exeter, NH 03833  
(603) 759-5494  
Jun-03  
**Corporate Franchise**

PILLAR TO POST®  
Chris Boris  
14 Roosevelt Dr.  
Bedford, NH 03110  
(603) 714-3781  
Jan-17  
**Corporate Franchise**

## NEW JERSEY

PILLAR TO POST®  
Brian Finn & Doug Sward  
9 Manker Drive  
Florham Park, NJ 07932  
(973) 889-5306  
Jan-00  
**Corporate Franchise**

Garden State Home Inspection Service,  
Inc.  
Michael Almeida  
600 Ridge Road  
North Arlington, NJ 07031  
(201) 998-9823  
Oct-03  
**Corporate Franchise**

Bergen County Home Inspection LLC  
Jim Cook  
824 Rose Court  
River Vale, NJ 07675  
(201) 689-7888  
Apr-04  
**Corporate Franchise**

Braun Home Inspection LLC  
Brian Eisenbraun  
29 Beach Rd. Suite 202  
Monmouth Beach, NJ 07750  
(732) 229-6000  
Jan-13

M&M Home Inspection Services, LLC  
Dave Moore  
2115 Hamilton Ave, Suite 204  
Hamilton, NJ 08619  
(609) 890-9300  
Jan-10

AOK Home Inspections, Inc.  
Wesley Goble  
327 S Main St. Suite 2B,  
Barnegat, NJ 08005  
(609) 607-8200  
Apr-08

**Corporate Franchise**

PILLAR TO POST®  
 Socrates Muller  
 444 Rt 31  
 Lambertville, NJ 08530  
 (908) 268-3655  
 Jul-10

**Corporate Franchise**

MJP Consulting, LLC  
 Michael Pillion  
 992 Rector Rd  
 Bridgewater, NJ 08807  
 (908) 725-1608  
 Jul-13

**Corporate Franchise****Corporate Franchise**

PILLAR TO POST®  
 Gustavo Alban  
 201 Crestwood Avenue  
 Haddonfield, NJ 08033  
 (609) 257-3587  
 Aug-20

**Corporate Franchise**

PILLAR TO POST®  
 Brian Eisenbraun  
 3587 Highway 9N #411  
 Freehold, NJ 07728  
 732-229-6000  
 Mar-00

**Corporate Franchise****Corporate Franchise**

McDonald Enterprises, Inc.  
 Kevin McDonald  
 1095 Ocean Heights Avenue  
 Egg Harbor Township, NJ 08234  
 (609)-484-3204  
 Jun-98

**Corporate Franchise**

PILLAR TO POST®  
 Ron Parishy  
 26 Hirth Drive  
 Groveville, NJ 08620  
 (609) 218-9644  
 Jul-08

**Corporate Franchise****NEW MEXICO**

Mich-Lor, Inc.  
 Scott Wallin  
 PO Box 8  
 Moriarty, NM 87035  
 (505) 466-6955  
 Sep-00

**Corporate Franchise**

CG Home Inspections LLC  
 Chris Romero and Chris Youngblood  
 4700 Lincoln NE Suite 102  
 Albuquerque, NM 87109  
 (505) 247-2298  
 Aug-98

**Corporate Franchise**

NM Express Home Inspectors LLC  
 Mike Holstun  
 P.O. Box 106  
 Roswell, NM 88202  
 (575) 623-9975  
 Jul-16

**Corporate Franchise****NEW YORK**

DSB Inspection Services Inc.  
 Dan Bork  
 7620 Greenbush Rd  
 Akron, NY 14001  
 (716) 807-2855  
 Sep-13

**Corporate Franchise**

The Sierra Group Home Inspections, LLC  
 Ron Sierra  
 221 Country Ridge Drive  
 Rye Brook, NY 10573  
 (914) 410-6200  
 Jan-15

**Corporate Franchise**

Comprehensive Home Inspections LLC  
 Tyler Pratt  
 205 Albert Street  
 Torrington, CT 06790  
 (860) 496-7744  
 Sep-22

**Corporate Franchise**

Three Twos Home Inspections, LLC  
 Clinton Hawkins  
 4592 Carlyes Ct.  
 Hamburg, NY 14075  
 (716) 608-6829  
 Apr-13

**Corporate Franchise**

PILLAR TO POST®  
 Tom Faulhaber  
 516 Long Beach Rd,  
 St. James, NY 11780  
 (631) 335-2341  
 May-16

**Corporate Franchise**

J.S. Gathers, Inc.  
 Jacqueline Gathers  
 8225 5th Avenue Suite 116  
 Brooklyn, NY 11209  
 (347) 631-4509  
 Aug-16

**Corporate Franchise**

Rolono Incorporated  
 Rich Delgado  
 2458 Madison Dr.  
 East Meadow, NY 11554  
 (347) 869-3177  
 May-22

## Corporate Franchise

### NORTH CAROLINA

PILLAR TO POST®  
Steven P. Lewter  
1865 Polenta Road  
Clayton, NC 27520  
(919) 625-8283  
Oct-01

**Corporate Franchise**

PILLAR TO POST®  
Guilford S. Barnhill  
70 Old Stone Lane  
Youngsville, NC 27596  
(919) 422-1042  
Apr-00

**Corporate Franchise**

WebSpec, Inc.  
Donnie & Lauren Webster  
1668 S. Lindsey Bridge Rd  
Madison, NC 27025  
(336) 451-2787  
Mar-03

**Corporate Franchise**

PILLAR TO POST®  
Brandon Carter  
3911 Garrison Court  
Monroe, NC 28110  
(704) 567-8813  
Oct-04

**Corporate Franchise**

Double Trouble Enterprises, LLC  
Steve Martin  
P.O. Box 107  
Oak Ridge, NC 27310  
(336) 441-0257  
Jan-07

**Corporate Franchise**

Double Trouble Enterprises, LLC  
Steve Martin  
P.O. Box 107  
Oak Ridge, NC 27310  
(336) 441-0257  
Apr-16

**Corporate Franchise**

Beal Home Inspections, Inc.  
Alan Beal  
3413 Victor Place  
Raleigh, NC 27604  
919-567-3069  
Apr-08

**Corporate Franchise**

JKM Home Services LLC  
James Matson  
8611 Concord Mills Blvd #413  
Concord, NC 28027  
(704) 617-6256  
Feb-12

**Corporate Franchise**

PILLAR TO POST®  
Brian McNally  
16000 Henry Lane  
Huntersville, NC 28078  
(704) 727-0619  
Nov-19

**Corporate Franchise**

Harp Inspections, LLC  
Gabriel Ben-Or  
2702 Peachtree St.  
Raleigh, NC 27608  
(919) 916-5733  
Aug-15

**Corporate Franchise**

Lavigne Enterprises Inc.  
Joe Lavigne  
109 Bedford Green  
Jacksonville, NC 28546  
(910) 939-2442  
Aug-15

**Corporate Franchise**

Payne Inspection Services, LLC  
Adam Payne  
PO Box 3761  
Hickory, NC 28603  
(828) 405-1076  
Nov-19

**Corporate Franchise**

MB Property Solutions, LLC  
Matthew Bugbee  
6277-600 Carolina Commons Drive #353  
Indian Land, SC 29707  
(803) 984-8290  
Oct-11

**Corporate Franchise**

Lawson Property Enterprises L.L.C.  
Michael Lawson  
5410 Silver Creek Drive  
Waxhaw, NC 28173  
(704) 256-7284  
Aug-16

**Corporate Franchise**

PILLAR TO POST®  
Corey Wallis  
198 Gatsby Drive  
Raeford, NC 28376  
(910) 479-1437  
Feb-22

**Corporate Franchise**

Homerite Professional Inspection Services,  
Inc.  
Paul Holt  
100 Hay Street, Suite 702  
Fayetteville, NC 28301

PILLAR TO POST®  
Angelo Baerga  
1520 Saratoga Blvd  
Indian Trail, NC 28079

Triple S Inspections, Inc.  
Corey White  
1505 Miranda Woods Lane  
Fuquay-Varina, NC 27526

(910) 893-2590

Oct-18

**Corporate Franchise**

Jim Curtis Enterprises, Inc.

Jim Curtis

1538-1 Stony Point Rd

Shelby, NC 28150

(704) 718-0323

Feb-19

**Corporate Franchise**

(704) 999-0408

May-17

**Corporate Franchise**

PILLAR TO POST®

Michael Bergmann

589 Black Angus Dr.

Garner, NC 27529

(919) 247-8856

Mar-19

**Corporate Franchise**

(984) 225-2323

Nov-18

**Corporate Franchise**

**NORTH DAKOTA**

**OHIO**

The Capuano Corporation

Tom Capuano

8857 Cincinnati Dayton Rd #204

West Chester, OH 45231

(513) 771-6689

Oct-97

**Corporate Franchise**

Schray & Associates Inc.

Mike & Alison Schray

P.O. Box 750573

Dayton, OH 45475

(937) 291-9100

Jul-00

**Corporate Franchise**

Safe Home Promise LLC

Paul Ferguson

134 College St, Suite B

Wadsworth, OH 44281

(330) 334-3374

Dec-00

**Corporate Franchise**

Safe Home Promise LLC

Paul Ferguson

134 College St, Suite B

Wadsworth, OH 44281

(330) 334-3374

Oct-02

**Corporate Franchise**

Safe Home Promise LLC

Paul Ferguson

134 College St, Suite B

Wadsworth, OH 44281

(330) 334-3374

Apr-03

**Corporate Franchise**

Safe Home Promise LLC

Paul Ferguson

134 College St, Suite B

Wadsworth, OH 44281

(330) 334-3374

Oct-00

**Corporate Franchise**

The Capuano Corporation

Tom Capuano

8857 Cincinnati Dayton Rd #204

West Chester, OH 45231

(513) 771-6689

Apr-99

**Corporate Franchise**

TLC Home Inspection, LLC

Jon Rice

800 E. Baubice St., Lot C

Pioneer, OH 43554

(419) 665-6165

Dec-14

**Corporate Franchise**

Safe Home Promise LLC

Paul Ferguson

134 College St, Suite B

Wadsworth, OH 44281

(330) 334-3374

May-04

**Corporate Franchise**

Virgin Inspection Services, LLC

Michael Virgin

2230 Inchcliff Rd

Columbus, OH 43221

(614) 269-7941

Oct-14

**Corporate Franchise**

DJE Inspections LLC

Daniel Ertter

6074 Jane Drive

Mentor, OH 44060

(440) 974-0101

Dec-14

**Corporate Franchise**

PILLAR TO POST®

Vincent Cappelli

130 Casandra Dr

Niles, OH 44446

(330) 286-1302

Jun-15

**Corporate Franchise**

PILLAR TO POST®

Ryan Tabor

PILLAR TO POST®

Layz and Angela Saroukhan

PILLAR TO POST®

Keith Easton



2580 Newton Falls Bailey Rd  
Warren, OH 44481  
(330) 980-7373  
May-15

**Corporate Franchise**

Delmaggio, LLC  
Todd Delman  
3087 Kellner Place  
Columbus, OH 43209  
(614) 266-4985  
May-19

**Corporate Franchise**

4886 W. Streetsboro  
Richfield, OH 44286  
(330) 659-0059  
Jun-15

**Corporate Franchise**

PILLAR TO POST®  
Ryan French  
7833 Kate Brown Dr  
Dublin, OH 43017  
(614) 822-1825  
Jul-18

**Corporate Franchise**

5400 Sampson Drive  
Girard, OH 44420  
(330) 469-9030  
Aug-19

**Corporate Franchise**

PILLAR TO POST®  
Douglas Kertesz  
100 Fox Hollow Drive -Suite 205  
Mayfield Heights, OH 44124  
(440) 587-0959  
Jun-23

**Corporate Franchise**

**OKLAHOMA**

Sopris Home Inspection, LLC  
John Stern  
1301 Olde North Place  
Edmond, Oklahoma 73034  
(405) 546-5204  
Sep-16

**Corporate Franchise**

Hoelscher Family LP  
Charles Hoelscher  
10401 Katy Line Dr  
Yukon, OK 73099  
(405) 658-2039  
May-19

**Corporate Franchise**

SWOK Wilkinson Home Inspection LLC  
Nick Wilkinson  
P.O. Box 826  
Elgin, OK 73538  
(580) 917-7978  
Jan-22

**Corporate Franchise**

**OREGON**

Onawa, Inc.  
Chris Livingston  
15532 SW Pacific Hwy C1B #408  
Tigard, Oregon 97224  
(503) 682-3053  
Jan-98

**Corporate Franchise**

B-6 Corp  
Andrew Mills  
PO Box 174  
Junction City, OR 97448  
(541) 998-4559  
Jul-98

**Corporate Franchise**

PILLAR TO POST  
Andrew Mills  
PO Box 174  
Junction City, OR 97448  
(541) 998-4559  
Jan-00

**Corporate Franchise**

C&A2 LLC  
Casey Livingston  
520 East Washington  
Carlton, OR 97111  
(503) 537-0415  
Jul-03

**Corporate Franchise**

R&B Enterprises LLC  
Derek Renz and Marie Baker  
1118 NE Lancaster Dr #316  
Salem, OR 97301  
(503) 856-8775  
Jul-18

**Corporate Franchise**

Bain/Cisna LLC  
Jared Bain and Amanda Bain  
1595 11th Street  
Baker City, OR 97814  
(541) 966-8500  
Feb-02

**Corporate Franchise**

PILLAR TO POST®  
Michael Denney  
3557 Peck Ave. SE  
Salem, OR 97302  
(541) 250-6367  
May-15

**Corporate Franchise**

PILLAR TO POST®  
Ron Rogers and Justin Rogers  
13131 Hwy 39  
Klamath Falls, OR 97603  
(541) 363-8288  
May-22

**Corporate Franchise**

**PENNSYLVANIA**

G&T Adventures, Inc  
Greg DuPey  
81 Big Oak Rd. Suite 116  
Morrisville, PA 19067  
(215) 343-7766  
Aug-00

**Corporate Franchise**

G&T Adventures, Inc  
Greg Dupey  
81 Big Oak Rd. Suite 116  
Morrisville, PA 19067  
(215) 343-7766  
May-12

**Corporate Franchise**

PILLAR TO POST®  
Scott Rawlings  
P.O. Box 21128  
Philadelphia, PA 19154  
(215) 624-3990  
Feb-05

**Corporate Franchise**

Newman's Home, LLC  
Greg Newman  
4364 Vista Dr  
Nazareth, PA 18064  
(610) 365-2154  
Aug-12

**Corporate Franchise**

KJ Home Inspections, LLC  
Kara & Jim Shields  
1212 Harrow Hill Court  
Moon, PA 15108  
(412) 716-4662  
Jul-12

**Corporate Franchise**

PILLAR TO POST  
Michael McBride  
310 Midland Avenue  
Wayne, PA 19087  
(484) 581-7110  
Apr-14

**Corporate Franchise**

PILLAR TO POST  
Jonathan Santiago

PILLAR TO POST®  
Erik Gertsen  
915 Samantha Circle  
Chester Springs, PA 19425  
(610) 241-2417  
Feb-01

**Corporate Franchise**

G&T Adventures, Inc  
Greg Dupey  
81 Big Oak Rd. Suite 116  
Morrisville, PA 19067  
(215) 343-7766  
Jul-02

**Corporate Franchise**

PILLAR TO POST®  
Robert Pecca  
7492 Mount Eaton Rd.  
Saylorsburg, PA 18353  
(610) 588-6479  
Mar-01

**Corporate Franchise**

TMT Inspections, LLC  
Tim Quinn  
236 Avenue F  
Pittsburgh, PA 15221  
(412) 400-1092  
Sep-10

**Corporate Franchise**

PILLAR TO POST  
Thomas Stangroom  
224 Prisani St., Box 120  
Bovard, PA 15619  
(724) 672-6972  
Apr-14

**Corporate Franchise**

Quality Environment, LLC  
Aaron Cunningham  
117 Piper Lane  
West Chester, PA 19382  
(610) 322-6130  
Aug-14

**Corporate Franchise**

JCEG LLC  
Matt Robertie

Don Cessna Home Inspection, Inc.  
Donald R. Cessna  
407 W. Sample Street  
Ebensburg, PA 15931-1503  
(814) 471-6961  
Oct-99

**Corporate Franchise**

PILLAR TO POST®  
Fred Hohman  
26 Windhill Dr.  
Greensburg, PA. 15601  
(724) 331-6165  
Oct-05

**Corporate Franchise**

PILLAR TO POST®  
Matthew Ruggieri  
15 Mildred St.  
Crafton, PA 15205  
(412) 923-5290  
Jul-22

**Corporate Franchise**

PGN Enterprises, LLC  
Greg Petruska  
269 State Rd  
Valencia, PA 16059  
(724) 409-2019  
Mar-11

**Corporate Franchise**

PILLAR TO POST  
James Zamiska  
523 Burnside Rd  
McDonald, PA 15057  
(724) 513-0832  
Apr-14

**Corporate Franchise**

M S Watson, LLC  
Michael Watson  
129 Colonial Village Dr.  
Crucible, PA 15325  
(412) 712-7192  
Apr- 15

**Corporate Franchise**

PILLAR TO POST  
Ken Gross

100 S Juniper Street #3rd Floor

Philadelphia, PA 19109  
(215) 515-4120

Jun-15

**Corporate Franchise**

PILLAR TO POST®  
William Dunn  
3111 S. 19th St.  
Philadelphia, PA 19145  
(215) 779-4014

Jan-19

**Corporate Franchise**

FDSD Inspection L.L.C.  
Takayuki (Ted) Tamura  
4025 Fieldcrest Drive  
Bridgeville, PA 15017  
(201) 689-2264

Jan-22

**Corporate Franchise**

PO Box 367

Montgomeryville, PA 18936  
(267) 374-4934

Jun-17

**Corporate Franchise**

PILLAR TO POST®  
Andy Fritchey  
8 Terry Court  
Downingtown, PA 19335  
(610) 836-2206

Jul-20

**Corporate Franchise**

600 West Germantown Pike, Suit 400-208

Plymouth Meeting, PA 19462  
(267) 332-4601

Feb-16

**Corporate Franchise**

PILLAR TO POST®  
Mathew Rodriguez  
19 Silver Meadow Drive  
Scott Township, PA 18411  
(570) 362-2284

Nov-22

**Corporate Franchise**

## RHODE ISLAND

PILLAR TO POST®

Nelson DeMelo  
1800 Mendon Rd. Suite E-523  
Cumberland, RI 02864  
(401) 390-2260

Oct-13

**Corporate Franchise**

PILLAR TO POST®

Peter Hackett  
42 Antony Ave  
Bristol, RI 02809  
(401) 354-2853

Dec-16

**Corporate Franchise**

## SOUTH CAROLINA

Leslie Home Inspections, LLC

Sam Leslie  
1150 Hungryneck Boulevard, Suite C-327  
Mount Pleasant, SC 29464  
(843) 881-4740

Oct-05

**Corporate Franchise**

C & A Inspections, LLC

Chris James  
119 Stoney Crossing  
Bluffton, SC 29910  
(843) 540-7279

Dec-16

**Corporate Franchise**

PILLAR TO POST®

Victor Henderson  
5362 Curtisston Ct  
North Charleston, SC 29418  
(843) 367-2524

Mar-15

**Corporate Franchise**

PILLAR TO POST®

Victor Henderson  
5362 Curtisston Ct  
North Charleston, SC 29418  
(843) 367-2524

Mar-19

**Corporate Franchise**

PILLAR TO POST®

Kimberly Dehondt-Zumstein  
1754 Woodruff Rd; Suite 162  
Greenville, SC 29607  
(864) 235-5777

Oct-19

**Corporate Franchise**

PILLAR TO POST®

Matt Wilson  
2607 Woodruff Road, Suite E-353  
Simpsonville, SC 29681  
(864) 663-2988

Jun-21

**Corporate Franchise**

## SOUTH DAKOTA

PILLAR TO POST®  
Mark Reiff  
47159 85th Street  
Sioux Falls, SD 57108  
(605) 212-8263  
Aug-04  
**Corporate Franchise**

## TENNESSEE

KW Fast Inc.  
Kenneth Fast  
PO Box 164  
Harrison, TN 37341  
(423) 326-2008  
Jan-98  
**Corporate Franchise**

KW Fast Inc.  
Kenneth Fast  
PO Box 164  
Harrison, TN 37341  
(423) 326-2008  
Aug-98  
**Corporate Franchise**

PILLAR TO POST®  
Peter Waraska  
123 Chestnut Hill Road  
Oak Ridge, TN 37830  
(865) 694-6332  
Sep-99  
**Corporate Franchise**

S.E. Professional Home Inspection, LLC  
Bart Hamilton  
100 Amherst Way NW  
Cleveland, TN 37312  
(423) 331-8224  
Aug-13  
**Corporate Franchise**

PILLAR TO POST®  
Julian Lindsey  
2010 Gracious Dr  
Franklin, TN 37064  
(615) 905-5946  
Jan-21  
**Corporate Franchise**

Team Starnes Home Inspectors LLC  
Dave Starnes  
236 Blair Dr  
Clarksville, TN 37043-1765  
(931) 999-3312  
Jan-16  
**Corporate Franchise**

Matt Dumbovich Home Inspections LLC  
Matt Dumbovich  
6137 Beals Ln  
Nashville, TN 37218  
(615) 636-4981  
Mar-17  
**Corporate Franchise**

PILLAR TO POST®  
Chris Cook  
125 Chestnut Ridge Drive  
Jonesborough, TN 37659  
(423) 343-7678  
Apr-99  
**Corporate Franchise**

PILLAR TO POST®  
Byron Matthews  
5550 Heather View Drive  
Memphis, TN 38125  
(901) 275-4897  
Jun-19  
**Corporate Franchise**

Cruz Enterprises, LLC  
Joseph Cruz  
7450 Chapman Hwy #175  
Knoxville, TN 37920  
(865) 985-1007  
Apr-19  
**Corporate Franchise**

## TEXAS

PILLAR TO POST®  
Shane Mollohan  
7106 Sun Valley Dr  
Temple, TX 76502  
(254) 541-2325

Ezspection LLC  
Mohamed Patel  
3210 Kempwood Drive  
Sugar Land, TX 77479  
(346) 874-7368

K.E. Inspections, LP  
Keith Evans  
3939 Bella Vista Lp.  
Harker Heights, TX 76548  
(254) 634-3482

Oct-20  
**Corporate Franchise**

RES Blue Sky Investments, Inc.  
Richard Schmidt  
P. O. Box 11677  
Spring, TX 77391-1677  
(281) 787-1050  
Aug-06

**Corporate Franchise**

PILLAR TO POST®  
Mike Kajs  
1613 Boxwood Lane  
Wylie, TX 75098  
(972) 469-3703  
Nov-20

**Corporate Franchise**

PILLAR TO POST®  
Tommy Amonette  
3407 Dry Creek  
Pasadena, TX 77505  
(713) 560-7417  
Dec-16

**Corporate Franchise**

Yup Services, LLC  
Jason Dent  
4312 Olenick St  
Austin, TX 78723  
(512) 508-9676  
Oct-16

**Corporate Franchise**

KA Pinewood Management, LLC  
Ken Duggan  
18208 Preston Road #D-9 279  
Dallas, TX 75252  
(214) 399-5862  
Aug-15

**Corporate Franchise**

PILLAR TO POST®  
Stephen Edwards  
15013 High Point Rd  
Terrell, TX 75160  
(469) 632-1001  
Apr-23

**Corporate Franchise**

Oct-21  
**Corporate Franchise**

Carpenter Home Inspections, LLC  
Tim Carpenter and Jessica Perez  
650 Westcross St. #71  
Houston, TX 77018  
(713) 253-0697  
Jul-12

**Corporate Franchise**

PILLAR TO POST  
Todd Goodwin  
6606 FM Rd. 1488 Suite 148 - 327  
Magnolia, TX 77354  
(281) 628-4418  
Mar-14

**Corporate Franchise**

Island Inspections, Inc.  
Danny Marlow  
6484 Sea Isle  
Galveston, TX 77554  
(409) 443-5694  
Feb-16

**Corporate Franchise**

The Micallef Team L.L.C.  
Jason Micallef  
3626 Cypresswood Dr  
Spring, TX 77388  
(346) 606-3235  
Jun-15

**Corporate Franchise**

PILLAR TO POST®  
Robert Meyer  
5044 Lido Lane  
Houston, TX 77092  
(713) 960-2804  
Sep-17

**Corporate Franchise**

MD Home Inspections, LLC  
Scott Cunningham  
1902 Rock Creek Dr  
Grand Prairie, TX 75050  
(214) 998-4782  
Feb-18

**Corporate Franchise**

Sep-05  
**Corporate Franchise**

PILLAR TO POST  
Jon Wilson  
3442 Bennington Way  
San Antonio, TX 78261  
(210) 775-8482  
Oct-14

**Corporate Franchise**

PILLAR TO POST  
Dan Romero  
2107 Plantation Dr.  
Richmond, TX 77406  
(832) 612-4349  
Apr-14

**Corporate Franchise**

PILLAR TO POST  
Michael Mullins  
112 Sunrise Dr.  
Boerne, TX 78006  
(830) 537-4309  
Mar-15

**Corporate Franchise**

PILLAR TO POST  
Kevin Akins  
PO Box 5924  
Katy, TX 77449  
(281) 222-2599  
Jun-16

**Corporate Franchisee**

PILLAR TO POST®  
Jennifer Bell  
2500 Yale Street Suite B2  
Houston, TX 77008  
(713) 542-9601  
Jun-18

**Corporate Franchise**

Phillips Home Inspection Services LLC  
Eric Phillips  
PO Box 4481  
Bryan, TX 77805  
(979) 446-2389  
Aug-18

**Corporate Franchise**

Proper40 Inc.  
Andrew Burrow  
12408 Snowdrop Dr  
Austin, TX 78739  
(512) 698-0933  
Mar-19

**Corporate Franchise**

PILLAR TO POST®  
Bryan Baca  
3003 Six Gun Trail  
Austin, TX 78748  
(512) 508-2854  
Nov-21

**Corporate Franchise**

Five D Shetter, L.L.C.  
Danny Shetter  
19100 Redwood Springs Road  
Amarillo, TX 79119  
(806) 567-8283  
Jan-22

**Corporate Franchise**

Durham Team Home Inspections LLC  
Jesse Durham  
6950 Chase Ridge Trail, Apt. 1110  
Fort Worth, TX 76137  
(682) 308-8981  
Aug-20

**Corporate Franchise**

PILLAR TO POST®  
William Gray and Matt Bott  
19221 Nicole Ln  
Pflugerville, TX 78660  
(515) 208-5952  
Mar-24

**Corporate Franchise**

Durham Team Home Inspections LLC  
Jesse Durham  
6950 Chase Ridge Trail, Apt. 1110  
Fort Worth, TX 76137  
(682) 308-8981  
Feb-02

**Corporate Franchise**

PILLAR TO POST®  
Carlos Figueroa  
1721 Camas Dr  
Austin, TX 78728  
(512) 999-5575  
Jul-21

**Corporate Franchise**

PILLAR TO POST®  
David Veatch  
1115 Killarney Ave  
Friendswood, TX 77546  
(832) 785-7519  
Jul-22

**Corporate Franchise**

PILLAR TO POST®  
Gordon Jones  
5815 Lost Creek  
San Antonio, TX 78247  
(210) 817-1212  
Sep-23

**Corporate Franchise**

PILLAR TO POST®  
Leonard Jefferson  
18310 Moycroft Ct  
Richmond, TX 77407  
(281) 633-8600  
Nov-23

**Corporate Franchise**

PILLAR TO POST®  
Cesar Mendoza  
11445 Lindenwood Avenue  
El Paso, TX 79936  
(915) 203-2550  
Aug-21

**Corporate Franchise**

The Micallef Team L.L.C.  
Jason Micallef  
3626 Cypresswood Dr  
Spring, TX 77388  
(346) 606-3235  
Nov-21

**Corporate Franchise**

PILLAR TO POST®  
Matt Tuohy  
6286 Brentway Road  
Frisco, TX 75034  
(214) 500-8431  
Sep-20

**Corporate Franchise**

**UTAH**

PILLAR TO POST®  
Jared Fenn  
51 W. Center St., #215  
Orem, UT 84057  
(801) 318-9909  
Nov-03

**Corporate Franchise**

LTHI LLC  
Casey Larsen  
5295 S Commerce Dr Ste G80

LTHI LLC  
Casey Larsen  
5295 S Commerce Dr Ste G80  
Murray, UT 84107  
(801) 875-8000  
Sep-02

**Corporate Franchise**

Mountainspect LLC  
Doug Farmer  
104 East 600 South Ste. #515

LTHI LLC  
Casey Larsen  
5295 S Commerce Dr Ste G80  
Murray, UT 84107  
(801) 875-8000  
Apr-14

**Corporate Franchise**

PILLAR TO POST®  
Aaron Bell  
927 S 4375 W

Murray, UT 84107  
(801) 875-8000  
Jun-14

**Corporate Franchise**

LTHI LLC  
Casey Larsen  
5295 S Commerce Dr Ste G80  
Murray, UT 84107  
(801) 875-8000  
Jul-18

**Corporate Franchise**

Heber City, UT 84032  
(435) 315-7728  
Apr-15

**Corporate Franchise**

Cedar City, UT 84720  
(435) 867-6400  
Aug-15

**Corporate Franchise**

**VERMONT**

**VIRGINIA**

Inspection Consultants, LLC  
John & Cathi Lynch  
156 Strawberry Plains Rd, Suite C2  
Williamsburg, VA 23188  
(757) 564-4454  
Jul-98

**Corporate Franchise**

Commonwealth Home Inspections, LLC  
Eric Boll  
792 Grant Street  
Herndon, VA 20170  
(703) 657-3207  
Nov-14

**Corporate Franchise**

HomeSpec of Fairfax, Inc.  
Patrick Fouse  
2030 N. Woodrow St. Apt. B  
Arlington, VA 22207  
(703) 352-1333  
Oct-00

**Corporate Franchise**

PILLAR TO POST®  
Charles Branch  
5910 Waters Edge Road  
Midlothian, VA 23112  
(804) 320-0504  
May-13

**Corporate Franchise**

Newlife Property Consultants LLC  
Mark Scaparo  
2540 Pineacre Ct.  
Powhatan, VA 23139  
(804) 372-6186  
Jul-13

**Corporate Franchise**

MHT Enterprises LLC  
Matt Lloyd  
5501 Merchants View Square #701  
Haymarket, VA 20169  
(703) 520-1440  
Jan-15

**Corporate Franchise**

Bluestar Solutions, Inc  
Imran Qillawala  
143 Spencer Terrace  
Leesburg, VA 20175  
(703) 665-1193  
Jul-17

**Corporate Franchise**

PILLAR TO POST®  
Michael Gamba  
4170 Taughtline Loop  
Chesapeake, VA 23321  
(757) 549-0236  
Mar-16

**Corporate Franchise**

Home Check-Up, LLC  
John Langan  
4515 Belford St SW  
Roanoke, VA 24018  
(540) 392-7678  
Dec-03

**Corporate Franchise**

PILLAR TO POST®  
Tim Burke  
11580 Southington Lane  
Herndon, VA 20170  
(703) 901-8732  
Aug-23

**Corporate Franchise**

PILLAR TO POST®  
Al Hudson  
PO Box 548  
Bracey, VA 23919  
(304) 483-0990  
Dec-23

**Corporate Franchise**

PILLAR TO POST®  
Doug Steinmetz  
823 Royal Grove Ct  
Chesapeake, VA 23320  
(757) 550-4555  
May-23

**Corporate Franchise**

**WASHINGTON**

Audun LLC  
Warren Tryon  
7644 NE Hazel Dell Ave  
Vancouver, WA 98665  
(360) 546-2190  
Dec-98  
**Corporate Franchise**

J&S Investments, LLC  
Jeffrey and Sabrina Schroeder  
1521 N. Argonne Rd Suite C#265  
Spokane Valley, WA 99212  
(509) 443-6983  
Oct-00  
**Corporate Franchise**

B&T LLC  
Brendan Marchant  
1001 Cooper Pt Rd SW, # 140-326  
Olympia, WA. 98502  
(360)753-5025  
Jun-08  
**Corporate Franchise**

S. J. & E. Investments LLC  
Matt Purcell  
PO Box 782  
Burlington, WA 98233  
(360) 392-8731  
Sep 03  
**Corporate Franchise**

PILLAR TO POST®  
Mitch Ashbeck  
27903 147th Pl SE  
Kent, WA 98042  
(425) 836-5435  
May-15  
**Corporate Franchise**

Winward Puget Sound Inc.  
Devin Lehmann  
8849 39th Ave SW  
Seattle, WA 98136  
(206) 933-1151  
Feb-99  
**Corporate Franchise**

Good Neighbor Home Inspection, LLC  
Oscar Jarquin  
7646 Sucia Place NW  
Bremerton, WA 98311  
(360) 919-6667  
Apr-21  
**Corporate Franchise**

Simmons Home Inspection, LLC  
Erick Simmons  
321 West 50th Avenue  
Kennewick, WA 99337  
(509) 554-2714  
May-05  
**Corporate Franchise**

AJ Assessment L.L.C.  
Alex Christensen  
12-5446 California Ave SW  
Seattle, WA 98136  
(206) 321-4232  
Jul-17  
**Corporate Franchise**

PILLAR TO POST®  
Michael Hamilton  
2533 N Baker Ave.  
East Wenatchee, WA 98802  
(509) 393-2525  
Apr-16  
**Corporate Franchise**

P2P Inspections, LLC  
Keith Robertson  
215 E. Scots Glen Ct.  
Colbert, WA 99005  
(509) 720-7813  
Oct-14  
**Corporate Franchise**

Smith Home Inspections LLC  
Cory Smith  
427281 Hwy 20  
Newport, WA 99156  
(509) 671-6591  
Nov-21  
**Corporate Franchise**

A3 Inspections LLC  
Anthony Michaelis  
15315 NE 74th Way  
Redmond, WA 98052  
(206) 638-8465  
May-21  
**Corporate Franchise**

PILLAR TO POST®  
Henry Counter  
6 F St SW  
Ephrata, WA 98823  
(509) 450-2060  
Sep-22  
**Corporate Franchise**

AJ Assessment L.L.C.  
Alex Christensen  
12-5446 California Ave SW  
Seattle, WA 98136  
(206) 321-4232  
Jul-17  
**Corporate Franchise**

## WEST VIRGINIA

## WISCONSIN

J. Rocco & Associates, Inc.  
John Rocco  
3645 S Brentwood Rd.  
New Berlin, WI 53151  
(414) 423-6921

Wild Daisy Home Inspections, LLC  
Luke Dalchow  
925 Waxon Lane  
Hudson, WI 54016  
(715) 381-5925

Galactic Inspections LLC  
Bill Gochanour  
W5663 Castaway Dr.  
New Lisbon, WI 53950  
(608) 345-1433



Dec-97  
**Corporate Franchise**

Sep-13  
**Corporate Franchise**

Apr-00  
**Corporate Franchise**

PILLAR TO POST  
Andrew Morrison  
851 Nedvidek St.  
Cumberland, WI 54829  
(715) 791-4119  
Oct-16  
**Corporate Franchise**

**WYOMING**

**EXHIBIT B**

**LIST OF FRANCHISEES WHO LEFT THE SYSTEM  
DURING FISCAL YEAR 2024**

**EXHIBIT B**  
**LIST OF FRANCHISEES WHO LEFT THE SYSTEM**  
**DURING FISCAL YEAR 2024**

**ALASKA**

Mountaineer Home Inspections, LLC  
 Jamie Brough  
 PO Box 875641  
 Wasilla, AK 99687  
 (907) 521-7776  
 Jul-07  
**Transferred**

Mountaineer Home Inspections, LLC  
 Jamie Brough  
 PO Box 875641  
 Wasilla, AK 99687  
 (907) 521-7776  
 Jul-07  
**Transferred**

**ALABAMA**

**ARIZONA**

**ARKANSAS**

**CALIFORNIA**

KPH Enterprises L.L.C.  
 Kevin Held  
 535 W. El Segundo Blvd. #400  
 Los Angeles, CA 90031  
 (213) 328-2555  
 Feb-19  
**Terminated**

LLW Investments, LLC  
 Lori Wims  
 28822 Placida Ave  
 Laguna Nigel, CA 92677  
 (949) 773-0400  
 Jul-22  
**Terminated**

PILLAR TO POST®  
 Richard Gaines  
 5256 South Mission Road #703-453  
 Bonsall, CA 92003  
 (619) 548-5398  
 Jul-14  
**Terminated**

PILLAR TO POST®  
 Phil Adams  
 2172 Sycamore Ave  
 Tustin, CA 92780  
 (949) 285-5744  
 Oct-11  
**Terminated**

PILLAR TO POST®  
 Gabriel Gomez  
 839 S Beacon St. 1404  
 San Pedro, CA 90732  
 (424) 308-2621  
 May-21  
**Terminated**

**COLORADO**

Dependable Dwelling Inspections, LLC  
 Travis Cox  
 9356 W Utah Pl.  
 Lakewood, CO 80232  
 (720) 328-2822  
 Jun-14  
**Terminated**

Denver's Professional Home Inspections,  
 LLC  
 Lee Kastberg  
 6795 East Tennessee Ave. Suite 413  
 Denver, CO 80224  
 (303) 655-1177  
 Mar-11  
**Transferred**

Bellendir Construction, LLC  
 Roger Bellendir  
 33671 Hwy. 257  
 Windsor, CO 80550  
 (970) 686-6133  
 Oct-99  
**Terminated**

**CONNECTICUT**

PILLAR TO POST®  
Andrew Howard  
331 Tremont Street  
Newington, CT 06111  
(860) 828-3533  
Feb-11  
**Transferred**

PILLAR TO POST  
Keith Eves  
108 Stockings Brook Rd.  
Berlin, CT 06037  
(860) 863-0428  
Jul-14  
**Terminated**

PILLAR TO POST®  
Allen Stanczyk  
125 North Street  
Milford, CT 06460  
(203) 640-3970  
Dec-04  
**Terminated**

## DISTRICT OF COLUMBIA

## FLORIDA

Dave Biddle, DATB, Inc.  
David and Marjorie (Mimi) Biddle  
181 South River Road  
Stuart, FL 34996  
(203) 275-5538  
Feb-16  
**Terminated**

Onspect LLC  
Robert Lussenden  
135 Jenkins Street, Suite 105B-221  
St. Augustine, FL 32086  
(904) 481-7003  
Jul-19  
**Terminated**

## GEORGIA

Greaux Ventures Inc.  
Andrew Greaux and Liz Greaux  
11720 Amber Park Dr Ste 160 PMB 1355  
Alpharetta, GA 30009  
(678) 565-6458  
Jun-13  
**Terminated**

## HAWAII

## IDAHO

## IOWA

A & J Services, LLC  
Andrew and Jennifer Newton  
1108 Joshua Drive SE  
Bondurant, IA 50035  
(515) 490-5465  
Mar-19  
**Terminated**

## ILLINOIS

PILLAR TO POST®  
Varnell Bronson  
8610 S. Ada St.  
Chicago, IL 60620  
(872) 244-7218

Dec-20  
**Terminated**

## INDIANA

PILLAR TO POST®  
Christopher Bufkin  
4499 Diamond Ridge  
Greenwood, IN 46143  
(317) 292-4438  
Nov-16  
**Terminated**

## KANSAS

## KENTUCKY

## LOUISIANA

## MAINE

## MARYLAND

White Rock Home Inspections, LLC  
Rocky Banks  
13001 Bridger Dr  
Germantown, MD 20874  
(301) 455-5994  
Jan-05  
**Terminated**

## MASSACHUSETTS

## MICHIGAN

No Doubt Home Inspection LLC  
Richard Pack  
11452 Grand Oaks Drive  
Clio, MI 48420  
(810) 394-3393  
Jan-09  
**Terminated**

## MINNESOTA

PILLAR TO POST®  
Robert Allender  
3515 Crestmoor Point  
Woodbury, MN 55125  
(651) 578-1672  
Apr-98

PILLAR TO POST®  
Robert Allender  
3515 Crestmoor Point  
Woodbury, MN 55125  
(651) 578-1672  
Mar-05

Wild Daisy Home Inspections, LLC  
Luke Dalchow  
925 Waxon Lane  
Hudson, WI 54016  
(715) 381-5925  
Apr-98

Transferred

Transferred

Terminated

**MISSISSIPPI**

**MISSOURI**

**MONTANA**

**NEBRASKA**

**NEVADA**

Butcher Enterprises LLC  
Nick Butcher  
PO Box 335242  
Las Vegas, NV 89033  
(702) 285-5332  
Jun-10  
**Transferred**

**NEW HAMPSHIRE**

**NEW JERSEY**

High-Tech Home Inspection LLC  
Mateo Duque  
127 Waldo Place  
Englewood, NJ 07631  
(551) 275-5389  
May-22  
**Terminated**

PILLAR TO POST  
Jeffrey Meyers  
2 Horizon Way  
Greenbrook, NJ 08812  
(732) 902-1966  
Apr-14  
**Terminated**

Redwood Premier LLC  
Scott Acquisto  
55 Union Place, Suite 185  
Summit, NJ 07901  
(908) 517-3434  
Jul-19  
**Terminated**

PILLAR TO POST  
John Paris  
511 Hoppe Ave.  
Wyckoff, NJ 07481  
(201) 465-4750  
Sep-14  
**Terminated**

**NEW MEXICO**

**NEW YORK**

Broad Reach Sales Group, LLC  
David Willner  
PO Box 70  
Sugar Leaf, NY 10981  
(845) 610-5366  
May-17  
**Terminated**

## NORTH CAROLINA

Wilmington Inspections, Inc.  
Mike Boenitz  
7102 Haven Way  
Wilmington, NC 28411  
(910) 821-8540  
Feb-14  
**Terminated**

Double Trouble Enterprises, LLC  
Steve Martin  
P.O. Box 107  
Oak Ridge, NC 27310  
(336) 441-0257  
Apr-19  
**Terminated**

## NORTH DAKOTA

## OHIO

Mike Rowe Inspections, LLC  
Michael Rowe  
7794 Saint James Dr  
Mentor, OH 44060  
(440) 974-0101  
Dec-14  
**Transferred**

Skipper's Home Inspections, LLC  
Skip Howell  
163 Sierra Dr.  
Columbus, OH 43230  
(614) 269-7941  
Oct-14  
**Transferred**

SB Home Inspections, LLC  
Sean Boyle  
10400 Neiderhouse Rd  
Perrysburg, OH 43551  
(419) 665-6165  
Dec-14  
**Transferred**

## OKLAHOMA

Pearly Gates Industries (LLC)  
Chris St.Peter  
2404 Rambling Road  
Edmond, OK 73025  
(405) 960-2220  
May-22  
**Terminated**

PILLAR TO POST®  
Dale Gallegly  
3708 East Ridge Circle NE  
Piedmont, OK 73078  
(405) 883-6025  
Sep-21  
**Terminated**

## OREGON

Bend United LLC  
Brian Claus  
740 NE 3rd St. Ste 3 #313  
Bend, OR 97701  
(541) 797-3480  
Jul-19  
**Terminated**

PILLAR TO POST®  
Eric Barouxis  
4207 SE Woodstock Blvd, #205  
Portland, OR 97206-6267  
(971) 777-1279  
Sep-13  
**Transferred**

## PENNSYLVANIA

PILLAR TO POST®  
Eric Rubin  
1654 State Route 167  
Hop Bottom, PA 18824  
(570) 438-1010  
Apr-23

**Terminated**

**RHODE ISLAND**

**SOUTH CAROLINA**

PILLAR TO POST®  
Anthony Fauci  
2015 Royal Blue Court  
Myrtle Beach, SC 29579  
(843) 446-7363  
Mar-21  
**Terminated**

**SOUTH DAKOTA**

**TENNESSEE**

Team Starnes Home Inspectors LLC  
Dave Starnes  
236 Blair Dr  
Clarksville, TN 37043-1765  
(931) 999-3312  
Mar-19  
**Terminated**

Matt Dumbovich Home Inspections LLC  
Matt Dumbovich  
6137 Beals Ln  
Nashville, TN 37218  
(615) 636-4981  
Oct-14  
**Terminated**

**TEXAS**

PILLAR TO POST  
Dale Hall  
26948 Carriage Manor  
Kingwood, TX 77339  
(832) 412-8495  
Feb-14  
**Terminated**

NTL Companies, LLC  
Larry Presby  
PO Box 793259  
Dallas, TX 75379  
(214) 715-7434  
Mar-19  
**Terminated**

Hunter Makes, Inc.  
Chris Hunter  
2621 Woodson Circle  
Bedford, TX 76021  
(940) 243-0366  
Feb-02  
**Transferred**

Phillips Home Inspection Services LLC  
Eric Phillips  
PO Box 4481  
Bryan, TX 77805  
(979) 446-2389  
Jun-15  
**Transferred**

PILLAR TO POST  
Lamar Wheeler  
3714 Indian Hills  
Selma, TX 78154  
(210) 775-8482  
Oct-14  
**Transferred**

PILLAR TO POST®  
Stephen Tucker  
4781 White Oak Rd  
Orange, TX 77706  
(270) 498-5858  
Jul-23  
**Terminated**

JT Lavender Ent., Inc.  
Jonathan Tarpey  
13611 Kluge Corner Ln  
Cypress, TX 77429  
(713) 725-6342  
Dec-99  
**Terminated**



**UTAH****VERMONT****VIRGINIA**

The JNL Group, LLC  
Joseph Lowery  
7305 Hancock Village Dr. Ste 244  
Chesterfield, VA 23832  
(804) 690-1321  
Sep-21  
**Terminated**

MHT Enterprises LLC  
Matt Lloyd  
5501 Merchants View Square #701  
Haymarket, VA 20169  
(703) 520-1440  
May-19  
**Terminated**

MS Home Inspections LLC  
Michael Mele and Suzanne Cordle  
104 Fancy Ct  
Stephens City, VA 22655  
(540) 336-4491  
Jun-19  
**Terminated**

**WASHINGTON**

Integrity Inspections Northwest LLC  
David Becker  
1820 Valleyview Dr.  
Clarkston WA 99403  
(509) 850-7531  
Jan-14  
**Terminated**

PILLAR TO POST®  
Paul North  
Suite 107 PMB 101, 3377 Bethel Rd SE  
Port Orchard, WA 98366  
(360) 536-2296  
Feb-99  
**Terminated**

S. J. & E. Investments LLC  
Matt Purcell  
PO Box 782  
Burlington, WA 98233  
(360) 279-2922  
Jun 04  
**Terminated**

**WEST VIRGINIA****WISCONSIN**

TRI Mark Inspections, LLC  
Mark Michaels  
4245 Manitou Way  
Madison, WI 53711  
(608) 345-1433  
Apr-00  
**Transferred**

**WYOMING**

## EXHIBIT C

### OPERATIONS MANUAL - TABLE OF CONTENTS

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## EXHIBIT D

### MINIMUM REQUIRED COMPUTER EQUIPMENT

#### **Inspection Tablet Computer**

Prescribed inspection tablet computer will be confirmed at time franchise agreement is signed. You must order it from our designated supplier for delivery to you at the Initial Training Program.

#### **Office Computer**

The minimum requirements for the office computer are:

Component	Requirement
Computer and processor	Windows PC: Intel i5 or i7 processor, dual core minimum (i7 recommended) Apple: Apple Silicon M1 or higher (M1 Recommended)
Memory	16 GB or higher
Hard disk	512GB solid state or higher
Display	VGA or compatible
Operating system	Windows 11 or MacOS/X (latest version)
Software	Office 2024 OR Microsoft M365 Subscription Adobe Acrobat Reader DC Antivirus (Windows Defender or equivalent)
Internet connection	Broadband Internet Access, minimum 10 Mbps download

**EXHIBIT E**

**FINANCIAL STATEMENTS**



March 25, 2025

Pillar to Post, Inc.  
14502 N. Dale Mabry Highway  
Suite 200  
Tampa, Florida 33618  
USA

We agree to the inclusion in the Franchise Disclosure Document dated March 25, 2025 issued by Pillar to Post, Inc. (a subsidiary of FS Brands, Inc.) of our report dated March 25, 2025 relating to the consolidated financial statements of FS Brands, Inc. as of December 31, 2024 and 2023, and for each of the years then ended and our report dated March 19, 2024 relating to the consolidated financial statements of FS Brands, Inc. as of December 31, 2023 and December 31, 2022, and for each of the years then ended.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

PricewaterhouseCoopers LLP  
PwC Tower, 18 York Street, Suite 2500, Toronto, Ontario, Canada M5J 0B2  
T.: +1 416 863 1133, F.: +1 416 365 8215, Fax email: ca\_toronto\_18\_york\_fax@pwc.com, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

# **FS Brands, Inc.**

Consolidated Financial Statements  
**December 31, 2024 and**  
**December 31, 2023**  
(expressed in US dollars)



## **Report of Independent Auditors**

To the Management and Board of Directors of FS Brands, Inc.

### ***Opinion***

We have audited the accompanying consolidated financial statements of FS Brands, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and December 31, 2023, and the related consolidated statements of income and comprehensive income, consolidated statements of changes in stockholders' equity and consolidated statements of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and December 31, 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement

PricewaterhouseCoopers LLP  
PwC Tower, 18 York Street, Suite 2500, Toronto, Ontario, Canada M5J 0B2  
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Company'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada  
March 25, 2025



**FS Brands, Inc.**  
**Consolidated Balance Sheets**  
**As at December 31, 2024 and December 31, 2023**

(expressed in US dollars)

	<b>2024</b> \$	<b>2023</b> \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	81,752,083	74,395,379
Restricted cash	728,048	289,567
Accounts receivable – net of allowance for doubtful accounts of \$4,769,460 (2023 – \$3,822,098)	98,370,150	73,640,316
Notes receivable (note 5)	753,999	979,789
Inventories	44,747,610	46,944,449
Prepaid expenses and other current assets	26,647,680	19,367,721
Income taxes recoverable	16,432,357	14,860,359
	269,431,927	230,477,580
<b>Notes receivable</b> (note 5)	9,380,811	9,746,789
<b>Other assets</b>	10,785,960	9,622,884
<b>Property and equipment</b> (note 6)	64,308,483	58,187,454
<b>Intangible assets</b> (note 7)	35,099,730	39,809,871
<b>Goodwill</b> (note 8)	137,179,959	135,209,812
<b>Operating lease right-of-use asset</b> (note 9)	65,005,041	61,114,454
	591,191,911	544,168,844

**Approved by the Board of Directors**

\_\_\_\_\_ Director \_\_\_\_\_ Director

The accompanying notes are an integral part of these consolidated financial statements.

**FS Brands, Inc.**Consolidated Balance Sheets...*continued*

As at December 31, 2024 and December 31, 2023

(expressed in US dollars)

	2024 \$	2023 \$
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	31,540,435	20,246,247
Accrued liabilities	69,999,391	70,223,561
Deferred revenue and customer deposits	39,806,903	42,470,440
Due to ultimate parent	21,744,502	23,166,961
Income taxes payable	3,404,120	833,439
Operating lease liabilities – current (note 9)	14,387,139	12,328,887
	<u>180,882,490</u>	<u>169,269,535</u>
<b>Deferred revenue</b>	22,747,519	21,084,490
<b>Long-term value appreciation rights</b>	9,754,020	8,915,671
<b>Income taxes payable</b>	186,059	186,059
<b>Deferred income taxes</b> (note 10)	10,949,640	11,146,082
<b>Operating lease liabilities</b> – non-current (note 9)	<u>56,742,291</u>	<u>51,682,224</u>
	<u>281,262,019</u>	<u>262,284,061</u>
<b>Non-controlling interests</b> (note 12)	<u>72,477,028</u>	<u>66,979,653</u>
<b>Stockholders' Equity</b>		
<b>Common stock</b>	1	1
<b>Additional paid-in capital</b>	29,529,067	29,529,067
<b>Retained earnings</b>	<u>207,923,796</u>	<u>185,376,062</u>
	<u>237,452,864</u>	<u>214,905,130</u>
	<u>591,191,911</u>	<u>544,168,844</u>

The accompanying notes are an integral part of these consolidated financial statements.

**FS Brands, Inc.****Consolidated Statements of Income and Comprehensive Income  
For the years ended December 31, 2024 and December 31, 2023**

(expressed in US dollars)

	2024 \$	2023 \$
<b>Revenue</b> (note 3)		
Royalties	99,791,571	99,564,101
Franchise fees	7,396,575	6,131,358
Merchandise sales	645,220,204	584,521,531
Services and other	97,957,315	91,982,256
	<u>850,365,665</u>	<u>782,199,246</u>
<b>Costs and expenses</b>		
Franchise operating	43,037,230	41,994,603
Cost of merchandise sales	447,715,916	417,539,405
Cost of services	14,386,988	7,575,789
General and administrative	227,676,089	211,319,558
Management fees to parent (note 4)	7,540,176	6,772,822
Depreciation and amortization	27,270,896	29,188,378
	<u>767,627,295</u>	<u>714,390,555</u>
<b>Income from operations</b>	82,738,370	67,808,691
<b>Other income (expense)</b>		
Interest income	663,746	-
Interest expense	-	(257,558)
	<u>83,402,116</u>	<u>67,551,133</u>
<b>Income before income taxes</b>	83,402,116	67,551,133
<b>Provision for income taxes</b> (note 10)	23,297,857	17,567,609
	<u>60,104,259</u>	<u>49,983,524</u>
<b>Net income for the year</b>	60,104,259	49,983,524
<b>Non-controlling interests' share of earnings</b> (note 12)	(2,463,477)	(2,982,184)
<b>Non-controlling interests' redemption increment</b> (note 12)	(5,093,012)	(6,143,537)
	<u>52,547,770</u>	<u>40,857,803</u>
<b>Net income and comprehensive income attributable to common stockholders for the year</b>	52,547,770	40,857,803

The accompanying notes are an integral part of these consolidated financial statements.

**FS Brands, Inc.****Consolidated Statements of Changes in Stockholders' Equity**  
**For the years ended December 31, 2024 and December 31, 2023**

(expressed in US dollars)

	<b>Common stock \$</b>	<b>Additional paid-in capital \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
<b>Balance – December 31, 2022</b>	1	29,529,067	144,518,259	174,047,327
Net income and comprehensive income attributable to common stockholders for the year	-	-	40,857,803	40,857,803
<b>Balance – December 31, 2023</b>	1	29,529,067	185,376,062	214,905,130
Dividends	-	-	(30,000,036)	(30,000,036)
Net income and comprehensive income attributable to common stockholders for the year	-	-	52,547,770	52,547,770
<b>Balance – December 31, 2024</b>	1	29,529,067	207,923,796	237,452,864

The accompanying notes are an integral part of these consolidated financial statements.

**FS Brands, Inc.****Consolidated Statements of Cash Flows****For the years ended December 31, 2024 and December 31, 2023**

(expressed in US dollars)

	2024 \$	2023 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for the year	60,104,259	49,983,524
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation of property and equipment (note 6)	19,418,258	19,480,882
Amortization of intangible assets	7,852,638	9,707,496
Deferred income taxes	(830,060)	(2,091,203)
Change in non-cash working capital (note 11)	(15,242,704)	(14,295,507)
	<u>71,302,391</u>	<u>62,785,192</u>
<b>Investing activities</b>		
Purchase of property and equipment	(25,182,341)	(19,902,538)
Acquisition of businesses – net of cash acquired	(4,585,803)	(24,455,980)
	<u>(29,768,144)</u>	<u>(44,358,518)</u>
<b>Financing activities</b>		
(Repayment to) advance from parent	(1,422,459)	10,886,684
Payment of notes payable	-	(456,933)
Purchase of non-controlling interest (note 12)	(675,508)	(2,429,454)
Sales of shares to non-controlling interests	1,051,332	895,199
Payment of dividends	(30,000,036)	-
Payment of dividends to non-controlling interests	(2,692,391)	(1,740,390)
	<u>(33,739,062)</u>	<u>7,155,106</u>
<b>Increase in cash, restricted cash and cash equivalents during the year</b>	7,795,185	25,581,780
<b>Cash, restricted cash and cash equivalents – Beginning of year</b>	74,684,946	49,103,166
<b>Cash, restricted cash and cash equivalents – End of year</b>	<u>82,480,131</u>	<u>74,684,946</u>
<b>Supplementary information</b>		
Cash paid for interest and dividends	-	670,526
Cash paid for income taxes	23,138,856	21,130,437

The accompanying notes are an integral part of these consolidated financial statements.

# **FS Brands, Inc.**

## **Notes to Consolidated Financial Statements December 31, 2024 and December 31, 2023**

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(expressed in US dollars)

### **1 Nature of business operations**

FS Brands, Inc. (the Company), incorporated on March 31, 2010, is a 97.18% owned subsidiary of FS Property Services (U.S.) Inc. (the parent), which is indirectly a 100% owned subsidiary of FirstService Corporation (the ultimate parent), a publicly owned, diversified real estate services company.

Through the following subsidiaries, CertaPro Painters Ltd., Paul Davis Restoration, Inc., California Closet Company, Inc., Pillar to Post, Inc. and Floor Coverings International, Ltd., the Company's principal function is the recruiting, training and operation of franchise systems throughout the United States. In addition, the Company controls 22 California Closet franchises, 23 Paul Davis Restoration franchises and three CertaPro Painters franchises.

### **2 Summary of significant accounting policies**

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. The most significant estimates made by management relate to the initial determination of fair values of assets acquired and liabilities assumed in business combinations and the assessment of potential impairment of goodwill and intangible assets where impairment indicators have been identified. Actual results could differ from those estimates.

#### **Basis of consolidation**

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions between the Company and its subsidiaries are eliminated on consolidation.

#### **Revenue recognition and unearned revenue**

The Company accounts for a contract with a customer when there is approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and the collectibility of consideration is probable. The Company measures revenue based on consideration specified in the contract of each customer and recognizes revenue as the performance obligations are satisfied by transferring the control of the service or product to a customer.

- **Franchisor operations**

The Company operates several franchise systems. Initial franchise fees are deferred and recognized over the term of the franchise agreement. Royalty revenue is recognized based on a contracted percentage of franchisee revenue, as reported by the franchisees. Revenue from administrative and other support services, as applicable, is recognized as the services are provided.

# **FS Brands, Inc.**

## **Notes to Consolidated Financial Statements December 31, 2024 and December 31, 2023**

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(expressed in US dollars)

The Company's franchise systems operate marketing funds on behalf of franchisees. Advertising fund contributions from franchisees are reported as revenue consistent with royalty revenue, when the related franchisee revenues occur, and advertising fund expenditures are reported as expenses, when incurred in the consolidated statements of income and comprehensive income. To the extent that contributions received exceed advertising expenditures, the excess amount is accrued and offset as unearned revenue, whereas any expenditures in excess of contributions are expensed as incurred. As such, advertising fund contributions and the related revenue and expenses may be reported in different periods.

- Revenue from construction contracts and service operations other than franchisor operations

Revenue is recognized over time as control transfers to the customer as the services are being performed. Revenue is recognized based on percentage of completion, which is based on a ratio of actual costs to total estimated contract costs. In cases where anticipated costs to complete a project exceed the revenue to be recognized, a provision for the additional estimated losses is recorded in the period when the loss becomes apparent. Amounts received from customers in advance of services being provided are recorded as unearned revenue when received and services rendered in advance of billing are recorded as work-in-progress inventory.

### **Cash and cash equivalents**

The Company considers all investments readily convertible into cash and having an initial maturity of three months or less to be cash equivalents. Cash equivalents include money market funds and time deposits, which are carried at cost and approximate fair value.

### **Restricted cash**

Restricted cash comprises cash restricted for marketing fund use. The Company is in custody of the cash received from franchisees for use in franchisee marketing funds.

The Company's consolidated statements of cash flows explain the change during the period in the total of cash and cash equivalents and amounts generally described as restricted cash and restricted cash equivalents. The Company's restricted cash balance consists primarily of cash related to our marketing funds.

### **Inventories**

Inventories consist of finished products, accessories and components of closet and workspace systems, painting kits, film and supplies held for resale. Inventories are valued at the lower of cost (first in, first out) and net realizable value. Work-in-process inventory relates to construction contracts in process and is accounted for using the percentage of completion method.

### **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, except for leasehold improvements, which are depreciated on a straight-line basis over the lesser of the useful life of the asset or the remaining lease term.

**FS Brands, Inc.**  
Notes to Consolidated Financial Statements  
**December 31, 2024 and December 31, 2023**

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(expressed in US dollars)

Maintenance and repairs are expensed to operations as incurred, while betterments and additions are capitalized. On sale or retirement, the cost of the property and the related accumulated depreciation are removed from the respective accounts and any resulting gains or losses are reflected in income.

**Goodwill and intangible assets**

Goodwill represents the excess of purchase price over the fair value of assets acquired and liabilities assumed in a business combination and is not subject to amortization.

Intangible assets are recorded at fair value on the date they are acquired and are amortized using the straight-line method over their estimated useful lives as follows:

Customer relationships	4 to 20 years
Trademark	15 to 30 years
Franchise agreements	pattern of use

Goodwill is tested for impairment annually, on August 1, or more frequently if events or changes in circumstances indicate the asset might be impaired, in which case the carrying amount of the asset is written down to fair value. Impairment of goodwill is tested at the reporting unit level. Impairment is tested by first assessing qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Where it is determined to be more likely than not that its fair value is greater than its carrying amount, no further testing is required. When the qualitative analysis is not sufficient to support that the fair value exceeds the carrying amount, a goodwill impairment test is performed. The Company also has an unconditional option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing a quantitative goodwill impairment test. The Company may resume performing the qualitative assessment in any subsequent period. A quantitative goodwill impairment test is performed by comparing the fair value of each reporting unit to its carrying value, including goodwill. Fair value is estimated using a market multiple method, which estimates market multiples of earnings before interest, taxes, depreciation and amortization (EBITDA) for comparable entities with similar operations and economic characteristics. Significant assumptions used in estimating the fair value of each reporting unit include the market multiples of EBITDA.

**Impairment of long-lived assets**

The Company reviews the carrying amount of its long-lived assets including, but not limited to, property and equipment and intangible and other assets, if events or changes in circumstances indicate the asset might be impaired. The carrying amount of a long-lived asset group is considered impaired when the undiscounted cash flow from such asset group is estimated to be less than its carrying amount. In that event, a loss is recognized as the amount by which the carrying amount exceeds its fair value. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived asset groups to be disposed of would be determined in a similar manner, except that fair value would be reduced by any costs of disposal.



# **FS Brands, Inc.**

## **Notes to Consolidated Financial Statements December 31, 2024 and December 31, 2023**

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(expressed in US dollars)

### **Deferred revenue and customer deposits**

Deferred revenue represents payments received in connection with services to be provided in the future and is recognized when the services have been provided. Customer deposits represent payments received as deposits in connection with California Closet products to be installed.

### **Notional value appreciation plans**

Under these plans, subsidiary employees are compensated if the notional value of the subsidiary increases. Awards under these plans generally have a term of up to ten years and a vesting period of five years. The increase in notional value is calculated with reference to growth in earnings relative to a fixed threshold amount plus or minus changes in indebtedness relative to a fixed opening amount. If an award is subject to a vesting condition, then graded attribution is applied to the intrinsic value. The related compensation expense is recorded in selling, general and administrative expenses, the current liability is recorded in accrued liabilities, and the non-current portion is recorded in other liabilities.

### **Leases**

The Company has lease agreements with lease and non-lease components and has elected to account for each lease component (e.g., fixed rent payments) separately from the non-lease components (e.g., common-area maintenance costs). The Company has also elected not to recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. Leases are recognized on the consolidated balance sheets when the lease term commences, and the associated lease payments are recognized as an expense on a straight-line basis over the lease term.

### **Income taxes**

Income tax has been provided using the asset and liability method whereby deferred income tax assets and liabilities are recognized for the expected future income tax consequences of events that have been recognized in the consolidated financial statements or income tax returns. Deferred income tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to reverse, be recovered or be settled. The effect on deferred income tax assets and liabilities of a change in income tax rates is recognized in income in the period in which the change occurs. A valuation allowance is recorded unless it is more likely than not that realization of a deferred income tax asset will occur based on available evidence.

### **Non-controlling interests**

The non-controlling interests (NCI)s are considered to be redeemable securities and accordingly are recorded at the greater of (i) the redemption amount; or (ii) the amount initially recorded as redeemable NCI at the date of inception of the minority equity position. This amount is recorded in the “mezzanine” section of the consolidated balance sheets, outside of stockholders’ equity. Changes in the redeemable NCIs amount are recognized immediately as they occur.

# **FS Brands, Inc.**

## **Notes to Consolidated Financial Statements December 31, 2024 and December 31, 2023**

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(expressed in US dollars)

### **Fair value measurements**

Fair value measurements are measured using inputs from the three levels of the fair value hierarchy. The classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – observable market-based inputs other than quoted prices in active markets for identical assets or liabilities; and
- Level 3 – unobservable inputs for which there is little or no market data, which requires the Company to develop its own assumptions.

### **Concentrations**

The Company's financial instruments exposed to credit risk include cash and cash equivalents, due from parent, restricted cash, accounts receivable and notes receivable. The Company places its cash, restricted cash and cash equivalents with institutions of high creditworthiness. Management routinely assesses the collectibility of its accounts receivable and notes receivable, and its credit risk is limited due to the dispersion of the customer base comprising the receivables.

During the year ended December 31, 2024, there were \$2,968,464 (2023 – \$1,325,985) of write-offs from the allowance for credit losses.

### **Business combinations**

All business combinations are accounted for using the purchase method of accounting. Transaction costs are expensed as incurred.

The determination of fair values of assets and liabilities assumed in business combinations requires the use of estimates and judgment by management, particularly in determining fair values of intangible assets acquired.

The fair value of the contingent consideration is classified as a financial liability and is recorded on the consolidated balance sheets at the acquisition date and is re-measured at fair value at the end of each period until the end of the contingency period, with fair value adjustments recognized in income.

## **3 Revenue from contracts with customers**

Franchise fee revenue recognized during the year ended December 31, 2024, that was included in deferred revenue at the beginning of the period was \$7,588,809 (2023 – \$5,558,367). These fees are recognized over the life of the underlying franchise agreement, usually between five – ten years.

The majority of unearned revenue as at December 31, 2023 was recognized in income in 2024.

# **FS Brands, Inc.**

## **Notes to Consolidated Financial Statements December 31, 2024 and December 31, 2023**

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(expressed in US dollars)

External broker costs and employee sales commissions in obtaining new franchisees are capitalized in accordance with the revenue standard and are amortized over the life of the underlying franchise agreement. Costs amortized during the year ended December 31, 2024 were \$3,419,647 (2023 – \$2,749,632). The closing amount of the capitalized costs to obtain contracts on the consolidated balance sheets as at December 31, 2024 was \$12,683,884 (2023 – \$11,417,250). There were no impairment losses recognized related to those assets in 2024.

The Company disaggregates revenue by type on the consolidated statements of income and comprehensive income. The Company's businesses primarily recognize revenue over time as they perform because of the continuous transfer of control to the customer.

### **4 Transactions with related parties**

#### **Management fees**

The Company has a management agreement with FirstService Corporate Headquarters that provides certain administrative and management services to the Company. For the years ended December 31, 2024 and December 31, 2023, the fees for such services totalled \$7,540,176 (2023 – \$6,772,822). These transactions were in the normal course of operations and measured at the exchange amount.

#### **Note receivable**

The Company has a note receivable with FirstService Restoration from the proceeds of the sale of an operating unit. For the years ended December 31, 2024 and December 31, 2023, the note receivable totalled \$7,232,377 (2023 – \$7,232,377).

#### **Intercompany payable**

The Company has an intercompany payable to FirstService Corporation of \$21,744,502 (2023 – \$23,166,961). This amount is comprised of operational funding for acquisitions and interest payable related to the funding. In 2024, the Company made payments in the amount of \$1,422,458.

### **5 Notes receivable**

The Company has notes receivable from franchisees for various franchise fees and royalties. These notes bear interest at rates ranging from nil% to 8%, are unsecured and repayable in monthly instalments. Also included in notes receivable are amounts owing from certain NCI stockholders. The total amount due from NCIs is \$473,038 (2023 – \$462,291). The interest rate on these notes is 2.5%.

**FS Brands, Inc.****Notes to Consolidated Financial Statements**  
**December 31, 2024 and December 31, 2023**

(expressed in US dollars)

As at December 31, 2024, annual maturities on the notes receivable were as follows:

	\$
2025	753,999
2026	7,819,850
2027	410,252
2028	246,474
2029	37,453
Thereafter	866,782
	<u>10,134,810</u>
Less: Allowance for doubtful accounts	<u>-</u>
	10,134,810
Less: Current portion	<u>753,999</u>
	<u>9,380,811</u>

**6 Property and equipment**

<b>2024</b>				
	<b>Depreciation period</b>	<b>Gross carrying amount \$</b>	<b>Accumulated depreciation \$</b>	<b>Net \$</b>
Production equipment	5 to 7 years	46,520,585	35,429,443	11,091,142
Vehicles	5 years	47,840,441	30,679,291	17,161,150
Furniture and fixtures	5 to 7 years	15,040,892	12,212,684	2,828,208
Computers and equipment	3 to 5 years	64,347,541	39,019,272	25,328,269
Leasehold improvements	lease term	24,665,611	16,765,897	7,899,714
		<u>198,415,070</u>	<u>134,106,587</u>	<u>64,308,483</u>
<b>2023</b>				
	<b>Depreciation period</b>	<b>Gross carrying amount \$</b>	<b>Accumulated depreciation \$</b>	<b>Net \$</b>
Production equipment	5 to 7 years	41,165,577	29,881,575	11,284,002
Vehicles	5 years	44,390,894	26,864,976	17,525,918
Furniture and fixtures	5 to 7 years	15,145,693	12,348,386	2,797,307
Computers and equipment	3 to 5 years	54,800,606	34,147,619	20,652,987
Leasehold improvements	lease term	21,206,696	15,279,456	5,927,240
		<u>176,709,466</u>	<u>118,522,012</u>	<u>58,187,454</u>

# FS Brands, Inc.

## Notes to Consolidated Financial Statements December 31, 2024 and December 31, 2023

(expressed in US dollars)

Depreciation expense totalled \$19,418,258 (2023 – \$19,480,882) for the years ended December 31, 2024 and December 31, 2023.

### 7 Intangible assets

	2024		
	Gross carrying amount \$	Accumulated amortization \$	Net \$
Trademarks	10,774,499	7,644,120	3,130,379
Franchise agreements	53,077,051	41,508,005	11,569,046
Customer relationship	32,766,043	13,478,701	19,287,342
Non-compete and other	4,419,790	3,306,827	1,112,963
	101,037,383	65,937,653	35,099,730
	2023		
	Gross carrying amount \$	Accumulated amortization \$	Net \$
Trademarks	10,774,499	7,412,820	3,361,679
Franchise agreements	53,012,248	37,544,561	15,467,687
Customer relationship	29,688,337	10,230,288	19,458,049
Non-compete and other	4,419,790	2,897,334	1,522,456
	97,894,874	58,085,003	39,809,871

Amortization expense totalled \$7,852,638 (2023 – \$9,707,496) for the years ended December 31, 2024 and December 31, 2023.

The following is the estimated annual amortization expense for each of the next five years:

	\$
2025	7,012,732
2026	6,179,158
2027	4,232,386
2028	3,302,454
2029	3,075,966

# FS Brands, Inc.

## Notes to Consolidated Financial Statements December 31, 2024 and December 31, 2023

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(expressed in US dollars)

### 8 Goodwill

Goodwill represents the excess of purchase price over the value assigned to the net tangible and identifiable intangible assets of businesses acquired. A test for goodwill impairment is required to be completed annually, in the Company's case as at August 1, or more frequently if events or changes in circumstances indicate the asset might be impaired. Based on the quantitative assessment in 2024, the Company concluded that goodwill is not impaired.

	\$
<b>Balance as at December 31, 2022</b>	116,985,756
Goodwill acquired during the year	15,121,509
Goodwill adjustment during the year	<u>3,102,547</u>
<b>Balance as at December 31, 2023</b>	<u>135,209,812</u>
Goodwill acquired during the year	2,359,081
Goodwill adjustment during the year	<u>(388,934)</u>
<b>Balance as at December 31, 2024</b>	<u>1,970,147</u>
	<u>137,179,959</u>

### 9 Leases

The Company has operating leases for corporate offices, copiers and certain equipment. The leases have remaining lease terms of one to ten years, some of which may include options to extend the leases for up to eight years, and some of which may include options to terminate the leases within one year. The Company evaluates renewal terms on a lease-by-lease basis to determine if the renewal is reasonably certain. The amount of operating lease expense recorded in the consolidated statements of income and comprehensive income was \$18,443,863 (2023 – \$15,076,940).

Other information related to leases is as follows:

#### **Supplemental cash flows information, year ended December 31, 2024**

Cash paid for amounts included in the measurement of operating lease liabilities	\$15,038,148
Right-of-use assets obtained in exchange for operating lease obligation	\$22,047,588
Weighted average remaining operating lease term	5.54 yrs
Weighted average discount rate	6.57%

**FS Brands, Inc.**  
Notes to Consolidated Financial Statements  
**December 31, 2024 and December 31, 2023**

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(expressed in US dollars)

The following represent operating lease commitments:

	\$
2025	16,418,165
2026	17,887,750
2027	13,834,980
2028	11,300,287
2029 and thereafter	25,469,061
	<u>84,910,243</u>

## 10 Income taxes

The statutory rate is 26.5% and the effective rate is 27.9%. The primary reconciling items relate to permanent differences and adjustments to tax liabilities for prior periods.

Income tax differs from the amounts that would be obtained by applying the statutory rate to the respective year's earnings before tax. Differences result from the following items:

	2024 \$	2023 \$
Income tax expense using combined federal and state statutory rate of 26.5% (2023 - 26.5%)	22,101,567	17,901,016
Permanent differences	568,727	486,154
Temporary differences	346,863	(583,436)
Net operating losses	142,179	(607,631)
Foreign, state and provincial tax rate differential	427,740	(346,928)
Tax adjustments	(535,048)	465,669
Other taxes	245,829	252,765
	<u>23,297,857</u>	<u>17,567,609</u>
Provision for income taxes as reported		

The components of deferred income tax assets and liabilities are as follows:

	2024 \$	2023 \$
Current provision		
Federal	18,404,257	15,048,207
State	5,723,660	4,610,605
	<u>24,127,917</u>	<u>19,658,812</u>
Deferred recovery		
Federal	(626,391)	(1,756,021)
State	(203,669)	(335,182)
	<u>(830,060)</u>	<u>(2,091,203)</u>
	<u>23,297,857</u>	<u>17,567,609</u>

**FS Brands, Inc.****Notes to Consolidated Financial Statements**  
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(expressed in US dollars)

The components of deferred income tax assets and liabilities are as follows:

	2024 \$	2023 \$
Deferred income tax assets		
Accrued expenses	8,119,953	7,093,339
Bad debt	796,971	798,306
Interest expense	2,101	4,843
Future benefit of tax losses	3,314,978	2,785,806
	<u>12,234,003</u>	<u>10,682,294</u>
Deferred income tax liabilities		
Purchased goodwill and intangible assets	10,004,605	9,152,386
Property and equipment	11,116,053	10,602,588
Investment in partnership	742,523	672,989
	<u>21,863,181</u>	<u>20,427,963</u>
Net deferred income tax liabilities before valuation allowance	9,629,178	9,745,669
Valuation allowance	<u>1,320,462</u>	<u>1,400,413</u>
Net deferred income tax liabilities	<u>10,949,640</u>	<u>11,146,082</u>

The number of years with open tax audits varies depending on the tax jurisdiction. The Company's taxing jurisdiction is the United States of America. With few exceptions, the Company is no longer subject to US federal, state and local income tax examinations by tax authorities for years before 2016.

The Company does not currently expect any material impact on income to result from the resolution of matters relating to open taxation years; however, actual settlements may differ from amounts accrued. Currently, it is not reasonably possible to determine whether unrecognized tax benefits will increase or decrease within the next 12 months with respect to settlements of tax audits. The Company has made its current estimates on facts and circumstances known to date and cannot predict subsequent or changed facts and circumstances that could affect its current estimates.

**11 Change in non-cash working capital**

	2024 \$	2023 \$
Accounts receivable	(24,533,518)	(6,943,101)
Inventories	2,196,839	(1,520,024)
Notes receivable	591,768	(256,677)
Prepaid expenses and other current assets	(8,363,690)	(2,166,751)
Accounts payable	11,186,909	2,330,719
Accrued liabilities	541,959	(3,649,003)
Deferred revenue and customer deposits	(1,051,355)	308,122
Income taxes	989,058	(1,800,991)
Other liabilities	<u>3,199,326</u>	<u>(597,801)</u>
	<u>(15,242,704)</u>	<u>(14,295,507)</u>



# FS Brands, Inc.

## Notes to Consolidated Financial Statements December 31, 2024 and December 31, 2023

(expressed in US dollars)

### 12 Non-controlling interests

The following table provides a reconciliation of the beginning and ending amounts for NCIs:

	2024 \$	2023 \$
Balance – Beginning of year	66,979,653	52,347,171
Share of earnings of NCI	2,463,477	2,982,184
Redemption increment of NCI	5,093,012	6,143,537
Distributions paid to NCI	(2,692,391)	(1,740,390)
Purchase of NCI	(675,508)	(2,429,454)
Sale of NCI	1,308,785	9,676,605
Balance – End of year	72,477,028	66,979,653

The Company has stockholders' agreements in place for each of its non-wholly owned subsidiaries. These agreements allow the Company to call the NCI at a price determined with the use of a formula price, which is usually equal to a fixed multiple of average annual net income before extraordinary items, income taxes, interest, depreciation and amortization. The agreements also have redemption features, which allow the owners of the NCI to put their equity into the Company at the same price, subject to certain limitations. The formula price is referred to as the redemption amount and may be settled in cash or with the ultimate parent's shares. The redemption amount as at December 31, 2024 and December 31, 2023 was \$72,477,028 (2023 – \$66,979,653).

### 13 Fair values of financial instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these instruments. The following are estimates of the fair values for other financial instruments:

	Carrying amount \$	Fair value \$
Notes receivable	10,134,810	8,664,270
Contingent consideration	3,983,042	3,983,042

Notes receivable include amounts due from franchisees and non-controlling stockholders. Notes payable include amounts due to vendors in connection with business acquisitions. The fair values of these instruments are determined using a valuation model with prevailing interest rates obtained from third parties. The inputs used in the fair value of contingent consideration are unobservable and are therefore classified as level 3 and relate to future cash flows and discount rates, which requires the Company to develop its own assumptions. The contingent consideration is recorded in accrued liabilities.

# FS Brands, Inc.

## Notes to Consolidated Financial Statements December 31, 2024 and December 31, 2023

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(expressed in US dollars)

### 14 Defined contribution pension plan

The Company contributed \$4,291,815 (2023 – \$3,824,115) to its 401(k) plan during the year, which has been recorded as an expense in each of the respective years.

### 15 Acquisitions

In 2024, the Company completed the acquisition of four CertaPro Painters franchises, headquartered in Long Beach, California; McHenry, Illinois; Palatine, Illinois; and Schaumburg, Illinois, respectively. The Company also acquired a Paul Davis franchise operating in Aurora, Colorado.

Details of these acquisitions are as follows:

	\$
Current assets	632,604
Current liabilities	(230,347)
Non-current liabilities	<u>(364,051)</u>
Net assets	<u>38,206</u>
Cash consideration	2,992,114
Contingent consideration	<u>505,800</u>
Total purchase consideration	<u>3,497,914</u>
Acquired intangible assets	<u>1,547,097</u>
Goodwill	<u>1,912,611</u>

**FS Brands, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2024 and December 31, 2023**

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(expressed in US dollars)

In 2023, the Company completed seven acquisitions, the details of which are as follows:

	\$
Current assets	16,283,584
Current liabilities	(6,425,675)
Non-current liabilities	(4,336,484)
Redeemable NCI	(7,861,837)
	<u>                    </u>
Net assets	(2,340,412)
	<u>                    </u>
Cash consideration	22,647,371
Contingent consideration	1,004,064
	<u>                    </u>
Total purchase consideration	23,651,435
	<u>                    </u>
Acquired intangible assets	10,870,338
	<u>                    </u>
Goodwill	15,121,509
	<u>                    </u>

In all years presented, the fair values of NCIs for all acquisitions were determined using an income approach with reference to a discounted cash flow model using the same assumptions implied in determining the purchase consideration.

The purchase price allocations for certain transactions completed in the last 12 months are not yet complete, pending final determination of the fair value of assets acquired, the corresponding deferred tax liabilities and final working capital adjustments. The acquisitions referred to above were accounted for by the purchase method of accounting for business combinations. Accordingly, the accompanying consolidated statements of income and comprehensive income do not include any revenue or expenses related to these acquisitions prior to their respective closing dates. There have been changes to the estimated purchase price allocations determined at the time of acquisition during the year ended December 31, 2023, and included as adjustments to goodwill (see note 8).

The determination of fair values of assets acquired and liabilities assumed in business combinations required the use of estimates and judgment by management, particularly in determining fair values of intangible assets acquired. Intangible assets acquired at fair value on the date of acquisition are recorded using the income approach on an individual asset basis. The assumptions used in estimating the fair values of intangible assets include future EBITDA margins, revenue growth rates, expected attrition rates of acquired customer relationships and the discount rates.

The Company typically structures its business acquisitions to include contingent consideration. Vendors, at the time of acquisition, are entitled to receive a contingent consideration payment if the acquired businesses achieve specified earnings levels during the one to two-year periods following the dates of acquisition. The ultimate amount of payment is determined based on a formula, the key inputs to which are (i) a contractually agreed maximum payment; (ii) a contractually specified income level; and (iii) the actual income for the contingency period. If the acquired business does not achieve the specified income level, the maximum payment is reduced for any shortfall, potentially to \$nil.

# **FS Brands, Inc.**

## **Notes to Consolidated Financial Statements** **December 31, 2024 and December 31, 2023**

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(expressed in US dollars)

The fair value of the contingent consideration liability recorded on the consolidated balance sheets as at December 31, 2024 was \$3,983,042 (see note 13). The estimated range of outcomes (undiscounted) for these contingent consideration arrangements is determined based on the formula price and the likelihood of achieving specified income levels over the contingency period, and ranges from \$3,983,042 to a maximum of \$4,228,971. These contingencies will expire during the period extending to September 2025. During the year ended December 31, 2024, \$670,893 was paid with reference to such contingent consideration (2023 – \$nil).

### **16 Impact of recently issued accounting standards**

In November 2024, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updates (ASU) 2024-03 – Disaggregation of Income Statement Expenses (ASU 2024-03). ASU 2024-03 requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The guidance is effective January 1, 2027 and should be adopted prospectively with the option for retrospective application. The Company is currently assessing the impact of this ASU on its financial disclosures.

In December 2023, the FASB issued ASU 2023-09 – Improvements to Income Tax Disclosures. This ASU requires significant additional disclosures about income taxes, primarily focused on the disclosure of income taxes paid and the rate reconciliation table. The guidance will be applied prospectively and is effective January 1, 2025 and should be adopted prospectively with the option for retroactive application. The Company is currently assessing the impact of this ASU on its financial disclosures.

# **FS Brands, Inc.**

Consolidated Financial Statements  
**December 31, 2023 and**  
**December 31, 2022**  
(expressed in US dollars)



## **Report of Independent Auditors**

To the Management and Board of Directors of FS Brands, Inc.

### ***Opinion***

We have audited the accompanying consolidated financial statements of FS Brands, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and December 31, 2022, and the related consolidated statements of income and comprehensive income, consolidated statements of changes in stockholders' equity and consolidated statements of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and December 31, 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 US GAAS 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

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Company'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario, Canada  
March 19, 2024

**FS Brands, Inc.**  
Consolidated Balance Sheets  
As at December 31, 2023 and December 31, 2022

(expressed in US dollars)

	2023 \$	2022 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	74,395,379	45,238,140
Restricted cash	289,567	3,865,026
Accounts receivable – net of allowance for doubtful accounts of \$3,822,098 (2022 – \$3,679,648)	73,640,316	57,510,268
Notes receivable (note 5)	979,789	958,294
Due from parent company	104,227	-
Inventories	46,944,449	45,016,526
Prepaid expenses and other current assets	19,367,721	16,684,522
Income taxes recoverable	14,860,359	12,454,925
	230,581,807	181,727,701
<b>Notes receivable</b> (note 5)	9,746,789	9,511,607
<b>Other assets</b>	9,622,884	7,177,336
<b>Property and equipment</b> (note 6)	58,187,454	54,523,603
<b>Intangible assets</b> (note 7)	39,809,871	37,568,320
<b>Goodwill</b> (note 8)	135,209,812	116,985,756
<b>Operating lease right-of-use asset</b> (note 9)	61,114,454	50,319,965
	<u>544,273,071</u>	<u>457,814,288</u>

**Approved by the Board of Directors**

\_\_\_\_\_  
Director \_\_\_\_\_ Director

The accompanying notes are an integral part of these consolidated financial statements.



**FS Brands, Inc.**Consolidated Balance Sheets...*continued***As at December 31, 2023 and December 31, 2022**

(expressed in US dollars)

	<b>2023</b> \$	<b>2022</b> \$
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	20,246,247	15,085,159
Accrued liabilities	70,223,561	71,003,814
Notes payable	-	456,933
Deferred revenue and customer deposits	42,470,440	45,124,182
Due to ultimate parent	23,271,188	10,674,950
Due to parent company	-	1,605,327
Income taxes payable	833,439	-
Operating lease liabilities – current (note 9)	12,328,887	10,852,049
	169,373,762	154,802,414
<b>Deferred revenues</b>	21,084,490	17,428,363
<b>Long-term value appreciation rights</b>	8,915,671	7,507,602
<b>Income taxes payable</b>	186,059	186,059
<b>Deferred income taxes</b> (note 10)	11,146,082	9,657,479
<b>Operating lease liabilities</b> – non-current (note 9)	51,682,224	41,837,873
	262,388,288	231,419,790
<b>Non-controlling interests</b> (note 12)	66,979,653	52,347,171
<b>Stockholders' Equity</b>		
<b>Common stock</b>	1	1
<b>Additional paid-in capital</b>	29,529,067	29,529,067
<b>Retained earnings</b>	185,376,062	144,518,259
	214,905,130	174,047,327
	544,273,071	457,814,288

The accompanying notes are an integral part of these consolidated financial statements.

**FS Brands, Inc.****Consolidated Statements of Income and Comprehensive Income**  
**For the years ended December 31, 2023 and December 31, 2022**

(expressed in US dollars)

	<b>2023</b> <b>\$</b>	<b>2022</b> <b>\$</b>
<b>Revenue</b> (note 3)		
Royalties	99,564,101	96,138,519
Franchise fees	6,131,358	4,676,664
Merchandise sales	584,521,531	440,308,645
Services and other	91,982,256	89,522,047
	<u>782,199,246</u>	<u>630,645,875</u>
<b>Costs and expenses</b>		
Franchise operating	41,994,603	34,172,132
Cost of merchandise sales	417,539,405	308,600,762
Cost of services	7,575,789	7,212,569
General and administrative	211,319,558	184,991,102
Management fees to parent (note 4)	6,772,822	6,673,136
Depreciation and amortization	29,188,378	21,075,585
	<u>714,390,555</u>	<u>562,725,286</u>
<b>Income from operations</b>	<u>67,808,691</u>	<u>67,920,589</u>
<b>Other income/expense</b>		
Interest income	-	227,347
Interest expense	257,558	-
	<u>67,551,133</u>	<u>68,147,936</u>
<b>Income before income taxes</b>	<u>67,551,133</u>	<u>68,147,936</u>
<b>Provision for income taxes</b> (note 10)	<u>17,567,609</u>	<u>18,156,450</u>
<b>Net income for the year</b>	<u>49,983,524</u>	<u>49,991,486</u>
<b>Non-controlling interests' share of earnings</b> (note 12)	(2,982,184)	(3,241,134)
<b>Non-controlling interests' redemption increment</b> (note 12)	<u>(6,143,537)</u>	<u>(9,098,981)</u>
<b>Net income and comprehensive income attributable to common stockholders for the year</b>	<u>40,857,803</u>	<u>37,651,371</u>

The accompanying notes are an integral part of these consolidated financial statements.

**FS Brands, Inc.****Consolidated Statements of Changes in Stockholders' Equity**  
**For the years ended December 31, 2023 and December 31, 2022**

(expressed in US dollars)

	<b>Common stock \$</b>	<b>Additional paid-in capital \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
<b>Balance – December 31, 2021</b>	1	29,529,067	132,661,115	162,190,183
Other movements	-	-	198,675	198,675
Dividends	-	-	(25,992,902)	(25,992,902)
Net income and comprehensive income attributable to common stockholders for the year	-	-	37,651,371	37,651,371
<b>Balance – December 31, 2022</b>	1	29,529,067	144,518,259	174,047,327
Net income and comprehensive income attributable to common stockholders for the year	-	-	40,857,803	40,857,803
<b>Balance – December 31, 2023</b>	1	29,529,067	185,376,062	214,905,130

The accompanying notes are an integral part of these consolidated financial statements.

# FS Brands, Inc.

## Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and December 31, 2022

(expressed in US dollars)

	2023 \$	2022 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for the year	49,983,524	49,991,486
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation of property and equipment (note 6)	19,480,882	15,889,477
Amortization of intangible assets	9,707,496	5,186,108
Deferred income taxes	(2,091,203)	730,801
Change in non-cash working capital (note 11)	(14,295,507)	(11,765,021)
	<u>62,785,192</u>	<u>60,032,851</u>
<b>Investing activities</b>		
Purchase of property and equipment	(19,902,538)	(22,827,225)
Acquisition of businesses, net of cash acquired	(24,455,980)	(30,435,599)
	<u>(44,358,518)</u>	<u>(53,262,824)</u>
<b>Financing activities</b>		
Advance (payment) from (to) parent	10,886,684	(2,230,925)
Payment of notes payable	(456,933)	(425,924)
Purchase of non-controlling interest (note 12)	(2,429,454)	(1,712,355)
Sales of shares to non-controlling interests	895,199	442,432
Payment of dividends to parent	-	(24,666,813)
Payment of dividends to non-controlling interests	(1,740,390)	(4,317,092)
	<u>7,155,106</u>	<u>(32,910,677)</u>
<b>Decrease in cash and cash equivalents during the year</b>	<b>25,581,780</b>	<b>(26,140,650)</b>
<b>Cash, restricted cash, and cash equivalents – Beginning of year</b>	<b>49,103,166</b>	<b>75,243,816</b>
<b>Cash, restricted cash, and cash equivalents – End of year</b>	<b><u>74,684,946</u></b>	<b><u>49,103,166</u></b>
<b>Supplementary information</b>		
Cash paid for interest and dividends	670,526	124,055
Cash paid for income taxes	21,130,437	20,438,158

The accompanying notes are an integral part of these consolidated financial statements.

# FS Brands, Inc.

## Notes to Consolidated Financial Statements December 31, 2023 and December 31, 2022

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(expressed in US dollars)

### 1 Nature of business operations

FS Brands, Inc. (the Company), incorporated on March 31, 2010, is a 97.18% owned subsidiary of FS Property Services (U.S.) Inc. (the parent), which is indirectly a 100% owned subsidiary of FirstService Corporation (the ultimate parent), a publicly owned, diversified real estate services company.

Through the following subsidiaries, CertaPro Painters Ltd., Paul Davis Restoration, Inc., California Closet Company, Inc., Pillar to Post, Inc. and Floor Coverings International, Ltd., the Company's principal function is the recruiting, training and operation of franchise systems throughout the United States. In addition, the Company controls 22 California Closet franchises, 23 Paul Davis Restoration franchises, and two CertaPro Painters franchises.

### 2 Summary of significant accounting policies

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. The most significant estimates made by management relate to the initial determination of fair values of assets acquired and liabilities assumed in business combinations and the assessment of potential impairment of goodwill and intangible assets. Actual results could differ from those estimates.

#### Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions between the Company and its subsidiaries are eliminated on consolidation.

#### Revenue recognition and unearned revenue

The Company accounts for a contract with a customer when there is approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and the collectability of consideration is probable. The Company measures revenue based on consideration specified in the contract of each customer and recognizes revenue as the performance obligations are satisfied by transferring the control of the service or product to a customer.

- Franchisor operations

The Company operates several franchise systems. Initial franchise fees are deferred and recognized over the term of the franchise agreement. Royalty revenue is recognized based on a contracted percentage of franchisee revenue, as reported by the franchisees. Revenue from administrative and other support services, as applicable, is recognized as the services are provided.

# **FS Brands, Inc.**

## **Notes to Consolidated Financial Statements December 31, 2023 and December 31, 2022**

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(expressed in US dollars)

The Company's franchise systems operate marketing funds on behalf of franchisees. Advertising fund contributions from franchisees and advertising fund expenditures are reported on a gross basis in the Company's consolidated statements of income and comprehensive income. To the extent that contributions received exceed advertising expenditures, the excess amount is accrued and offset as a deferred liability, whereas any expenditures in excess of contributions are expensed as incurred. As such, advertising fund contributions and the related revenue and expenses may be reported in a different period.

- Revenue from construction contracts and service operations other than franchisor operations

Revenue is recognized at the time the service is rendered. Certain services, including but not limited to construction contracts and real estate project management work-in-process, are recognized over time based on percentage of completion, a ratio of actual costs to total estimated contract costs. In cases where anticipated costs to complete a project exceed the revenue to be recognized, a provision for the additional estimated losses is recorded in the period in which the loss becomes apparent. Amounts received from customers in advance of services being provided are recorded as unearned revenue when received.

### **Cash and cash equivalents**

The Company considers all investments readily convertible into cash and having an initial maturity of three months or less to be cash equivalents. Cash equivalents include money market funds and time deposits, which are carried at cost and approximate fair value.

### **Restricted cash**

Restricted cash comprises cash restricted for marketing fund use. The Company is in custody of the cash received from franchisees for use in franchisee marketing funds.

The Company's consolidated statements of cash flows explain the change during the period in the total of cash and cash equivalents and amounts generally described as restricted cash and restricted cash equivalents. The Company's restricted cash balance consists primarily of cash related to our marketing funds.

### **Inventories**

Inventories consist of finished products, accessories and components of closet and workspace systems, painting kits, film and supplies held for resale. Inventories are valued at the lower of cost (first in, first out) and net realizable value. Work-in-process inventory relates to construction contracts in process and is accounted for using the percentage of completion method.

### **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, except for leasehold improvements, which are depreciated on a straight-line basis over the lesser of the useful life of the asset or the remaining lease term.

**FS Brands, Inc.**  
Notes to Consolidated Financial Statements  
**December 31, 2023 and December 31, 2022**

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(expressed in US dollars)

Maintenance and repairs are expensed to operations as incurred, while betterments and additions are capitalized. On sale or retirement, the cost of the property and the related accumulated depreciation are removed from the respective accounts and any resulting gains or losses are reflected in income.

**Goodwill and intangible assets**

Goodwill represents the excess of purchase price over the fair value of assets acquired and liabilities assumed in a business combination and is not subject to amortization.

Intangible assets are recorded at a fair value on the date they are acquired and are amortized using the straight-line method over their estimated useful lives as follows:

Customer relationships	4 to 20 years
Trademark	15 to 30 years
Franchise agreements	pattern of use

Goodwill is tested for impairment annually, on August 1, or more frequently if events or changes in circumstances indicate the asset might be impaired, in which case the carrying amount of the asset is written down to fair value. Impairment of goodwill is tested at the reporting unit level. Impairment is tested by first assessing qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Where it is determined to be more likely than not that its fair value is greater than its carrying amount, no further testing is required. When the qualitative analysis is not sufficient to support that the fair value exceeds the carrying amount, a goodwill impairment test is performed. The Company also has an unconditional option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing a quantitative goodwill impairment test. The Company may resume performing the qualitative assessment in any subsequent period. A quantitative goodwill impairment test is performed by comparing the fair value of each reporting unit to its carrying value, including goodwill. Fair value is estimated using a market multiple method, which estimates market multiples of earnings before interest, taxes, depreciation and amortization (EBITDA) for comparable entities with similar operations and economic characteristics. Significant assumptions used in estimating the fair value of each reporting unit include the market multiples of EBITDA.

**Impairment of long-lived assets**

The Company reviews the carrying amount of its long-lived assets including, but not limited to, property and equipment and intangible and other assets, if events or changes in circumstances indicate the asset might be impaired. The carrying amount of a long-lived asset group is considered impaired when the undiscounted cash flow from such asset group is estimated to be less than its carrying amount. In that event, a loss is recognized as the amount by which the carrying amount exceeds its fair value. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved. Losses on long-lived asset groups to be disposed of would be determined in a similar manner, except that fair value would be reduced by any costs of disposal.

**FS Brands, Inc.**  
Notes to Consolidated Financial Statements  
**December 31, 2023 and December 31, 2022**

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(expressed in US dollars)

**Deferred revenue and customer deposits**

Deferred revenue represents payments received in connection with services to be provided in the future and is recognized when the services have been provided. Customer deposits represent payments received as deposits in connection with California Closet products to be installed.

**Notional value appreciation plans**

Under these plans, subsidiary employees are compensated if the notional value of the subsidiary increases. Awards under these plans generally have a term of up to ten years and a vesting period of five years. The increase in notional value is calculated with reference to growth in earnings relative to a fixed threshold amount plus or minus changes in indebtedness relative to a fixed opening amount. If an award is subject to a vesting condition, then graded attribution is applied to the intrinsic value. The related compensation expense is recorded in selling, general and administrative expenses, the current liability is recorded in accrued liabilities, and the non-current portion is recorded in other liabilities.

**Leases**

The Company has lease agreements with lease and non-lease components and has elected to account for each lease component (e.g., fixed rent payments) separately from the non-lease components (e.g., common-area maintenance costs). The Company has also elected not to recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. Leases are recognized on the consolidated balance sheets when the lease term commences, and the associated lease payments are recognized as an expense on a straight-line basis over the lease term.

**Income taxes**

Income tax has been provided using the asset and liability method whereby deferred income tax assets and liabilities are recognized for the expected future income tax consequences of events that have been recognized in the consolidated financial statements or income tax returns. Deferred income tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to reverse, be recovered or be settled. The effect on deferred income tax assets and liabilities of a change in income tax rates is recognized in earnings in the period in which the change occurs. A valuation allowance is recorded unless it is more likely than not that realization of a deferred income tax asset will occur based on available evidence.

**Non-controlling interests**

The non-controlling interests are considered to be redeemable securities and accordingly are recorded at the greater of (i) the redemption amount; or (ii) the amount initially recorded as redeemable non-controlling interest at the date of inception of the minority equity position. This amount is recorded in the “mezzanine” section of the consolidated balance sheets, outside of stockholders’ equity. Changes in the redeemable non-controlling interests amount are recognized immediately as they occur.



# **FS Brands, Inc.**

## **Notes to Consolidated Financial Statements December 31, 2023 and December 31, 2022**

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(expressed in US dollars)

### **Fair value measurements**

Fair value measurements are measured using inputs from the three levels of the fair value hierarchy. The classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – observable market based inputs other than quoted prices in active markets for identical assets or liabilities; and

Level 3 – unobservable inputs for which there is little or no market data, which requires the Company to develop its own assumptions.

### **Concentrations**

The Company's financial instruments exposed to credit risk include cash and cash equivalents, due from parent, restricted cash, accounts receivable and notes receivable. The Company places its cash, restricted cash and cash equivalents with institutions of high creditworthiness. Management routinely assesses the collectability of its accounts receivable and notes receivable and its credit risk is limited due to the dispersion of the customer base comprising the receivables.

During the year ended December 31, 2023, there were \$1,325,985 (2022 – \$4,217,276) of write-offs from the allowance for credit losses.

### **Business combinations**

All business combinations are accounted for using the purchase method of accounting. Transaction costs are expensed as incurred.

The determination of fair values of assets and liabilities assumed in business combinations requires the use of estimates and judgement by management, particularly in determining fair values of intangible assets acquired.

The fair value of the contingent consideration is classified as a financial liability and is recorded on the consolidated balance sheets at the acquisition date and is re-measured at fair value at the end of each period until the end of the contingency period, with fair value adjustments recognized in earnings.

## **3 Revenue from contracts with customers**

Franchise fee revenue recognized during the twelve months ended December 31, 2023, which was included in deferred revenue at the beginning of the period, was \$5,558,367 (2022 – \$4,416,416). These fees are recognized over the life of the underlying franchise agreement, usually between 5 – 10 years.

The majority of current unearned revenue as at December 31, 2022 was recognized into income during 2023.

# FS Brands, Inc.

## Notes to Consolidated Financial Statements December 31, 2023 and December 31, 2022

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(expressed in US dollars)

External broker costs and employee sales commissions in obtaining new franchisees are capitalized in accordance with the revenue standard and are amortized over the life of the underlying franchise agreement. Costs amortized during the twelve months ended December 31, 2023 were \$2,749,632 (2022 – \$1,953,819). The closing amount of the capitalized costs to obtain contracts on the consolidated balance sheets as at December 31, 2023 was \$11,417,250 (2022 – \$8,601,730). There were no impairment losses recognized related to those assets in 2023.

Disaggregated revenue is as follows:

	<b>Twelve months ended December 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Revenue recognized		
Point in time	775,591,733	625,511,188
Over time	6,607,513	5,134,687

The Company disaggregates revenue by point in time and over time.

### 4 Transactions with related parties

#### Management fees

The Company has a management agreement with the parent that provides certain administrative and management services to the Company. For the years ended December 31, 2023 and December 31, 2022, the fees for such services totalled \$6,772,822 (2022 – \$6,673,136). These transactions were in the normal course of operations and were measured at the exchange amount.

### 5 Notes receivable

The Company has notes receivable from franchisees for various franchise fees and royalties. These notes bear interest at rates ranging from nil% to 8%, are unsecured and are repayable in monthly instalments. Also included in notes receivable are amounts owing from certain non-controlling interest stockholders. The total amount due from non-controlling interests is \$462,291 (2022 – \$462,291). The interest rate on these notes is 2.5%.

**FS Brands, Inc.**  
Notes to Consolidated Financial Statements  
**December 31, 2023 and December 31, 2022**

(expressed in US dollars)

As at December 31, 2023, annual maturities on the notes receivable were as follows:

	\$
2024	979,789
2025	7,955,432
2026	538,188
2027	367,348
2028	184,373
Thereafter	741,115
	<u>10,766,245</u>
Less: Allowance for doubtful accounts	<u>39,667</u>
	10,726,578
Less: Current portion	<u>979,789</u>
	<u>9,746,789</u>

**6 Property and equipment**

<b>2023</b>				
	<b>Depreciation period</b>	<b>Gross carrying amount \$</b>	<b>Accumulated depreciation \$</b>	<b>Net \$</b>
Production equipment	5 to 7 years	41,165,577	29,881,575	11,284,002
Vehicles	5 years	44,390,894	26,864,976	17,525,918
Furniture and fixtures	5 to 7 years	15,145,693	12,348,386	2,797,307
Computers and equipment	3 to 5 years	54,800,606	34,147,619	20,652,987
Leasehold improvements	lease term	21,206,696	15,279,456	5,927,240
		<u>176,709,466</u>	<u>118,522,012</u>	<u>58,187,454</u>
<b>2022</b>				
	<b>Depreciation period</b>	<b>Gross carrying amount \$</b>	<b>Accumulated depreciation \$</b>	<b>Net \$</b>
Production equipment	5 to 7 years	36,100,396	24,883,201	11,217,195
Vehicles	5 years	36,711,890	22,061,640	14,650,250
Furniture and fixtures	5 to 7 years	13,915,248	10,264,897	3,650,351
Computers and equipment	3 to 5 years	48,633,491	28,116,735	20,516,756
Leasehold improvements	lease term	17,998,005	13,508,954	4,489,051
		<u>153,359,030</u>	<u>98,835,427</u>	<u>54,523,603</u>

# FS Brands, Inc.

## Notes to Consolidated Financial Statements December 31, 2023 and December 31, 2022

(expressed in US dollars)

Depreciation expense totalled \$19,480,882 (2022 – \$15,889,477) for the years ended December 31, 2023 and December 31, 2022.

### 7 Intangible assets

	2023		
	Gross carrying amount \$	Accumulated amortization \$	Net \$
Trademarks	10,774,499	7,412,820	3,361,679
Franchise agreements	53,012,248	37,544,561	15,467,687
Customer relationship	29,688,337	10,230,288	19,458,049
Non-compete and other	4,419,790	2,897,334	1,522,456
	97,894,874	58,085,003	39,809,871
	2022		
	Gross carrying amount \$	Accumulated amortization \$	Net \$
Trademarks	10,774,499	7,181,520	3,592,979
Franchise agreements	48,487,505	31,996,307	16,491,198
Customer relationship	23,096,611	7,799,564	15,297,047
Non-compete and other	3,587,212	1,400,116	2,187,096
	85,945,827	48,377,507	37,568,320

Amortization expense totalled \$9,707,496 (2022 – \$5,186,108) for the years ended December 31, 2023 and December 31, 2022.

The following is the estimated annual amortization expense for each of the next five years:

	\$
2024	(\$7,046,467.64)
2025	(\$6,693,874.64)
2026	(\$5,843,202.00)
2027	(\$3,935,031.90)
2028	(\$3,018,165.85)

### 8 Goodwill

Goodwill represents the excess of purchase price over the value assigned to the net tangible and identifiable intangible assets of businesses acquired. A test for goodwill impairment is required to be completed annually, in the Company's case as of August 1, or more frequently if events or changes in circumstances indicate the asset

**FS Brands, Inc.**  
Notes to Consolidated Financial Statements  
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(expressed in US dollars)

might be impaired. Based on the qualitative assessment in 2023, the Company has concluded that goodwill is not impaired.

	\$
<b>Balance as at December 31, 2021</b>	92,144,276
Goodwill acquired during the year	20,902,769
Goodwill adjustment during the year	<u>3,938,711</u>
<b>Balance as at December 31, 2022</b>	116,985,756
Goodwill acquired during the year	15,121,509
Goodwill adjustment during the year	<u>3,102,547</u>
<b>Balance as at December 31, 2023</b>	<u>135,209,812</u>

## 9 Leases

The Company has operating leases for corporate offices, copiers and certain equipment. Its leases have remaining lease terms of 1 year to 10 years, some of which may include options to extend the leases for up to 8 years, and some of which may include options to terminate the leases within 1 year. The Company evaluates renewal terms on a lease-by-lease basis to determine if the renewal is reasonably certain. The amount of operating lease expense recorded in the consolidated statements of income and comprehensive income was \$15,076,940 (2022 – \$11,578,812).

Other information related to leases was as follows:

**Supplemental cash flows information, twelve months  
ended December 31, 2023**

Cash paid for amounts included in the measurement of operating lease liabilities	14,430,706
Right-of-use assets obtained in exchange for operating lease obligation	23,907,169
Weighted average remaining operating lease term	5.51 years
Weighted average discount rate	5.76%

The following represent operating lease commitments:

	\$
2024	11,223,495
2025	15,585,349
2026	14,019,377
2027	10,330,993
2028 and thereafter	<u>24,623,341</u>
	<u>75,782,555</u>

**FS Brands, Inc.**  
Notes to Consolidated Financial Statements  
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(expressed in US dollars)

**10 Income taxes**

The statutory rate is 26.5% and the effective rate is 26.59%. The primary reconciling items relate to permanent differences and adjustments to tax liabilities for prior periods.

The components of the provision for income taxes are as follows:

	<b>2023</b> \$	<b>2022</b> \$
Current provision		
Federal	15,048,207	13,250,598
State	4,610,605	4,175,051
	<u>19,658,812</u>	<u>17,425,649</u>
Deferred recovery		
Federal	(1,756,021)	1,001,480
State	(335,182)	(270,679)
	<u>(2,091,203)</u>	<u>730,801</u>
	<u>17,567,609</u>	<u>18,156,450</u>

The components of deferred income tax assets and liabilities are as follows:

	<b>2023</b> \$	<b>2022</b> \$
Deferred income tax assets		
Accrued expenses	7,093,339	6,966,265
Bad debt	798,306	767,530
Interest expense	4,843	-
Future benefit of tax losses	2,785,806	1,154,551
	<u>10,682,294</u>	<u>8,888,346</u>
Deferred income tax liabilities		
Purchased goodwill and intangible assets	9,152,386	7,550,504
Property and equipment	10,602,588	8,854,545
Investment in partnership	672,989	1,122,584
	<u>20,427,963</u>	<u>17,527,633</u>
Net deferred income tax liabilities before valuation allowance	9,745,669	8,639,287
Valuation allowance	<u>1,400,413</u>	<u>1,018,192</u>
Net deferred income tax liabilities	<u>11,146,082</u>	<u>9,657,479</u>

The number of years with open tax audits varies depending on the tax jurisdiction. The Company's taxing jurisdiction is the United States of America. With few exceptions, the Company is no longer subject to US federal, state and local income tax examinations by tax authorities for years before 2016.

# FS Brands, Inc.

## Notes to Consolidated Financial Statements December 31, 2023 and December 31, 2022

(expressed in US dollars)

The Company does not currently expect any material impact on earnings to result from the resolution of matters relating to open taxation years; however, actual settlements may differ from amounts accrued. Currently, it is not reasonably possible to determine whether unrecognized tax benefits will increase or decrease within the next 12 months with respect to settlements of tax audits. The Company has made its current estimates on facts and circumstances known to date and cannot predict subsequent or changed facts and circumstances that could affect its current estimates.

### 11 Change in non-cash working capital

	2023 \$	2022 \$
Accounts receivable	(6,943,101)	(1,871,126)
Inventories	(1,520,024)	(17,868,743)
Notes receivable	(256,677)	1,069,030
Prepaid expenses and other current assets	(2,166,751)	(2,243,093)
Accounts payable	2,330,719	440,038
Accrued liabilities	(3,649,003)	15,827,746
Deferred revenue and customer deposits	308,122	(1,587,836)
Income taxes	(1,800,991)	(3,012,516)
Other liabilities	(597,801)	(2,518,521)
	<u>(14,295,507)</u>	<u>(11,765,021)</u>

### 12 Non-controlling interests

The following table provides a reconciliation of the beginning and ending amounts for non-controlling interests (NCI):

	2023 \$	2022 \$
Balance – Beginning of year	52,347,171	28,256,345
Share of earnings of NCI	2,982,184	3,241,134
Redemption increment of NCI	6,143,537	9,098,981
Distributions paid to NCI	(1,740,390)	(2,991,003)
Purchase of NCI	(2,429,454)	(1,712,355)
Sale of NCI	9,676,605	16,454,069
	<u>66,979,653</u>	<u>52,347,171</u>

The Company has stockholders' agreements in place for each of its non-wholly owned subsidiaries. These agreements allow the Company to call the NCI at a price determined with the use of a formula price, which is usually equal to a fixed multiple of average annual net income before extraordinary items, income taxes, interest, depreciation and amortization. The agreements also have redemption features, which allow the owners of the NCI to put their equity into the Company at the same price, subject to certain limitations. The formula price is referred to as the redemption amount and may be settled in cash or with the ultimate parent's shares. The redemption amount as at December 31, 2023 and December 31, 2022 was \$66,979,653 (2022 – \$52,347,171).

# FS Brands, Inc.

## Notes to Consolidated Financial Statements December 31, 2023 and December 31, 2022

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(expressed in US dollars)

### 13 Letters of credit

College Pro Painters (U.S.) Ltd. is required to obtain irrevocable bank letters of credit totalling \$311,649 (2022 – \$311,649). The letters of credit are to remain open for the duration of certain stop-loss insurance policies or until all insurance claims against College Pro Painters (U.S.) Ltd. have been settled.

### 14 Fair values of financial instruments

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these instruments. The following are estimates of the fair values for other financial instruments:

	Carrying amount \$	Fair value \$
Notes receivable	10,726,578	9,367,321
Contingent consideration	6,488,064	5,819,812

Notes receivable include amounts due from franchisees and non-controlling stockholders. Notes payable include amounts due to vendors in connection with business acquisitions. The fair values of these instruments are determined using a valuation model with prevailing interest rates obtained from third parties. The inputs used in the fair value of contingent consideration are unobservable and are therefore classified as level 3 and relate to future cash flows and discount rates, which requires the Company to develop its own assumptions.

### 15 Defined contribution pension plan

The Company contributed \$3,824,115 (2022 – \$2,998,964) to its 401(k) plan during the year, which has been recorded as an expense in each of the respective years.

### 16 Acquisitions

In 2023, the Company completed the acquisition of five Paul Davis franchises headquartered in Houston, Texas, Richmond, Virginia, Reno, Nevada, Denver, Colorado, and Boise, Idaho, respectively. The Company also acquired a California Closets franchise operating in Reno, Nevada, and a CertaPro Painters franchise, headquartered in Orange County, California.



**FS Brands, Inc.**  
Notes to Consolidated Financial Statements  
**December 31, 2023 and December 31, 2022**

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(expressed in US dollars)

Details of these acquisitions are as follows:

	\$
Current assets	16,283,584
Current liabilities	(6,425,675)
Non-current liabilities	(4,336,484)
Redeemable non-controlling interest	<u>(7,861,837)</u>
Net assets	<u>(2,340,412)</u>
Cash consideration	22,647,371
Contingent consideration	<u>1,004,064</u>
Total purchase consideration	<u>23,651,435</u>
Acquired intangible assets	<u>10,870,338</u>
Goodwill	<u>15,121,509</u>

In 2022, the Company completed three acquisitions, the details of which are as follows:

	\$
Current assets	18,181,408
Current liabilities	(5,665,496)
Non-current liabilities	(4,725,304)
Redeemable non-controlling interest	<u>(16,011,637)</u>
Net assets	<u>(8,221,029)</u>
Cash consideration	27,330,472
Contingent consideration	<u>3,324,501</u>
Total purchase consideration	<u>30,654,973</u>
Acquired intangible assets	<u>17,973,233</u>
Goodwill	<u>20,902,769</u>

**FS Brands, Inc.**  
**Notes to Consolidated Financial Statements**  
**December 31, 2023 and December 31, 2022**

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(expressed in US dollars)

In all years presented, the fair values of non-controlling interests for all acquisitions were determined using an income approach with reference to a discounted cash flow model using the same assumptions implied in determining the purchase consideration.

The purchase price allocations for certain transactions completed in the last twelve months are not yet complete, pending final determination of the fair value of assets acquired, the corresponding deferred tax liabilities, and final working capital adjustments. The acquisitions referred to above were accounted for by the purchase method of accounting for business combinations. Accordingly, the accompanying consolidated statements of income and comprehensive income do not include any revenues or expenses related to these acquisitions prior to their respective closing dates. There have been changes to the estimated purchase price allocations determined at the time of acquisition during the year ended December 31, 2023, and included as adjustments to goodwill (see note 8).

The determination of fair values of assets acquired and liabilities assumed in business combinations required the use of estimates and judgement by management, particularly in determining fair values of intangible assets acquired. Intangible assets acquired at fair value on the date of acquisition are recorded using the income approach on an individual asset basis. The assumptions used in estimating the fair values of intangible assets include future EBITDA margins, revenue growth rates, expected attrition rates of acquired customer relationships and the discount rates.

The Company typically structures its business acquisitions to include contingent consideration. Vendors, at the time of acquisition, are entitled to receive a contingent consideration payment if the acquired businesses achieve specified earnings levels during the one- to two-year periods following the dates of acquisition. The ultimate amount of payment is determined based on a formula, the key inputs to which are (i) a contractually agreed maximum payment; (ii) a contractually specified earnings level; and (iii) the actual earnings for the contingency period. If the acquired business does not achieve the specified earnings level, the maximum payment is reduced for any shortfall, potentially to \$nil.

The fair value of the contingent consideration liability recorded on the consolidated balance sheets as at December 31, 2023 was \$5,819,812 (see note 14). The estimated range of outcomes (undiscounted) for these contingent consideration arrangements is determined based on the formula price and the likelihood of achieving specified earnings levels over the contingency period, and ranges from \$5,819,812 to a maximum of \$6,488,064. These contingencies will expire during the period extending to September 2025. During the year ended December 31, 2023, \$nil was paid with reference to such contingent consideration (2022 – \$407,356).

## **17 Impact of recently issued accounting standards**

In December 2023, the FASB issued ASU 2023-09 – Improvements to Income Tax Disclosures. This ASU requires significant additional disclosures about income taxes, primarily focused on the disclosure of income taxes paid and the rate reconciliation table. The guidance will be applied prospectively and is effective January 1, 2025. The Company is currently assessing the impact of this ASU on its financial disclosures.

# **FS Brands, Inc.**

## **Notes to Consolidated Financial Statements December 31, 2023 and December 31, 2022**

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(expressed in US dollars)

### **18 Subsequent events**

No subsequent events have been identified from the date of the consolidated balance sheets to the date of the consolidated financial statements being issued.

**EXHIBIT F**

**GUARANTEES OF PERFORMANCE**

## STATE OF CALIFORNIA

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of California, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of California, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7<sup>th</sup> day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance

## STATE OF HAWAII

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of Hawaii, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of Hawaii, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7<sup>th</sup> day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance

## STATE OF ILLINOIS

### GUARANTY OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., of all obligations under the Illinois Franchise Disclosure Act and Rules, and of all the obligations of franchisor to furnish goods and/or services necessary to establish and open the business of franchisees to who franchises are granted by franchisor pursuant to the registration of such franchises in the State of Illinois and the terms and conditions of its jurisdiction of the Illinois Franchise Disclosure Act, as the same have been or may hereafter be amended, modified, renewed or extended from time to time. This guaranty shall continue in force until all such obligations of franchisor shall have been satisfied or until such liability of Franchisor to such franchisees has been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any such claim by a franchisee against franchisor remains outstanding. Notice of acceptance is waived. Notice of default on the part of franchisor is not waived. This guaranty shall be binding upon guarantor, its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7<sup>th</sup> day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance



## STATE OF INDIANA

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of Indiana, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of Indiana, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7th day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance



## STATE OF MARYLAND

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of Maryland, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of Maryland, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7<sup>th</sup> day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance

## STATE OF MICHIGAN

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of Michigan, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of Michigan, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7<sup>th</sup> day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance

## STATE OF MINNESOTA

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of Minnesota, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of Minnesota, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7<sup>th</sup> day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance



## STATE OF NEW YORK

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of New York, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of New York, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7th day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance

## STATE OF NORTH DAKOTA

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of North Dakota, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of North Dakota, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7th day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance

## STATE OF RHODE ISLAND

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of Rhode Island, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of Rhode Island, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 1<sup>th</sup> day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance



## STATE OF SOUTH DAKOTA

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of South Dakota, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of South Dakota, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7th day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance

## STATE OF VIRGINIA

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the Commonwealth of Virginia, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the Commonwealth of Virginia, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7<sup>th</sup> day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance



## STATE OF WASHINGTON

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of Washington, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of Washington, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7<sup>th</sup> day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance

## STATE OF WISCONSIN

### GUARANTEE OF PERFORMANCE

For value received, FS Brands, Inc. located at 2621 Van Buren Avenue, Suite 550A, Audubon, Pennsylvania 19403 (the "Guarantor"), absolutely and unconditionally guarantees the performance by Franchisor, Pillar To Post, Inc., 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 of all of the obligations of the Franchisor in accordance with the terms and conditions of its franchise registration in effect in the State of Wisconsin, and of its Franchise or License Agreements entered into after this date with franchisees for franchises offered or sold in the State of Wisconsin, as the same may have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of Franchisor under the franchise registration and Agreements have been completely discharged, whichever first occurs. Guarantor shall not be discharged from liability hereunder as long as any claim by a franchisee against Guarantor remains outstanding. Notice of acceptance is waived. This guarantee shall be binding upon Guarantor and on its successors and assigns.

In witness thereof, Guarantor has, by duly authorized officer, executed this guarantee at Toronto, Ontario (Canada), on this 7<sup>th</sup> day of March, 2025.

Guarantor:

FS Brands, Inc.

By: 

Print Name: Brian McDonough

Its: Vice President, Finance

**EXHIBIT G**  
**FRANCHISE AGREEMENT**

## FRANCHISE AGREEMENT FOR PILLAR TO POST, INC.

THIS AGREEMENT is made and entered into on \_\_\_\_\_, 20\_\_ (the “Effective Date”), by and between PILLAR TO POST, INC., a Delaware corporation, with its principal place of business at 14502 N. Dale Mabry Highway, Suite 200, Tampa, Florida 33618 (“Franchisor”), and \_\_\_\_\_ (“Franchisee”) with reference to the following facts:

A. As the result of the expenditure of time, skill, effort, and money, Franchisor has developed a distinctive system relating to the establishment and operation of a Pillar To Post home inspection franchise offering residential inspection services for single family and various multi-family residences utilizing specially developed methods and procedures (the “Pillar To Post System”);

B. The Pillar To Post System consists of distinctive methods and procedures for managing, operating, and marketing the business and for inspection of a home’s plumbing, heating, air conditioning and electrical systems, interior walls, ceilings, floors, roof, exterior walls, and structure;

C. The Pillar To Post System includes, without limitation, distinctive products and services; initial and ongoing training; an operations manual that includes uniform standards, specifications, and procedures for operation of the business; standards, specifications and procedures for advertising and promoting the business; and a technology platform to create and deliver inspection reports onsite and electronically; all of which may be changed, improved, and further developed from time to time;

D. The Pillar To Post System is identified by the service mark “Pillar To Post Home Inspectors®” and such other trade names, service marks, trademarks, logos, emblems, domain names, and indicia of origin as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the Pillar To Post System (the “Marks”);

E. Franchisee has applied for a franchise to operate a Pillar To Post home inspection franchise, and Franchisor has approved Franchisee’s application in reliance upon all of the representations made therein; and

F. Franchisee understands and acknowledges the importance of Franchisor's high standards of quality, cleanliness, appearance, operations, and service, and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications.

THEREFORE, the parties agree as follows:

### 1. GRANT OF FRANCHISE

1.1 Subject to the terms and conditions set forth in this Agreement, Franchisor grants, and Franchisee accepts, a non-exclusive license: (i) to establish and operate a franchise business in accordance with the Pillar To Post System and in association with the Marks (hereinafter referred

to as the “Pillar To Post home inspection franchise”), and (ii) to use the Pillar To Post System and the Marks solely in connection therewith.

1.2 Franchisee shall maintain all documents, books, records and accounts, including, but not limited to, any manuals and proprietary technology and software relating to the Pillar To Post home inspection franchise, only at \_\_\_\_\_ (the “Approved Location”). Franchisee shall operate the Pillar To Post home inspection franchise only within the non-exclusive territory which is described in Exhibit “A” attached hereto and incorporated herein by reference (the “Territory”), and not otherwise, notwithstanding the location of the Approved Location. The Territory may be modified during any Renewal Term (as defined in Section 2.2 below) to address changes in the market or current market conditions, and a description of such modified territory shall be set forth in the Renewal Franchise Agreement (as defined in Section 2.2.6 below).

1.3 If at the time this Agreement is executed an Approved Location has not been secured, Franchisee shall acquire through purchase or lease within sixty (60) days following the execution hereof, a location meeting Franchisor's then-current standards and specifications as determined by Franchisor in its sole subjective discretion exercised in good faith, located within the Territory or such other area as Franchisor may approve in writing. Franchisor shall have the right, but not the obligation, to extend the sixty (60) day period described in this Section 1.3 if Franchisor determines, in its sole subjective discretion, that Franchisee's failure to locate an Approved Location within the prescribed time period did not result from Franchisee's failure to exercise due diligence or use its best efforts. Franchisee shall not enter into any such lease or purchase agreement unless Franchisee shall have first: (i) notified Franchisor in writing of the proposed location and provided Franchisor with all information which Franchisor may request concerning such proposed location, and (ii) received Franchisor's written approval of such location. Upon approval, such location shall be the “Approved Location” as defined in Section 1.2 above.

1.4 The Territory is non-exclusive. During the Initial Term of this Agreement and any Renewal Term, Franchisor may itself establish or operate, and may license any other person or entity to establish or operate, a Pillar To Post home inspection franchise using the Pillar To Post System and Marks both within and outside of the Territory. Franchisee acknowledges that the terms of franchise agreements between Franchisor and other franchisees vary, and that some franchisees are not contractually bound by rules like those described in this Section 1.4.

1.5 Franchisor may, from time to time, add to, amend, modify, delete or enhance any portion of the Pillar To Post System (including the Marks) as may be necessary in Franchisor's sole subjective judgment, to change, maintain, modify, improve or enhance the Pillar To Post System, trade names or the reputation, efficiency, competitiveness and/or quality of the Pillar To Post System, or to adapt it to new conditions, materials or technology, or to better serve the public. Franchisee acknowledges that the Pillar To Post System may be supplemented, improved, and otherwise modified from time to time by Franchisor; and Franchisee agrees to comply with all requirements of Franchisor in that regard, including, but not limited to, offering and selling new or different products or services as specified by Franchisor.

## 2. TERM AND RENEWAL

2.1 This Agreement, unless otherwise terminated pursuant to the terms and conditions hereof, will begin on the Effective Date and shall continue for a period of five (5) years (the "Term").

2.2 This Agreement may be renewed for consecutive renewal terms of five (5) years each ("Renewal Term"), provided the following conditions are met prior to the expiration of this Agreement:

2.2.1 Franchisee shall give Franchisor written notice of Franchisee's election to renew not more than one (1) year nor less than six (6) months prior to the end of the Term;

2.2.2 Franchisee shall prepare and submit to Franchisor a business plan in such form as Franchisor may then designate at least ninety (90) days prior to expiration of the Term;

2.2.3 Franchisee shall not be in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor or its affiliates, and shall have substantially complied with all of the terms and conditions of such agreements throughout the Term;

2.2.4 Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates, and shall have timely met those obligations throughout the Term;

2.2.5 Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Approved Location for the duration of the Renewal Term or shall obtain Franchisor's approval of a new location for the Pillar To Post home inspection franchise for the duration of the Renewal Term;

2.2.6 Franchisee shall execute all documents and agreements customarily used by Franchisor in connection with a renewal, including Franchisor's then-current form of franchise agreement (the "Renewal Franchise Agreement"), the terms and conditions of which may differ materially from this Agreement, including, without limitation, the royalties and other fees charged by Franchisor which may be increased. The Territory may be modified during any Renewal Term to address changes in the market or current market conditions, and a description of such modified territory shall be set forth in the Renewal Franchise Agreement. Except for the modifications set forth herein, the rights and obligations of Franchisee upon renewal shall be identical to the rights and obligations of franchisees as set forth in Franchisor's then-current form of Franchise Agreement being offered to new franchisees at the time of the exercise of this option to renew, including, but not limited to, the then-current royalty fees, brand fees, IT fees and other fees. The Renewal Franchise Agreement shall differ, and be modified from Franchisor's then-current Franchise Agreement, so that all references to a renewal term contained in the Renewal Franchise Agreement are modified such that Franchisee shall have had, in the aggregate, no more than five (5) renewal terms of five (5) years each;

2.2.7 Franchisee shall execute a general release, in a form prescribed by Franchisor;

2.2.8 Franchisee shall comply with Franchisor's then-current qualification and training requirements;

2.2.9 At least thirty (30) days prior to commencement of the Renewal Term, Franchisee shall update, at Franchisee's expense, the décor, color schemes, signage, vehicle wraps and overall presentation of the Marks to Franchisor's then-current image and, if necessary, in Franchisor's sole and absolute discretion, Franchisee shall update and replace the equipment and vehicles used in operation of the Pillar To Post home inspection franchise to meet Franchisor's then-current specifications; and

2.2.10 Notwithstanding anything to the contrary in this Agreement, if there is a conflict between the renewal rights granted in this Section 2.2 and the renewal rights granted to Franchisee by any applicable local, state or federal law, the renewal rights most favorable to Franchisee shall prevail.

2.3 Franchisee shall pay Franchisor a renewal fee of \$2,500.00 to cover the legal and administrative costs involved in renewing the franchise. The renewal fee must accompany Franchisee's written notice to renew as required under Section 2.2.1 of this Agreement.

2.4 The Franchisor, in its sole discretion, may waive any or all of the conditions in Sections 2.2.1 through 2.2.10 of this Agreement.

### **3. DUTIES OF FRANCHISOR**

3.1 Franchisor shall provide training as set forth in Section 6 of this Agreement.

3.2 Franchisor shall make available to Franchisee advertising and promotional materials as provided in Section 12 of this Agreement.

3.3 Franchisor shall provide Franchisee with access to Franchisor's training, operation, and marketing manuals and materials (collectively, the "Manual"), as more fully described in Section 9.1 of this Agreement.

3.4 Franchisor shall provide Franchisee with access to certain computer hardware, software, services and systems, as more fully described in Section 9.3 of this Agreement.

3.5 Franchisor may, in its sole discretion, provide to Franchisee from time to time, advice and written materials concerning techniques for managing and operating the Pillar To Post home inspection franchise and new developments in products, services and marketing techniques.

3.5.1 Franchisor may, in its sole discretion, provide to Franchisee from time to time, advice and written materials which constitute technical support of Franchisee's operation of the Pillar To Post home inspection franchise. Such support will be geared toward general conditions and standards; cannot address the specific codes, standards, or regulations with respect to an individual jurisdiction or municipality; and is not intended

to substitute for Franchisee's obligation to seek additional training and support from professional associations or other sources of continuing education.

3.5.2 Franchisor may, in its sole discretion, provide to Franchisee from time to time, advice and written materials which constitute legal support of Franchisee's operation of the Pillar To Post home inspection franchise. Such legal support will be geared toward matters of general application and not be intended to be specific to any individual operation. Franchisee remains responsible for obtaining legal advice from an attorney of Franchisee's choosing, which advice shall be specific to Franchisee's jurisdiction and individual circumstances, including advice as to the laws regulating home inspection and the operation of the Pillar To Post home inspection franchise.

3.5.3 Franchisor may, in its sole discretion, provide from time to time advice and written materials which constitute accounting support of Franchisee's operation of the Pillar To Post home inspection franchise. Such accounting assistance is geared toward matters of general application and is not intended to be specific to any individual operation. Franchisee remains responsible for obtaining accounting advice from a qualified accountant of Franchisee's choosing with respect to all matters concerning the operation of the Pillar To Post home inspection franchise.

3.6 Franchisor may, in its sole discretion, conduct inspections of Franchisee's operation of the Pillar To Post home inspection franchise during normal business hours.

3.7 Franchisor will make available to Franchisee a @pillartopost.com email account or such other email accounts established by Franchisor from time to time, which shall be used exclusively by Franchisee in operation of the Pillar To Post home inspection franchise.

#### **4. FEES**

4.1 In consideration of the home inspection franchise granted herein, Franchisee shall pay an initial franchise fee of \$58,500, plus any applicable taxes (the "Initial Fee"). The Initial Fee shall be payable concurrently with the execution of this Agreement, less any deposit previously paid. Except as herein expressly provided, the Initial Fee is not refundable in whole or in part and shall be deemed fully earned by Franchisor upon execution of this Agreement.

4.2 Franchisee shall pay to Franchisor a continuing monthly royalty fee equal to seven percent (7%) of the Gross Revenues of the Pillar To Post home inspection franchise or the minimum monthly royalty fee provided below, whichever is greater (the "Royalty Fee"), computed from the first (1<sup>st</sup>) day of the month following the Training Completion Date. The minimum monthly Royalty Fee shall be: (a) \$0 per month for months 1-12 after the Training Completion Date; (b) \$582 per month for months 13-24 after the Training Completion Date; (c) \$1,164 per month for months 25-36 after the Training Completion Date; (d) \$1,746 per month for months 37-48 after the Training Completion Date; and (e) \$2,328 per month for months 49-60 after the Training Completion Date or through the end of the Term, whichever occurs first. As used herein, "Gross Revenues" with respect to any period means all revenue received by Franchisee during such period from the sale of all services and products sold or rendered by the Pillar To Post home inspection franchise, whether for cash, credit, check or barter and regardless of collection in the



case of credit, and all other income of every kind and nature related to the Pillar To Post home inspection franchise. The only sums to be excluded from the “Gross Revenues” calculations shall be those sales taxes or other taxes collected by Franchisee during such period from customers of the Pillar To Post home inspection franchise for transmittal to the appropriate taxing authority. As used herein, “Training Completion Date” means the date Franchisee successfully completes and graduates from phase 3 of the Initial Training Program (as defined herein).

4.3 Franchisee shall make monthly payments of Brand Fees (as defined in Section 12.1 hereof) for promotion and advertising.

4.4 Franchisee shall pay to Franchisor continuing monthly technology fees, which includes the license and subscription fees paid by Franchisor to third party vendors for access to the proprietary bundle of software and related data storage that Franchisee is required to use in the operation of the Pillar To Post home inspection franchise (the “IT Fee”). The current IT Fee is \$5.50 for each home inspection performed by the Pillar To Post home inspection franchise. The IT Fee may be changed or increased by Franchisor from time to time upon ninety (90) days advance notice to Franchisee in the event the costs incurred by Franchisor in connection with providing such software, any upgrades to such software or any replacement software are changed or increased. Notwithstanding the foregoing, the IT Fee will not be adjusted as provided above more than one (1) time in any calendar year and any such adjustment shall be equally applied to all users.

4.5 Franchisee shall pay to Franchisor continuing monthly fees for access to software that creates 360° tours, sketches and floor plans from compatible 360° photos. The current software used creates PTP360, PTPFloorplan, and PTPVirtualOpenHouse. The current fee for a PTP360, which is included with each home inspection performed by the Pillar To Post home inspection franchise, is \$3.00. If the home inspection or other service includes a PTPFloorplan, the fee paid shall be based on the size of the home. The current fee for a PTPFloorplan is \$21.00 for homes up to 4,000 square feet, \$43.00 for homes between 4,001 and 6,000 square feet, \$80.50 for homes between 6,001 and 8,500 square feet, \$161.75 for homes between 8,501 and 13,500 square feet, and \$350.00 for homes greater than 13,500 square feet. The current fee for a PTPVirtualOpenHouse is \$10.00. The fees for these services may be changed or increased by Franchisor from time to time upon ninety (90) days advance notice to Franchisee in the event the costs incurred by Franchisor are changed or increased. Notwithstanding the foregoing, the fees for these services will not be adjusted as provided above more than one (1) time in any calendar year and any such adjustment shall be equally applied to all users.

4.6 Franchisee shall pay Franchisor continuing monthly user fees for access to software that creates PTPHomeManual. The current fee for PTPHomeManual, which is included with each home inspection performed by the Pillar To Post home inspection franchise, is \$9.45. The user fees for these services may be changed or increased by Franchisor from time to time upon ninety (90) days advance notice to Franchisee in the event the costs incurred by Franchisor are changed or increased. Notwithstanding the foregoing, the user fees for these services will not be adjusted as provided above more than one (1) time in any calendar year and any such adjustment shall be equally applied to all users.

4.7 Franchisee shall pay to Franchisor continuing monthly user fees for telephone answering and inspection booking services if Franchisee elects to use such services. The current telephone answering and inspection booking services are called EZBook Connections. The current user fee is \$ 33.45 for each home inspection booked through EZBook Connections by the Pillar To Post home inspection franchise. If Franchisee books 90% or more of its home inspections through EZBook Connections in any month, the current user fee is reduced to \$29.75 for each home inspection booked during that month. Franchisee is currently required to book a minimum of 80% of scheduled inspections through EZBook Connections. The user fees for these services may be changed or increased by Franchisor from time to time upon ninety (90) days advance notice to Franchisee in the event the costs incurred by Franchisor are changed or increased. Notwithstanding the foregoing, the user fees for these services will not be adjusted as provided above more than one (1) time in any calendar year and any such adjustment shall be equally applied to all users.

4.8 Franchisee shall pay to Franchisor continuing monthly financial reporting fee, which includes the license and subscription fees paid by Franchisor to a third-party vendor for access to software that Franchisee is required to use to create consolidated financial reports for the Pillar To Post home inspection franchise (the "Financial Reporting Fee"). The current Financial Reporting Fee is \$30.00 per month. The Financial Reporting Fee may be changed or increased by Franchisor from time to time upon ninety (90) days advance notice to Franchisee in the event the costs incurred by Franchisor in connection with providing such software, any upgrades to such software or any replacement software are changed or increased. Notwithstanding the foregoing, the Financial Reporting Fee will not be adjusted as provided above more than one (1) time in any calendar year and any such adjustment shall be equally applied to all users.

4.9 Franchisee shall pay to Franchisor a Brand Conference Fee, which includes the registration fee for one person to attend the annual Brand Conference. Franchisee is required to attend the Brand Conference each year. The current Brand Conference Fee is \$1,099. The registration fee is established by Franchisor at the beginning of each year for the Brand Conference scheduled the following calendar year and may be changed or increased by Franchisor from time to time in the event the costs incurred by Franchisor are changed or increased. Franchisee is required to pay to Franchisor the registration fee for Franchisee's first annual Brand Conference upon execution of this Agreement. For each year thereafter, the registration fee for the annual Brand Conference is payable in twelve (12) monthly installments beginning on the tenth (10th) day of January each year and continuing on the tenth (10th) day of each month thereafter. Payment of the Brand Conference Fees annually is mandatory and non-refundable.

4.10 All monthly payments required by this Section 4 shall be paid by the tenth (10th) business day of each month, for the preceding month, and shall be submitted to Franchisor together with any reports or statements required under Section 11.3.1 of this Agreement. Any payment or report not actually received by Franchisor on or before such date shall be deemed overdue. If any payment is overdue, Franchisee shall pay Franchisor immediately upon demand, in addition to the overdue amount, as liquidated damages, interest on such amount from the date it was due until paid, at the rate of eighteen (18%) percent per annum calculated daily, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Franchisor may have under this Agreement and applicable law. Franchisee shall not be

entitled to set-off any payments required to be made under this Section 4 against any monetary claim it may have against Franchisor.

4.11 Franchisee shall make all payments owed to Franchisor under this Agreement or any other agreements by electronic funds transfer ("EFT") authorized in advance for automatic debit or such other electronic payment mechanism established by Franchisor from time to time. Acceptance of payment by EFT or other means of payment shall not be deemed a waiver of any rights of Franchisor.

4.11.1 Upon execution of this Agreement, Franchisee must complete, sign and deliver to Franchisor all documentation and bank account information necessary to authorize and effect the EFT payments required herein.

4.11.2 Franchisee must complete, sign and deliver to Franchisor such documentation, information and authorization as may from time to time be required to maintain EFT or other payment mechanism capability. Franchisee agrees (i) to give Franchisor at least fourteen (14) days prior written notice (except in the case of emergency) before making any change to Franchisee's EFT bank account, providing all documentation, information and authorization required to change EFT to the new account; (ii) to pay Franchisor its then-current late fee, plus interest, collection costs and reasonable attorneys' fees, if Franchisee's bank rejects Franchisor's EFT request because of insufficient funds; and (iii) upon demand, to replace any payment by EFT rejected by Franchisee's bank with a bank certified or cashier's check in the aggregate amount owed, plus interest, late fees, costs of collection and reasonable attorneys' fees.

## **5. RENOVATION AND OPENING OF THE PILLAR TO POST FRANCHISE**

5.1 Franchisee shall be responsible, at Franchisee's expense, for obtaining all zoning classifications, licenses, permits, and clearances, including, but not limited to, professional licenses, business licenses and certificates of occupancy, which may be required by federal, state, municipal or local laws, ordinances, or regulations, or which may be necessary or advisable in connection with any restrictive covenants relating to the Approved Location for the Pillar To Post home inspection franchise.

5.2 Franchisee shall obtain Franchisor's written approval prior to opening the Pillar To Post home inspection franchise, which approval shall not be unreasonably withheld, and shall open the Pillar To Post home inspection franchise for business not later than one hundred twenty (120) days after completion of the Initial Training Program (as defined in Section 6.1 below). The parties agree that time is of the essence in the opening of the Pillar To Post home inspection franchise.

5.3 Not less than thirty (30) days prior to the opening date of the Pillar To Post home inspection franchise, Franchisee shall order from Franchisor and/or its designated suppliers such initial inventory of the Proprietary Products (as defined in Section 7.4 hereof), equipment, uniforms, marketing materials and initial supplies as prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall provide to Franchisor reasonable and timely proof of such orders.

## 6. TRAINING

6.1 Prior to the opening of the Pillar To Post home inspection franchise, Franchisee (or, if Franchisee is a corporation, the shareholder designated by Franchisee as manager acceptable to Franchisor and satisfying the provisions of Section 17.1 of this Agreement, or if Franchisee is a limited liability company, the member designated by Franchisee as manager acceptable to Franchisor and satisfying the provisions of Section 17.1 of this Agreement, or if Franchisee is a Partnership, the partner or partners designated by Franchisee as manager acceptable to Franchisor and satisfying the provisions of Section 17.1 of this Agreement), shall attend and complete to Franchisor's satisfaction the initial training program for franchisees and managers offered by Franchisor (the "Initial Training Program"). The fee for Franchisee or its designated manager to attend the Initial Training Program is included in the Initial Fee.

6.2 All Pillar To Post sponsored training programs shall be at such times and places as may be designated by Franchisor, and attendance at the Initial Training Program, the annual convention and one (1) regional meeting, annually, is mandatory. All Pillar To Post sponsored training programs may be held in-person, virtually, or both in-person and virtually at Franchisor's discretion. For Franchisee or its designated manager attending the Initial Training Program, Franchisor shall provide instructors and training materials, as well as lodging and meals for any in-person portion of the program. Franchisee shall be responsible for all other expenses incurred to attend, including the costs of transportation to and from the training site for any in-person portion of the program. For employees, business partners, and others attending the required Initial Training Program, Franchisor shall provide instructors and training materials, and Franchisee shall be responsible for any registration/training fee and all other expenses incurred to attend the Initial Training Program, including any costs of transportation to and from the training site for any in-person portion of the program, lodging, meals, and wages. For such additional required training courses, seminars, and programs as Franchisor may in its sole discretion provide, including regional meetings and the annual convention, Franchisor shall provide instructors and training materials, and Franchisee shall be responsible for all other expenses incurred to attend, including any registration/training fee and any costs of transportation to and from the training site for any in-person portion of the program, lodging, meals, and wages. For the annual convention, Franchisee must pay an annual registration fee, which is payable in accordance with Section 4.9 of this Agreement.

6.3 Franchisor has established minimum continuing education requirements, which are more fully described in the Manual and which may be revised from time to time. Franchisee or Franchisee's manager and other employees are required to meet or exceed these requirements either through attendance at such additional courses, seminars, and other training programs as Franchisor may in its sole discretion provide or reasonably require from time to time, or through training programs sponsored by professional associations for home inspectors.

6.4 All persons working as home inspectors for Franchisee shall affiliate themselves with a professional organization appropriate to their geographical location and to the Pillar To Post home inspection franchise. Franchisee shall provide Franchisor with evidence of application for memberships in such organizations and shall keep Franchisor advised as to the membership status of all of its home inspectors in such organizations.

## **7. DUTIES OF FRANCHISEE**

7.1 Franchisee understands and acknowledges that every detail of the Pillar To Post System is important to Franchisee, Franchisor, and other franchisees in order to develop and maintain high operating standards, to perform all of the duties and responsibilities associated with operating the Pillar To Post home inspection franchise, to increase the demand for the services and products sold by all Pillar To Post home inspection franchises operating under the Pillar To Post System, and to protect Franchisor's reputation and goodwill. Franchisee shall maintain Franchisor's high standards with respect to staff, facilities, vehicles, services, products, and operations. Franchisee shall operate the Pillar To Post home inspection franchise in compliance with the Pillar To Post System.

7.2 Franchisee shall keep the Pillar To Post home inspection franchise open and in normal operation for such minimum hours and days as Franchisor may specify from time to time; shall staff the Pillar To Post home inspection franchise with qualified staff, including minimum levels of personnel as Franchisor may specify from time to time; shall refrain from using or permitting the use of the Approved Location for any other business purpose or activity at any time without first obtaining the written consent of Franchisor; and shall operate the Pillar To Post home inspection franchise in strict conformity with Franchisor's mandatory policies, practices, procedures, regulations and standards, whether set forth in the Manual or in other materials supplied to Franchisee by Franchisor, all of which may be changed or modified by Franchisor from time to time. Franchisee shall refrain from deviating from such policies, practices, procedures, regulations and standards without Franchisor's prior written consent.

7.3 Franchisee shall sell through the Pillar To Post home inspection franchise only such products and services as have been expressly approved in writing by Franchisor. Franchisee shall offer Franchisor's Plus, Premium and Prestige packages or such other packages of goods and services as established by Franchisor from time to time in accordance with the mandatory policies, practices, procedures, regulations and standards established by Franchisor from time to time. Franchisee shall refrain from selling any other kind of product or service without Franchisor's prior written consent, and shall discontinue selling or offering for sale any products or services which Franchisor, in its sole discretion, disapproves in writing at any time. Franchisee shall have sole discretion as to the prices of all goods and services, including packages of goods and services, to be offered and sold by it to its customers. Without limiting the foregoing, Franchisee shall:

7.3.1 Comply with all laws, rules and regulations governing operation of the Pillar To Post home inspection franchise, including all licensing and other requirements that limit the goods and services that may be offered or performed by a home inspector; and

7.3.2 Avoid conflicts of interest by neither accepting or offering commissions or allowances, directly or indirectly, nor recommending or referring any form of repair or replacement of parts of any home inspected by the Pillar To Post home inspection franchise to itself, any of its affiliates or any other person or entity.

7.4 Franchisee acknowledges that (i) the residential inspection services for single family and various multi-family residences offered and sold under the Pillar To Post System are

prepared and offered from proprietary methods and procedures exclusively developed and owned by Franchisor (“Proprietary Services”), (ii) any specialized products or equipment for the Pillar To Post home inspection franchise offered and sold under the Pillar To Post System, including, but not limited to, the Pillar To Post home inspection report form, are produced or manufactured using the Marks and designs exclusively developed and owned by Franchisor (“Proprietary Products”), and (iii) Franchisee has entered into this Agreement in order to obtain the right to use, offer and sell the Proprietary Services and Proprietary Products. In order to protect Franchisor's interest in the Proprietary Services and Proprietary Products and to ensure the quality, uniformity, and distinctiveness of the Proprietary Services and Proprietary Products, Franchisee shall:

7.4.1 Provide residential inspection services for single family and various multi-family residences using only the Proprietary Services and Proprietary Products, Franchisor's approved business practices, and such other equipment, services and products which may from time to time be expressly approved in writing by Franchisor for use and/or sale by the Pillar To Post home inspection franchise;

7.4.2 Purchase solely from Franchisor or suppliers designated by Franchisor such Proprietary Services, Proprietary Products and other services, products, materials or supplies as may be specified by Franchisor in writing from time to time; and

7.4.3 Create a uniform customer experience by offering the Proprietary Services and Proprietary Products, including any approved additional services, in strict conformity with the mandatory policies, practices, procedures, regulations and standards whether set forth in the Manual or in other materials supplied to Franchisee by Franchisor from time to time, including, but not limited to, implementing all mandatory brand standards and operating basics as prescribed by Franchisor from time to time, implementing all mandatory marketing programs as prescribed by Franchisor from time to time, packaging the Proprietary Services and Proprietary Products in the manner prescribed by Franchisor from time to time, and delivering the Proprietary Services and Proprietary Products to the customer in the manner and by the means prescribed by Franchisor from time to time.

7.5 Franchisee acknowledges that a material provision of this Agreement is the establishment of minimum requirements for growth of Gross Revenues. Franchisee must generate Gross Revenues of at least: (a) \$100,000 in months 1-12 after the Training Completion Date; (b) \$200,000 in months 13-24 after the Training Completion Date; (c) \$300,000 in months 25-36 after the Training Completion Date; (d) \$400,000 in months 37-48 after the Training Completion Date; and (e) \$500,000 in months 49-60 after the the Training Completion Date. In the event Franchisee fails to meet the minimum Gross Revenues requirements for any twelve (12) month period, Franchisee shall be in default under this Agreement, and Franchisor and Franchisee shall meet within thirty (30) days of the end of the contract year to develop a performance plan to cure such default, which plan shall address any operational issues or deficiencies attributing to the failure to meet the minimum Gross Revenues requirements. In the event Franchisee fails to meet the minimum Gross Revenues requirements for two (2), consecutive twelve (12) month periods, this Agreement shall be subject to termination in accordance with Section 15.2.10 of this Agreement. The foregoing shall be in addition to such other remedies Franchisor may have under this Agreement and applicable law. The minimum Gross Revenues requirements and corresponding minimum Royalty Fees for renewal terms (or for Franchisees who acquired their Franchised

Business through transfer from a Franchisee, rather than from Franchisor) shall be modified to reflect the potential of an established business, and such requirements shall be set forth in an Addendum to the renewal Franchise Agreement.

7.6 Franchisor shall not be liable to Franchisee, or be deemed to be in default of this Agreement, for any delay or failure of delivery of any services or products supplied by Franchisor to Franchisee resulting from any cause beyond Franchisor's reasonable control, including, but not limited to, weather conditions, acts of God, laws, regulations, government orders, labor disputes, shortages of materials, war, acts of terrorism, or civil unrest.

7.7 All services and products sold or offered for sale by the Pillar To Post home inspection franchise shall meet Franchisor's then-current standards and specifications, as established in the Manual or otherwise in writing by Franchisor from time to time. Franchisee shall purchase all services and products not covered in Section 7.4 solely from suppliers who demonstrate to Franchisor's continuing reasonable satisfaction the ability to meet Franchisor's standards and specifications, who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably, and who have been approved by Franchisor in the Manual or otherwise in writing. If Franchisee desires to purchase services or products from other than approved suppliers, Franchisee shall submit to Franchisor a written request to approve the proposed supplier, together with such information as Franchisor may reasonably require. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to Franchisor or to an independent testing facility designated by Franchisor. A charge not to exceed the reasonable cost of the evaluation and testing shall be paid by Franchisee. Franchisor shall, within ninety (90) days after its receipt of such completed request and completion of such evaluation and testing (if required by Franchisor), notify Franchisee in writing of its approval or disapproval of the proposed supplier. Approval shall not be unreasonably withheld. Franchisee shall not sell or offer for sale any services or products of the proposed supplier until Franchisor's written approval of the proposed supplier is received. Franchisor may from time to time revoke its approval of particular suppliers or products when Franchisor determines in its sole discretion, that such suppliers or products no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee shall cease to purchase from the disapproved supplier.

7.8 At the time the Pillar To Post home inspection franchise opens, Franchisee shall stock and display the initial inventory of approved products prescribed by Franchisor in the Manual or otherwise in writing. Thereafter, Franchisee shall stock and maintain all types of approved products in quantities sufficient to meet reasonably anticipated customer demand.

7.9 Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, equipment (including, but not limited to, a telephone, office computer, and inspection tablet computer with minimum specifications established by Franchisor from time to time, high-speed internet access, and the Technology Platform (as defined in Section 9.3)), decor, signs, vehicle wraps, and letter kits on or about the Approved Location or on any vehicle used in operation of the Pillar To Post home inspection franchise as Franchisor may reasonably direct from time to time. Franchisee shall refrain from installing or permitting to be installed on or about the Approved Location or on any such vehicle, without Franchisor's prior written consent, any fixtures,

furnishings, equipment, decor, signs, magnets, vehicle wraps, letter kits, or other items not previously approved as meeting Franchisor's standards and specifications.

7.10 Franchisee shall permit Franchisor and its agents to enter upon the Approved Location or any vehicles used in operation of the Pillar To Post home inspection franchise at any time during normal business hours for the purpose of conducting inspections; shall cooperate with representatives of Franchisor in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by Franchisor and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable by Franchisee upon demand. The foregoing shall be in addition to such other remedies Franchisor may have under this Agreement and applicable law.

7.11 Franchisee shall ensure that all advertising and promotional materials, signs, decorations, and other items specified by Franchisor bear the Marks in the form, color, location, and manner prescribed by Franchisor in this Agreement, in the Manual or otherwise in writing.

7.12 Franchisee shall maintain the Approved Location and any vehicle used in the operation of the Pillar To Post home inspection franchise in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at its expense, make such additions, alterations, repairs, and replacements thereto (but no others without Franchisor's prior written consent) as may be required by Franchisor for that purpose, including, but not limited to, such periodic refurbishment or replacement of obsolete signs, vehicle wraps, furnishings, equipment, and decor as Franchisor may reasonably direct.

7.13 Franchisee shall use computers, printers and other related equipment with minimum specifications established by Franchisor from time to time and software and other technology, including the Technology Platform (as defined in Section 9.3 herein), required by Franchisor from time to time. Franchisee acknowledges that in the future, and from time to time, Franchisee may be required to purchase or lease new computers, printers and other equipment, upgrades to the Technology Platform and/or new software and technology at Franchisee's expense, including an increase in the IT Fee provided in Section 4.4 of this Agreement.

7.14 Franchisee shall only use the email accounts, including assigned @pillartopost.com email addresses, and social media accounts designated by Franchisor from time to time in the operation of the Pillar To Post home inspection franchise. Franchisee shall not use any other email account or social media account for any purpose related to the Pillar To Post home inspection franchise, including in connection with any brochure, letterhead, business card, internet presence, social media presence, or other marketing material or forum.

7.15 Franchisee shall staff the Pillar To Post home inspection franchise with the minimum levels of qualified personnel as Franchisor may specify from time to time, and shall add additional home inspectors to meet the current needs of the business and the future growth required by this Agreement. Franchisee shall ensure that all members of its staff are competent,



conscientious, and properly trained. All members of Franchisee's staff who perform home inspections (including employees, contract employees, independent contractors, officers, directors, shareholders, members, and partners) shall attend and successfully complete to Franchisor's sole subjective satisfaction the Initial Training Program at Franchisee's own expense. Franchisee shall satisfactorily train all remaining members of its staff who do not attend the Initial Training Program to the standards established by Franchisor from time to time. Franchisee shall take all steps necessary to ensure that its staff preserves good customer relations; renders competent, prompt, courteous, and knowledgeable service; and meets such minimum standards as Franchisor may establish from time to time in the Manual or otherwise in writing. Franchisee and its staff shall handle all customer complaints, refunds, returns, and other adjustments in a manner that will not detract from the name and goodwill of Franchisor. Notwithstanding the foregoing or any other provision of this Agreement, Franchisee (and not Franchisor) shall at all times be responsible for all employment decisions related to the Pillar To Post home inspection franchise, including, but not limited to, hiring, firing, training, promotion, remuneration, compliance with laws (including without limitation wage and hour requirements and human rights legislation), recordkeeping, supervision and discipline. Franchisee expressly agrees that Franchisor does not have the power to hire, fire, or control in any manner whatsoever the employees of the Pillar To Post home inspection franchise.

7.16 Franchisee shall not unilaterally implement any change, amendment, or improvement to the Pillar To Post System without the prior written consent of Franchisor. Franchisee, at its sole expense, shall implement any change, amendment, or improvement to the Pillar To Post System as may be required by Franchisor from time to time.

7.17 Franchisee shall comply with all terms of its lease or sublease, and all other agreements affecting the operation of the Pillar To Post home inspection franchise; shall undertake best efforts to maintain a good and positive working relationship with its landlord and other vendors, and shall refrain from any activity which may jeopardize Franchisee's right to remain in possession of the Approved Location.

7.18 Franchisee shall be responsible for obtaining legal advice from an attorney of Franchisee's choosing, which advice shall be specific to Franchisee's jurisdiction and individual circumstances, including advice as to the laws, rules and regulations regulating home inspection and the operation of Pillar To Post home inspection franchise.

7.19 Franchisee shall be responsible for obtaining accounting advice from an accountant of Franchisee's choosing, which advice shall be specific to Franchisee's jurisdiction and individual circumstances.

## **8. MARKS**

8.1 Franchisor represents to Franchisee with respect to the Marks that:

8.1.1 Franchisor or its affiliates or licensors are the owners of the Marks;

8.1.2 Franchisor has the exclusive right to use, and to license others to use, the Marks in the United States; and

8.1.3 Franchisor has taken and will take all steps reasonably necessary to preserve and protect the validity of the Marks and Franchisor's right to use, and to license others to use, the Marks.

8.2 With respect to Franchisee's use of the Marks pursuant to this Agreement, Franchisee agrees that:

8.2.1 Franchisee shall use only the Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

8.2.2 Franchisee shall use the Marks only for the operation of the Pillar To Post home inspection franchise and only at the Approved Location, or in advertising for the Pillar To Post home inspection franchise;

8.2.3 Franchisee shall use the Marks only in accordance with the Pillar To Post System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Marks;

8.2.4 Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Pillar To Post home inspection franchise only under the name "Pillar To Post Home Inspectors®" and shall use all Marks without prefix or suffix or any variation of any kind. Franchisee shall not use the Marks, or any marks, names or indicia which are or may be confusingly similar, as part of its corporate or other business or legal name, except as authorized in this Agreement;

8.2.5 Franchisee's right to use the Marks is non-exclusive and limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of the rights of Franchisor;

8.2.6 Franchisee shall not use the Marks to incur any obligation or indebtedness on behalf of Franchisor;

8.2.7 Franchisee shall comply with Franchisor's instructions in filing and maintaining any requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Marks or to maintain their continued validity and enforceability; and

8.2.8 Franchisee shall promptly notify Franchisor of any unauthorized use of the Marks, any challenge to the validity or enforceability of the Marks, or any challenge to Franchisor's ownership of, or Franchisor's right to use and to license others to use, or Franchisee's right to use, the Marks. Franchisee acknowledges that Franchisor has the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. Franchisor shall defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Marks. If Franchisor, in its sole discretion, determines that Franchisee has used the Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisor up to the

amount of the Initial Fee. If Franchisor, in its sole discretion, determines that Franchisee has not used the Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisee. In the event of any administrative proceeding or litigation relating to Franchisee's use of the Marks, Franchisee shall execute any and all documents and do such acts as may, in the opinion of Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a party to any legal action. Except to the extent that such administrative proceeding or litigation is the result of Franchisee's use of the Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for its out-of-pocket costs in doing such acts, up to the amount of the Initial Fee.

8.3 Franchisee expressly understands and acknowledges that:

8.3.1 Franchisor or its affiliates or licensors are the owners of all right, title, and interest in and to the Marks, and the goodwill associated with and symbolized by them, and Franchisor has the exclusive right to use, and license others to use, the Marks in the United States;

8.3.2 The Marks are valid and serve to identify the Pillar To Post System and those who are authorized to operate under the Pillar To Post System

8.3.3 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the ownership, enforceability, or validity of, nor take any other action which tends to jeopardize the ownership of, or Franchisor's right to use and to license others to use, the Marks;

8.3.4 Franchisee's use of the Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Marks;

8.3.5 Any and all goodwill arising from Franchisee's use of the Marks under the Pillar To Post System shall inure solely and exclusively to the benefit of Franchisor, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Pillar To Post System or the Marks;

8.3.6 The right and license of the Marks granted hereunder to Franchisee is non-exclusive, and Franchisor thus has and retains the rights, among others: (i) to use the Marks itself in connection with selling products and services, including, but not limited to, the same or similar products or services to be sold by the Pillar To Post home inspection franchise; (ii) to grant other licenses for the Marks; and (iii) to develop and establish other systems using the Marks, similar Marks, or any other Marks, and to grant licenses thereto without providing any rights therein to Franchisee; and

8.3.7 Franchisor reserves the right to substitute different Marks for use in identifying the Pillar To Post System and the businesses operating thereunder if Franchisor, in its sole discretion, determines that substitution of different marks will be beneficial to the Pillar To Post System. Franchisee shall implement promptly any such substitution of new Marks. Franchisor shall bear the costs of modifying Franchisee's signs and advertising

materials to conform to Franchisor's new Marks, but shall otherwise have no obligation or liability to Franchisee as a result of such substitution.

8.4 Franchisee hereby irrevocably assigns to Franchisor all right, title and interest that Franchisee may have now or in the future to any domain name or social media or networking account or site (including, but not limited to, identity, followers, or content) that Franchisee utilizes in the operation of the Pillar To Post home inspection franchise, whether or not the domain name, account or site has been approved by Franchisor.

## **9. OPERATIONS MANUAL/TECHNOLOGY PLATFORM/BUSINESS LINES**

9.1 In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the Pillar To Post System, Franchisee shall operate the Pillar To Post home inspection franchise in accordance with the mandatory policies, practices, procedures, regulations and standards specified in the Manual. Franchisor will lend Franchisee a copy of the Manual, which may be made available to Franchisee exclusively through a secured website or similar network established for that purpose. Franchisor may from time to time revise the contents of the Manual, and Franchisee expressly agrees to comply with each new or changed version or standard. The Manual, including all additions and modifications made thereto, shall remain the exclusive property of Franchisor, shall only be used in connection with the operation of the Pillar To Post home inspection franchise, and shall not be copied or distributed by Franchisee without the prior written consent of Franchisor. Upon expiration or termination of this Agreement, Franchisee must discontinue use of the Manual and all other materials provided by Franchisor and return all copies of the Manual and such materials to Franchisor.

9.2 Franchisee agrees that the Manual, any other manuals created for or approved for use in the operation of the Pillar To Post home inspection franchise, and the information contained therein, is confidential information belonging to Franchisor. Franchisee shall treat such information as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person or entity.

9.3 Franchisee shall use the computer hardware, software, services and systems (the "Technology Platform") provided by Franchisor or provided by suppliers designated by Franchisor. Franchisee acknowledges and agrees that in the future, and from time to time, Franchisee may be required to upgrade the Technology Platform or license, purchase or lease new software and technology at Franchisee's expense, including an increase in the IT Fee provided in Section 4.4 of this Agreement. Franchisee shall not copy, duplicate, record or otherwise reproduce the Technology Platform, in whole or in part, or otherwise make the same available to any unauthorized person or entity.

9.4 The right to access the Technology Platform and the information and data generated with and stored by the Technology Platform, shall remain the sole property of Franchisor. Provided that Franchisee is not in default under this Agreement, Franchisee shall have access to the Technology Platform, as well as the information and data generated with and stored by the

Technology Platform related to the Pillar To Post home inspection franchise, during the Term and any Renewal Term.

9.5 Franchisee must establish an account with Franchisor's designated supplier to maintain two (2) business telephone lines that will be exclusively used in operation of the Pillar To Post home inspection franchise, including in all advertising and promotion of the business (the "Business Lines"). Franchisee shall be solely responsible for all costs related to establishing and maintaining the Business Lines during the Term. Notwithstanding the foregoing, Franchisor shall exclusively own and control the Business Lines during the Term and thereafter.

9.6 Franchisee must implement all administrative, physical and technical safeguards that Franchisor requires or that are required under applicable law to protect any 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, and government-issued identification numbers ("Personal Information"). No assistance, guidance, standards or requirements that Franchisor provides Franchisee constitute a representation or warranty of any kind, express or implied, that Franchisee is compliant with federal, state, or local privacy and data laws, codes, or regulations, or acceptable industry standards. It is Franchisee's responsibility to confirm that the safeguards Franchisee uses to protect Personal Information comply with all laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If Franchisee becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information, Franchisee shall notify Franchisor immediately and specify the extent to which Personal Information was compromised or disclosed. Franchisor reserves the right to conduct a data security and privacy audit of the Pillar To Post home inspection franchise and Franchisee's computer system at any time, from time to time, to ensure that Franchisee is complying with Franchisor's requirements for handling Personal Information. Franchisee agrees to cooperate with Franchisor fully during the course of any audit.

9.7 Franchisee agrees that Franchisor has the right to require Franchisee to update or upgrade computer hardware components, software, and/or cloud-based subscriptions as Franchisor deems necessary from time to time, with no limitations as to the number or cost of such updates or upgrades. Franchisee must take all steps, including, but not limited to, those related to visibility and management of Franchisee's business network, that are necessary to ensure that Franchisee's business is compliant with all data privacy and security laws and Payment Card Industry Data Security Standards (PCI DSS) requirements, as such standards may be revised and modified by the PCI Security Standards Council (see [pcisecuritystandards.org](http://pcisecuritystandards.org)), or such successor organization or standards that Franchisor may reasonably specify. Franchisee agrees to use any computer network, intranet system, extranet system, email, and handheld devices required or authorized for use in connection with Franchisee's business in strict compliance with Franchisor's standards, protocols, and restrictions that are included in the Manual or in Franchisor's other written policies, which include, but are not limited to, Franchisor's privacy policies, encryption requirements, data and IT security policies - including the implementation of phishing and other security awareness programs and training, cyber incident notification requirements, and Artificial Intelligence policies. Franchisee further agrees not to violate Franchisor's privacy policies or user terms on Franchisor's website.

9.8 Franchisee agrees to comply with all applicable laws pertaining to the privacy of the customer, employee, and transactional information (“Privacy Laws”) and other applicable data protection laws that are applicable to Franchisor’s franchise system.

9.9 Franchisee shall have sole authority and control over the day-to-day operations of Franchisee’s business and Franchisee’s employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws, including, but not limited to, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee’s employees be deemed to be employees of Franchisor or Franchisor’s affiliates.

## 10. **CONFIDENTIAL INFORMATION**

10.1 Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation or limited liability company any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised hereunder which may be communicated to Franchisee, which may become known to Franchisee, or of which Franchisee may be apprised by virtue of Franchisee’s operation under the terms of this Agreement, or after the termination or expiration of this Agreement or any renewal hereof, use any such confidential information knowledge or know-how for itself or its business. Franchisee shall divulge such confidential information only to such of its employees or contract employees, or if Franchisee is a corporation or limited liability company, then to such officers, directors, shareholders, and members as must have access to it in order to operate the Pillar To Post home inspection franchise. Any and all information, knowledge, know-how, techniques, and other data that Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement.

10.2 Franchisee agrees that all data collected from former, existing, and/or potential customers or referral sources, including names and addresses, discounts and credit extensions to customers, customer contracts, reports, and status information (collectively “Customer Information”) are our trade secrets and confidential information. Franchisee will not disclose Customer Information and Franchisor’s other proprietary information, trade secrets, and confidential information to third parties, including entering such information into public/open Artificial Intelligence (“AI”) models or any other AI model that uses such information to train the AI unless specifically authorized by Franchisor in writing, and Franchisee agrees to strictly adhere to Franchisor’s privacy policies that Franchisor may now, or in the future, establish with respect to Customer Information.

10.3 Franchisee shall require its manager (if Franchisee is a corporation, limited liability company, or partnership) and any personnel having access to any confidential information of Franchisor to execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee. Such covenants shall be in a form satisfactory to Franchisor including, but not limited to, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them.

## **11. ACCOUNTING AND RECORDS**

11.1 Franchisee shall prepare, and shall preserve for at least seven (7) years from the dates of their preparation, complete and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

11.2 All Gross Revenues, state, county or municipal sales tax, and charges collected on behalf of third parties shall be recorded by Franchisee in accordance with applicable law and as required in the Manual or otherwise directed by Franchisor from time to time.

11.3 Franchisee shall, at Franchisee's expense, submit to Franchisor in the form and manner prescribed by Franchisor, the following reports, financial statements, and other data:

11.3.1 No later than the fifth (5th) day of each month, reports accurately reflecting and/or confirming all Gross Revenues and all home inspections performed during the preceding calendar month must be submitted electronically to Franchisor in the manner proscribed by Franchisor from time to time;

11.3.2 Within ninety (90) days after the end of each fiscal year of the Pillar To Post home inspection franchise, financial statements prepared on a review basis by an independent certified public accountant approved by Franchisor, showing the results of operations of the Pillar To Post home inspection franchise during said fiscal year, including, but not limited to, a Profit and Loss Statement, a Balance Sheet, and an Income Statement; and

11.3.3 Such other forms, reports, records, information, and management data as Franchisor may reasonably designate.

11.4 Franchisor and its designated agents shall have the right at all reasonable times during normal business hours to examine and copy, at Franchisor's expense, the books, records, computer systems, computer records, accounts, and tax returns (the "Books") of the Pillar To Post home inspection franchise. Franchisor shall also have the right, at any time, to have an independent audit made of the Books of the Pillar To Post home inspection franchise. If an inspection should reveal that any payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, plus interest thereon from the date such amount was due until paid, at the rate of eighteen (18%) percent per annum calculated daily or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any report of two (2%) percent or more, Franchisee shall, in addition to repayment of monies owed with interest, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, but not limited to, travel, lodging, wage expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

## **12. ADVERTISING AND PROMOTION**

12.1 Franchisee shall pay to the Pillar To Post promotion and advertising fund (the "Brand Fund") a continuing monthly brand fee equal to four percent (4%) of the Gross Revenues

of the Pillar To Post home inspection franchise (the “Brand Fee”), computed from the first (1<sup>st</sup>) day of the month following the Training Completion Date.

12.2 The Brand Fund shall be maintained and administered by Franchisor as follows:

12.2.1 Franchisor shall direct all advertising and promotional programs, with sole discretion over the concepts, materials, and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition, acceptance, and use of the Pillar To Post System; and that Franchisor is not obligated, in administering the Brand Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Fund;

12.2.2 The Brand Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which Franchisor believes will enhance the image of the Pillar To Post System, including, among other things, the costs of preparing and conducting media advertising campaigns; direct-mail advertising; marketing surveys; employing advertising and/or public relations agencies to assist therein; purchasing promotional items; and providing promotional and other marketing materials and services to the businesses operating under the Pillar To Post System; and

12.2.3 Franchisee shall contribute to the Brand Fund by separate payments made directly to the Brand Fund. All sums paid by Franchisee to the Brand Fund shall be maintained in an account separate from the other monies of Franchisor and shall not be used to defray any of Franchisor's expenses, except for such reasonable costs and overhead, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the Brand Fund and advertising programs for franchisees and the Pillar To Post System, including, among other things, costs of personnel for creating and implementing advertising, promotional, and marketing programs. The Brand Fund and any earnings thereon shall not otherwise inure to the benefit of Franchisor. Franchisor shall maintain separate bookkeeping accounts for the Brand Fund.

12.3 All advertising and promotion by Franchisee shall be in such media and of such type and format as Franchisor may approve, shall be conducted in a dignified manner, and shall conform to the mandatory policies, practices, procedures, regulations and standards established by Franchisor from time to time. Franchisee shall not use any advertising or promotional plans or materials unless and until Franchisee has received written approval from Franchisor, pursuant to the procedures and terms set forth in Section 12.5 of this Agreement.

12.4 Franchisor may, in its sole discretion, make available to Franchisee from time to time, advertising plans and promotional materials, including coupons, merchandising materials, sales aids, point-of-purchase materials, special promotions, direct mail materials, email accounts, social media accounts, electronic promotional materials, and other advertising and promotional materials.



12.5 Franchisee shall submit samples of all advertising and promotional plans and materials to Franchisor for its approval at least thirty (30) days prior to its proposed use (except with respect to prices to be charged by Franchisee), if such plans and materials have not been prepared or previously approved by Franchisor. If written notice of disapproval is not received by Franchisee from Franchisor within thirty (30) days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have approved them.

12.6 Franchisee may not maintain an internet website, internet-based application, social media presence, or otherwise maintain a presence or advertise on the internet or any other public computer network in connection with the Pillar To Post home inspection franchise without Franchisor's prior written approval, which Franchisor may withhold for any reason or no reason.

12.6.1 Franchisee agrees to submit to Franchisor for approval before use true and correct electronic copies or proofs of all website pages, software applications or social media presence Franchisee proposes to use in connection with the Pillar To Post home inspection franchise. Franchisee understands and agrees that Franchisor's right of approval of all such materials is necessitated by the fact that such materials will include and be inextricably linked with the Marks. Franchisee may only use material that Franchisor has approved.

12.6.2 Franchisee's website, application or social media presence must conform to all of the mandatory policies, practices, procedures, regulations and standards established by Franchisor from time to time, whether set forth in the Manual or otherwise. Franchisee agrees to provide all hyperlinks or other links that Franchisor requires.

12.6.3 If Franchisor grants approval for a website, application or social media presence, Franchisee may not use any of the Marks without Franchisor's prior written permission. Franchisee may not post any of Franchisor's proprietary, confidential or copyrighted material or information on its website, application or through social media without Franchisor's prior written approval. If Franchisee wishes to modify its approved website, application or social media presence, all proposed modifications must also receive Franchisor's prior written approval.

12.6.4 Franchisee explicitly understands that it may not post on its website, application or through social media any material which any third party has any direct or indirect ownership interest in (including, without limitation, video clips, photographs, sound bites, copyrighted text, trademarks, service marks, or any other text or image which any third party may claim intellectual property ownership interests in).

12.6.5 Franchisee agrees to list on its website, application or social media presence any website maintained by Franchisor, and any other information Franchisor requires in the manner Franchisor dictates.

12.6.6 Franchisee agrees to obtain Franchisor's prior written approval for any internet domain name, home page address, software application or other internet or social media identification address.

12.6.7 The requirement of Franchisor's prior approval set forth in this Section 12.6 will apply to all activities by Franchisee on the internet, any software application, any social media platform or any other communication networks, including, but not limited to, any website, any application, any social media presence, or any email account other than the email account provided in accordance with Section 3.7 of this Agreement.

### **13. INSURANCE**

13.1 Franchisee shall obtain and maintain at Franchisee's sole cost and expense, and keep in full force and effect during the term of this Agreement, such types and amounts of insurance as required by Franchisor, as set forth in this Agreement, the Manual, or other written policies, as they may be updated from time to time. Franchisee agrees to name Franchisor and its parent, FS Brands, Inc., as additional insureds ("Additional Insureds") on all policies, except for any required workers' compensation and employers' liability policies. Each such policy shall provide that the policy is primary over the coverage of Franchisor; cannot be canceled without thirty (30) days prior written notice to Franchisor; and shall insure Franchisee's contractual liability.

13.2 Franchisee's obligation to obtain and maintain the insurance policies specified by Franchisor from time to time shall not be limited in any way by reason of any insurance that may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 20.3 of this Agreement.

13.3 All public liability and property damage insurance policies shall contain a provision that the Additional Insureds, although named as an insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to the Additional Insureds or their respective officers, directors, servants, agents, or employees by reason of the negligence or intentional act or omission of Franchisee or its officers, directors, servants, agents, or employees.

13.4 Prior to the commencement of any operations under this Agreement, and thereafter at least fifteen (15) days prior to the expiration of any insurance policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing the proper types and minimum amounts of coverage. All Certificates of Insurance shall expressly provide that no less than thirty (30) days prior written notice shall be given to Franchisor in the event of material alteration to or cancellation of the coverage evidenced by such Certificates of Insurance.

### **14. TRANSFER OF INTEREST**

14.1 This Agreement and all rights and duties hereunder may be freely assigned or transferred by Franchisor in its sole discretion to any person or legal entity which agrees to assume Franchisor's obligations hereunder, including a competitor of Franchisor, and shall be binding upon and inure to the benefit of Franchisor's successors and assigns including, but not limited to, any entity which acquires all or a portion of the stock of Franchisor or any entity resulting from or participating in a merger, consolidation or reorganization in which Franchisor is involved, and to which Franchisor's rights and duties hereunder are assigned or transferred.

14.2 Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this franchise in reliance

on many factors, including, but not limited to, Franchisee's (or, if Franchisee is a corporation, limited liability company, or partnership, its principal's or principals') business skill, financial capacity, and personal character. Accordingly, neither Franchisee nor any immediate or remote successor, heir, executor, administrator, or assignee to any part of Franchisee's interest in this Agreement or the Pillar To Post home inspection franchise, nor any individual, partnership, corporation, limited liability company, or other legal entity which directly or indirectly owns any direct or indirect interest in Franchisee or the Pillar To Post home inspection franchise shall directly or indirectly sell, assign, transfer, convey, pledge, mortgage, give away, or otherwise encumber any direct or indirect interest in this Agreement or any portion thereof, in Franchisee, in the Pillar To Post home inspection franchise, in any equity or voting interest in Franchisee, or in all or substantially all of the assets of the Pillar To Post home inspection franchise, nor permit the Pillar To Post home inspection franchise to be operated, managed, directed or controlled, directly or indirectly, by any person or entity other than Franchisee (any such act or event is referred to as a "Transfer") without the prior written consent of Franchisor, which written consent shall not be unreasonably withheld. Any purported Transfer occurring by operation of law or otherwise, including any Transfer by a trustee in bankruptcy, without the prior written consent of Franchisor required by this Section 14.2 shall be null and void, shall constitute a material breach of this Agreement, and shall subject this Agreement to immediate termination without opportunity to cure in accordance with Section 15.2.8 of this Agreement. In the event the Franchisee is a corporation or limited liability company, the stock or membership units of such corporation or limited liability company shall not be publicly sold or traded on any securities exchange or in the over-the-counter market without the prior written consent of Franchisor

14.3 Franchisee understands and acknowledges the vital importance of the performance of Franchisee to the market position and overall image of Franchisor. Franchisee also recognizes that there are many subjective factors that comprise the process by which Franchisor selects a suitable franchise owner. Therefore, Franchisee shall notify Franchisor in writing of any proposed Transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Pillar To Post home inspection franchise at least thirty (30) days before such Transfer is proposed to take place. Franchisor shall not unreasonably withhold its consent to any Transfer, but if a Transfer, alone or together with other previous, simultaneous, or proposed Transfers, would have the effect of changing control of Franchisee, this Agreement, or all or substantially all of the assets of the Pillar To Post home inspection franchise, Franchisor may, in its sole subjective discretion, require any or all of the following as conditions of its approval:

14.3.1 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to operate the Pillar To Post home inspection franchise (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the Pillar To Post home inspection franchise;

14.3.2 That all of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates have been satisfied;

14.3.3 That Franchisee is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates;

14.3.4 That Franchisee pay a transfer fee in an amount equal to \$4,000.00, plus any applicable taxes, to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the application to transfer, including, but not limited to, legal and accounting fees;

14.3.5 That Franchisee shall have procured, at Franchisee's expense, an extended coverage insurance policy protecting Franchisee, Franchisor, and their respective officers, directors, partners, and employees against any demand or claim with respect to any loss or expense arising from operation of the Pillar To Post home inspection franchise. Such policy shall be written by a responsible carrier acceptable to Franchisor, shall name Franchisor as additional insured, and shall provide at least the types and minimum amounts of coverage specified in this Agreement or in the Manual from time to time. The term of the extended coverage period shall not be less than two (2) years;

14.3.6 That the transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and their officers, directors, shareholders, and employees;

14.3.7 That Franchisee remain liable for all of the obligations to Franchisor in connection with the Pillar To Post home inspection franchise which arose prior to the effective date of the transfer, including, but not limited to, any claim or obligation under Section 20.3 of this Agreement, and execute any and all instruments reasonably requested by Franchisor to evidence such liability;

14.3.8 That the transferee (or, if the transferee is a corporation, limited liability company, or partnership, the manager designated by transferee acceptable to Franchisor, which manager must be a shareholder, member, or partner with a beneficial interest of fifty (50%) percent or more of the transferee) at the transferee's expense, take and complete, to Franchisor's sole subjective satisfaction, the Initial Training Program then in effect for franchisees and managers upon such terms and conditions as Franchisor may reasonably require;

14.3.9 That the transferee execute, for a term ending on the expiration date of this Agreement and with such renewal terms as may be provided by this Agreement, the then-current form of franchise agreement and other ancillary agreements as Franchisor may require for the Pillar To Post home inspection franchise, which agreements shall supersede this Agreement in all respects, or upon the agreement of the parties a new then current form of Franchise Agreement and other ancillary agreements which may be for the full term of this Agreement with the full terms of renewal as may be provided by this Agreement;

14.3.10 That the transferee (and, if the transferee is other than an individual, such owners of any beneficial interest in the transferee as Franchisor may request) enter into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to

discharge all of Franchisee's obligations under this Agreement; and, if the obligations of Franchisee were guaranteed by the transferor or its owners, that the transferee and its owners guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor; and

14.3.11 If the transferor or its owners executed a guarantee, indemnification, and acknowledgement of Franchisee's obligations under this Agreement, that the transferee and its owners execute a guarantee, indemnification, and acknowledgement of all such obligations.

Franchisee acknowledges and agrees that each condition that must be met by the transferee and its owners is necessary to assure such transferee's full performance of the obligations hereunder.

14.4 Franchisee shall not grant a security interest in the Franchise Agreement, the Pillar To Post home inspection franchise or in any of the assets of the Pillar To Post home inspection franchise unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and any acceleration of indebtedness due to Franchisee's default shall be void.

14.5 If any party holding any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Pillar To Post home inspection franchise desires to accept any bona fide offer from a third party to purchase such interest, Franchisee shall notify Franchisor in writing. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor elects not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Failure of Franchisor to exercise the option afforded by this Section 14.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 14 with respect to a proposed transfer. In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the cash consideration, an independent appraiser shall be designated by Franchisor at Franchisor's expense, to determine the cash consideration and the appraiser's determination shall be binding.

14.6 In the event of the death or incapacity of Franchisee (or, if Franchisee is a corporation, limited liability company, or partnership, any person with an interest in Franchisee or in all or substantially all of the assets of the Pillar To Post home inspection franchise), the heirs, beneficiaries, devisees, executors, administrators or other legal representatives of Franchisee shall, within one hundred twenty (120) days of such event:

14.6.1 Apply to Franchisor for the right to continue to operate the Pillar To Post home inspection franchise for the duration of the term of this Agreement and any renewals hereof, which right shall be granted provided the surviving spouse, heirs or estate shall satisfy all of the then-current qualifications for a purchaser of a Franchise; or

14.6.2 Sell, assign, transfer, or convey Franchisee's interest in compliance with the provisions of Sections 14.3 and 14.5 of this Agreement; provided, however, that in the event a proper and timely application for the right to continue to operate the Pillar To Post home inspection franchise has been made by Franchisee and rejected by Franchisor, the one hundred twenty (120) days to sell, assign, transfer, or convey the Pillar To Post home inspection franchise shall be computed from the date of said rejection.

Franchisee will have the right (but not the obligation) to take over operation of the Pillar To Post home inspection franchise until either Section 14.6.1 or Section 14.6.2 is complied with and to charge a reasonable management fee for such services. For purposes of this Section, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (i) for a period of 30 or more consecutive days or (ii) for 60 or more total days during a calendar year.

14.7 If the provisions of Section 14.6 have not been fulfilled within the time provided, all rights granted to Franchisee under this Agreement shall, at the option of Franchisor, terminate immediately and automatically revert to Franchisor.

14.8 Notwithstanding the foregoing, it is understood that Franchisee (if an individual, natural person) may assign this Agreement on one occasion to a corporation or limited liability company organized by Franchisee for that purpose only, provided that at least a majority of all the issued and outstanding shares of voting stock, membership units, and equity interests are owned and voted continuously by Franchisee, and further provided that Franchisor shall have approved in advance all other shareholders of such corporation or members of such limited liability company holding equity or voting interests, which approval shall not be unreasonably withheld. Franchisor shall be given written notice of such assignments and delegation, and thereupon such corporation or limited liability company shall have all such rights and obligations, and the terms "Franchisee" and "Pillar To Post home inspection franchise" as listed herein shall refer to such corporation or limited liability company; provided, however, that such assignment shall in no way affect the obligations hereunder of the individual above designated "Franchisee," who shall execute Franchisor's standard form personal guaranty and remain fully bound by and responsible for the performance of all such obligations, jointly and severally, with such corporation or limited liability company. Such corporation or limited liability company shall at no time engage in any business or activities other than the exercise of the rights herein granted to Franchisee and the performance of its obligations as Franchisee hereunder. Unless the assignment provided in this Section 14.8 occurs within six (6) months of the execution of this Agreement, Franchisee shall pay a fee of \$1,000.00 to Franchisor to cover the reasonable costs and expenses associated with document preparation and review for such assignment.

14.9 Franchisor's consent to a Transfer of any interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Pillar To Post home inspection franchise shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed

a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement by the transferor or transferee.

14.10 If, prior to serious negotiations with Franchisee or one of Franchisee's owners, the transferee was referred by Franchisor to Franchisee after having contact with Franchisor or someone acting on Franchisor's behalf, then Franchisee shall pay Franchisor a referral fee in the amount of \$5,000 due at closing of any transfer to the referred transferee.

## **15. DEFAULT AND TERMINATION**

15.1 Franchisee shall be deemed to be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated a bankrupt or insolvent; if a receiver of Franchisee for Franchisee's business or assets is appointed; if a receiver of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if a final judgment remains unsatisfied or of record for thirty (30) days or longer; if Franchisee is dissolved; if suit to foreclose any lien or mortgage against the Approved Location or equipment is instituted against Franchisee and not dismissed within sixty (60) days; if the real or personal property of the Pillar To Post home inspection franchise shall be seized and sold; or if execution is levied against Franchisee's business or property.

15.2 Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate all rights granted to Franchisee hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee:

15.2.1 If Franchisee, in Franchisor's sole subjective discretion, fails to satisfactorily complete the Initial Training Program or any other required training;

15.2.2 If Franchisee, in Franchisor's sole subjective discretion, fails to satisfactorily complete the start-up business operations, inspections and marketing program;

15.2.3 If Franchisee fails to obtain an Approved Location for the Pillar To Post home inspection franchise within the time limits provided in Section 1.3 of this Agreement;

15.2.4 If Franchisee fails to open the Pillar To Post home inspection franchise for business within the time limits provided in Section 5.2 of this Agreement;

15.2.5 If Franchisee at any time ceases to operate or otherwise abandons the Pillar To Post home inspection franchise, or loses the right to possession of the Approved Location, or otherwise forfeits the right to do or transact business in the jurisdiction where the Pillar To Post home inspection franchise is located. However, if, through no fault of Franchisee, the Approved Location is damaged or destroyed by an event such that repairs or reconstruction cannot be completed within ninety (90) days thereafter, then Franchisee shall have sixty (60) days after such event in which to apply for Franchisor's approval to relocate the Approved Location, which approval shall not be unreasonably withheld;

15.2.6 If Franchisee is convicted of or pleads guilty or “nolo contendere” to a felony, a crime involving moral turpitude or any other crime that Franchisor believes is injurious to the Pillar To Post System, the Marks, the goodwill associated therewith, or Franchisor's interest therein, or if Franchisor has proof that Franchisee has committed such a felony, crime or offense;

15.2.7 If a threat or danger to public health or safety results from the operation of the Pillar To Post home inspection franchise;

15.2.8 If any purported assignment or transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Pillar To Post home inspection franchise is made to any third party without Franchisor's prior written consent, contrary to the terms of Section 14 of this Agreement;

15.2.9 If Franchisee fails to comply with the covenants in Sections 7.3.1 and 7.3.2 of this Agreement;

15.2.10 If Franchisee fails to meet the minimum Gross Revenues requirements in Section 7.5 of this Agreement for two (2) consecutive twelve (12) month periods;

15.2.11 If an approved transfer is not effectuated within the time provided following death or mental incapacity, as required by Section 14.6 of this Agreement;

15.2.12 If Franchisee fails to comply with the covenants in Section 17.2 of this Agreement or fails to obtain execution of the covenants required under Sections 10.2 or 17.7 of this Agreement;

15.2.13 If, contrary to the terms of Sections 9 or 10 of this Agreement, Franchisee discloses or divulges the contents of the Manual, the Technology Platform or other confidential information provided to Franchisee by Franchisor;

15.2.14 If Franchisee knowingly maintains false books or records, or submits any false reports to Franchisor;

15.2.15 If Franchisee misuses or makes any unauthorized use of the Marks or any other identifying characteristics of the Pillar To Post System, or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein;

15.2.16 If Franchisee refuses to permit Franchisor to inspect the Approved Location, any vehicles used in operation of the Pillar To Post home inspection franchise, or the books, records, or accounts of Franchisee upon demand;

15.2.17 If Franchisee fails to comply with the provisions of Section 13.1 of this Agreement with respect to maintaining insurance coverage for the Pillar To Post home inspection franchise and for the Franchisor. In the event that Franchisee fails to maintain the required insurance coverage by failing to remit a renewal premium on a timely basis, Franchisor shall have the option of paying the past due premium on Franchisee's behalf or



terminating this Agreement. If Franchisor elects to pay the premium on Franchisee's behalf, Franchisee shall be required to reimburse Franchisor for that amount;

15.2.18 If Franchisee receives from Franchisor three (3) or more notices to cure a default or violation of this Agreement during any twelve (12) month period, whether or not the default or violation is cured after notice;

15.2.19 If Franchisee fails to comply with the provisions of Section 9 of this Agreement with respect to implementing each new or changed Technology Platform requirement; or

15.2.20 If Franchisee fails to comply with the provisions of Section 6.2 of this Agreement regarding attendance at all required conferences, meetings, training courses, seminars, and programs, including required regional training programs and the annual convention, unless excused in advance and in writing by Franchisor.

15.3 If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its affiliates when due or to submit the financial or other information required by Franchisor under this Agreement, Franchisee shall have ten (10) days after its receipt from Franchisor of a written notice of default within which to cure the default. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the cure period.

15.4 Except as otherwise provided in Sections 15.1, 15.2, and 15.3 of this Agreement, Franchisee shall have thirty (30) days after its receipt from Franchisor of a written notice of default within which to remedy any other default under this Agreement and to provide evidence thereof to Franchisor. Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the thirty (30) day period (or within such longer time period as Franchisor may reasonably specify), and by promptly providing proof thereof to Franchisor. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the cure period. Franchisee shall be in default pursuant to this Section 15.4 for failure substantially to comply with any of the requirements imposed by this Agreement, as it may from time to time be reasonably supplemented by the Manual, or failure to carry out the terms of this Agreement in good faith. Such defaults include, but are not limited to, the following:

15.4.1 If Franchisee fails to operate the Pillar To Post home inspection franchise in strict compliance with the mandatory policies, procedures, regulations and standards prescribed by Franchisor in this Agreement, the Manual, or otherwise in writing;

15.4.2 If Franchisee fails to offer Franchisor's Plus, Premium and Prestige packages or such other packages of goods and services as established by Franchisor from time to time as required by Sections 7.3 and 7.4 hereof;

15.4.3 If Franchisee fails to maintain minimum levels of qualified staff as required by Section 7.14 of this Agreement;

15.4.4 If Franchisee fails to promptly pay all Franchisee's expenses incurred in the operation of the Pillar To Post home inspection franchise;

15.4.5 Except as provided in Section 15.2.8 hereof, if Franchisee fails, refuses, or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

15.4.6 If Franchisee acts, or fails to act, in any manner which is inconsistent with or contrary to its lease or sublease for the Approved Location, or in any way jeopardizes its right to renewal of such lease or sublease; or

15.4.7 If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Marks.

15.5 If Franchisee commits any action, or any other event occurs, which constitutes grounds for termination of this Agreement, Franchisor has the option, but not the obligation to: (i) reduce or modify the Territory; (ii) suspend Franchisee's right to access the Technology Platform or any other systems used by the Pillar To Post System; (iii) suspend Franchisee's right to receive requests for inspections generated through telephone call centers, websites, or other centralized marketing platforms utilized by the Pillar To Post System; (iv) suspend Franchisee's right to acquire goods and services from designated suppliers; and/or (v) suspend Franchisee's right to operate the Pillar To Post home inspection system. Such actions will take effect immediately upon Franchisor's written notice to Franchisee. If Franchisor reduces or modifies the Territory, Franchisee may not thereafter open and operate the Pillar To Post home inspection franchise in the portion of the Territory withdrawn from Franchisee. Franchisor's election of any of these remedies will not preclude Franchisor from invoking its right to terminate this Agreement if the act or event constituting grounds for termination continues to exist.

## **16. OBLIGATIONS UPON TERMINATION OR EXPIRATION**

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

16.1 Franchisee shall immediately cease to operate the Pillar To Post home inspection franchise, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

16.2 Franchisee shall immediately cease to use, in any manner whatsoever, any confidential methods, procedures, and techniques associated with the Pillar To Post System; the Marks, and all other distinctive forms, slogans, signs, domain names, symbols, and devices associated with the Pillar To Post System. Without limiting the foregoing, Franchisee shall immediately cease to use all signs, advertising materials, vehicle wraps, displays, stationery, forms, brochures, business cards, products, domain names and any other articles that display the Marks.

16.3 Franchisee shall immediately cancel any trade or fictitious name registration or similar registrations obtained by Franchisee which contain or reference any of the Marks.

Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within ten (10) days after termination or expiration of this Agreement.

16.4 Franchisee shall immediately transfer or assign to Franchisor or to its designee all telephone numbers used in operation of the Pillar To Post home inspection franchise, including, but not limited to, all telephone numbers for any office lines, cell phone lines, and the Business Lines (as defined in Section 9.5 of this Agreement). At Franchisor's election, Franchisee shall transfer or assign to Franchisor or cancel and cause to be removed from further publication or display, whether print or electronic, all telephone advertisements and listings, websites, domain names, internet or social media addresses, contacts or accounts, and all other sources of advertisement and promotion used in operation of the Pillar To Post home inspection franchise. Without limiting the generality of the foregoing, Franchisee shall execute all documentation required to effectuate (i) the transfer or assignment of the telephone numbers provided herein and in Section 9.5 of this Agreement; and (ii) the transfer and assignment of the other rights and accounts provided herein and in Section 8.4 of this Agreement. Franchisee appoints Franchisor its true and lawful agent and attorney-in-fact to take such action and to execute all such documents in its name and on its behalf as may be necessary to complete these assignments and cancellations on behalf of Franchisee. Franchisee shall not use the telephone numbers, advertisements, listings, websites, domain names, internet or social media addresses, contacts or accounts, or any other sources of advertisement and promotion used in operation of the Pillar To Post home inspection franchise in connection with any other business owned, operated by or affiliated with Franchisee or its owners, or for any other purpose whatsoever.

16.5 Franchisee shall immediately make such modifications or alterations to the Approved Location and any vehicles used in operation of the Pillar To Post home inspection franchise as may be necessary to distinguish the appearance of the Approved Location and such vehicles from those used by other Pillar To Post home inspection franchises under the Pillar To Post System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose.

16.6 Franchisee shall immediately cease using or operating any Online Presence related to the Pillar To Post home inspection franchise or the Marks and take any action as may be required to disable such Online Presence. At Franchisor's election, Franchisee shall transfer exclusive control and access of such Online Presence to Franchisor. For purposes of this Section 16.6, "Online Presence" shall mean any website, domain name, email address, social media account, username, other online presence, or presence on any electronic medium of any kind.

16.7 In the event Franchisee continues to operate or subsequently begins to operate any other business, Franchisee shall not use any reproduction, counterfeit, copy, or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which, in Franchisor's opinion, is likely to cause confusion, mistake, or deception, or which, in Franchisor's opinion, is likely to dilute Franchisor's rights in and to the Marks. Franchisee shall not use any designation of origin or description or representation, which, in Franchisor's opinion, falsely suggests or represents an association or connection with Franchisor.

16.8 Franchisee shall immediately pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs,

and expenses, including attorneys' fees and disbursements, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid-in-full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and used in the operation of the Pillar To Post home inspection franchise at the time of default.

16.9 Franchisee shall immediately pay to Franchisor all damages, costs, and expenses, including attorneys' fees and disbursements, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Article 16.

16.10 Franchisee shall immediately deliver to Franchisor the Manual and all other records, correspondence, and instructions containing confidential information relating to the operation of the Pillar To Post home inspection franchise, all of which are acknowledged to be the property of Franchisor, and shall retain no copy or record of any of the foregoing.

16.11 Franchisee shall immediately discontinue any use of the Technology Platform and any information or data generated with and stored by the Technology Platform, all of which are acknowledged to be property of Franchisor. Notwithstanding the foregoing, upon request made within ninety (90) days after termination or expiration of this Agreement, Franchisor shall make available to Franchisee a complete and secure download file in pdf format of each home inspection report generated with and stored by the Technology Platform. In the event Franchisee fails to timely request such data as provided herein, Franchisee shall relinquish all right and interest in such data, and Franchisor shall have no further obligation to maintain or store such data.

16.12 Franchisee shall immediately procure, at Franchisee's expense, an extended coverage insurance policy protecting Franchisee, Franchisor, and their respective officers, directors, partners, and employees against any demand or claim with respect to any loss or expense arising from operation of the Pillar To Post home inspection franchise. Such policy shall be written by a responsible carrier acceptable to Franchisor, shall name Franchisor as an additional insured, and shall provide at least the types and minimum amounts of coverage specified in the Manual as of the date of termination or expiration. The term of the extended coverage period shall not be less than two (2) years.

16.13 Franchisor shall have the option, to be exercised within thirty (30) days after termination, to purchase from Franchisee any or all of the furnishings, equipment, signs, and fixtures related to the operation of the Pillar To Post home inspection franchise at Franchisee's depreciated book value, to purchase any or all supplies and inventory of the Pillar To Post home inspection franchise at Franchisee's cost or depreciated book value, whichever is less, and to purchase any and all merchantable inventory of the Pillar To Post home inspection franchise bearing any of the Marks at Franchisee's cost minus twenty (20%) percent. If the parties cannot agree on the price of any such items within a reasonable time, an independent appraisal shall be conducted and the appraiser's determination shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment therefore.

16.14 Franchisee shall comply with the covenants contained in Section 17.3 of this Agreement.

16.15 The provisions of Sections 10.1, 10.2, 16.1 through 16.15, 17.1 through 17.8, 20.3, 22, 24.1 through 24.6, and 25.1 through 25.11 of this Agreement shall survive expiration or termination of this Agreement.

## **17. ADDITIONAL COVENANTS**

17.1 Franchisee covenants that during the term of this Agreement or any renewals thereof, except as otherwise approved in writing by Franchisor, Franchisee shall devote its full time and best efforts to the management and operation of the Pillar To Post home inspection franchise, and in recommending, promoting and encouraging patronage of all Pillar To Post home inspection franchises. If Franchisee is a corporation, limited liability company, or partnership, such Franchisee must select a shareholder with a beneficial interest of at least fifty percent (50%) of the voting shares of Franchisee, a member with a beneficial interest of at least fifty percent (50%) of the voting membership units of Franchisee, or a general partner or partners with a beneficial interest of at least fifty percent (50%) of Franchisee, acceptable to Franchisor in Franchisor's sole discretion, to devote his, her or their full time and best efforts to the Pillar To Post home inspection franchise. Such selection shall not be changed by Franchisee without the written consent of Franchisor.

17.2 Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized training and confidential information, including, but not limited to, information regarding the operation, sales, promotion, and marketing methods and techniques of Franchisor and the Pillar To Post System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee, or if Franchisee is a corporation or limited liability company, then its officers, directors, shareholders, and members shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

17.2.1 Divert or attempt to divert any present or prospective business or customer of any Pillar To Post home inspection franchise to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the Pillar To Post System; or

17.2.2 Own, maintain, operate, engage in, be employed by, provide any assistance to, or have any interest in (as owner or otherwise) any business that offers products or services which are the same as or similar to the products and services being offered by the Pillar To Post home inspection franchise under the Pillar To Post System.

17.3 Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee, or if the Franchisee is a corporation or limited liability company, then its officers, directors, shareholders, and members shall not, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter (and in the case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for itself, or through, on behalf of,

or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business that offers products or services which are the same as or similar to the products or services offered by the Pillar To Post home inspection franchise under the Pillar To Post System within the Territory.

17.4 Sections 17.2.2 and 17.3 of this Agreement shall not apply to ownership by Franchisee of a less than five (5%) percent beneficial interest in the outstanding equity securities of any publicly-traded corporation which has securities registered under the Securities and Exchange Act of 1934.

17.5 Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 17.2 or 17.3 of this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 23 hereof.

17.6 The covenants of this Section 17 shall be construed as agreements independent of any other provision in this Agreement or any other agreement by, between, among, or affecting Franchisor and Franchisee, and the existence of any claim or cause of action of Franchisee against Franchisor, whether based on this Agreement or otherwise, shall not constitute a defense to the enforcement of this Section 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 17.

17.7 At Franchisor's request, Franchisee shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Section 17 (including covenants applicable upon the termination of a person's relationship with Franchisee) from any or all of the following persons: (i) all managers of Franchisee and any other personnel employed by Franchisee who have received or will receive training from Franchisor; (ii) all officers, directors, and holders of a beneficial interest of five (5%) percent or more of the securities of Franchisee, and of any corporation or limited liability company directly or indirectly controlling, controlled by, or under common control with, Franchisee, if Franchisee is a corporation or limited liability company; and (iii) the general partners and any limited partners (including any corporation or limited liability company, and the officers, directors, and holders of a beneficial interest of five percent (5%) or more of the shares or membership units of any corporation or limited liability company which controls, directly or indirectly, any general or limited partner), if Franchisee is a partnership. Every covenant required by this Section 17.7 shall be in a form approved by Franchisor, including, but not limited to, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them.

## **18. CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP FRANCHISEE**

18.1 If Franchisee is a corporation, Franchisee shall comply with the following requirements:

18.1.1 Franchisee shall be newly organized and its charter shall at all times provide that its activities are confined exclusively to operating the Pillar To Post home inspection franchise;

18.1.2 Copies of Franchisee's Articles of Incorporation, Bylaws, unanimous shareholder agreements, and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to Franchisor;

18.1.3 Franchisee shall maintain stop-transfer instructions on its records against the transfer of any voting securities; and each stock certificate of Franchisee shall have conspicuously endorsed upon its face a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement; provided, however, that the requirements of this Section 18.1.3 shall not apply to a publicly-held corporation; and

18.1.4 Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities of Franchisee and shall furnish the list to Franchisor upon request.

18.2 If Franchisee is a limited liability company, Franchisee shall comply with the following requirements:

18.2.1 Franchisee shall be newly organized and its Articles of Organization shall at all times provide that its activities are confined exclusively to operating the Pillar To Post home inspection franchise;

18.2.2 Copies of Franchisee's Articles of Organization, Operating Agreement, and other governing documents, and any amendments thereto, including the resolution of the members authorizing entry into this Agreement, shall be promptly furnished to Franchisor;

18.2.3 Franchisee shall maintain stop-transfer instructions on its records against the transfer of any voting membership units; and

18.2.4 Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of membership units of Franchisee and shall furnish the list to Franchisor upon request.

18.3 If Franchisee is a partnership, Franchisee shall comply with the following requirements:

18.3.1 Franchisee shall furnish Franchisor with a copy of its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto; and

18.3.2 Franchisee shall prepare and furnish to Franchisor, upon request, at any time, a list of all general and limited partners in Franchisee.

## **19. TAXES, PERMITS, AND INDEBTEDNESS**

19.1 Franchisee shall promptly pay when due all taxes levied or assessed, including, but not limited to, unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Pillar To Post home inspection franchise. Franchisee shall pay to Franchisor an amount equal to any sales tax, gross receipts tax, use tax, or similar tax (other than income tax) imposed on Franchisor with respect to any payments to Franchisor required under this Agreement.

19.2 In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Approved Location, any improvements thereon, or any assets of Franchisee.

19.3 Franchisee shall comply with all federal, state, municipal and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Pillar To Post home inspection franchise, including, but not limited to, professional licenses, licenses to do business, trade or fictitious name registrations, and sales tax permits.

19.4 Franchisee shall immediately notify Franchisor in writing of the 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 the operation or financial condition of the Pillar To Post home inspection franchise.

## **20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

20.1 It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them, that Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever.

20.2 During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the Pillar To Post home inspection franchise pursuant to a franchise agreement from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, but not limited to, exhibiting a notice of that fact in a conspicuous place at the Approved Location or in materials used by Franchisee, the content of which Franchisor reserves the right to specify.

20.3 Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its operation of the business franchised hereunder or for any claim or judgment arising therefrom against Franchisee or Franchisor. Franchisee shall indemnify and hold Franchisor, and Franchisor's officers, directors, and employees harmless against any and all claims,



losses, costs, expenses, liabilities, and damages arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Pillar To Post home inspection franchise, as well as the costs, including attorneys' fees, of defending against them.

## **21. APPROVALS AND WAIVERS**

21.1 Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefore and, unless specifically provided otherwise herein, such approval or consent by Franchisor must be obtained in writing.

21.2 Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefore.

21.3 No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand strict compliance with any of the terms hereof. Waiver by Franchisor of any particular default of Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar, or different nature; nor shall any delay, forbearance, or omission of Franchisor to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants hereof affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due to it hereunder, in whole or in part, shall not be deemed to be a waiver by Franchisor of a preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement. Franchisor may, in its sole discretion, waive or modify any obligation of other franchisees under agreements similar to this Agreement, and no such waiver or modification shall obligate Franchisor to grant a similar waiver or modification to Franchisee.

## **22. NOTICES**

Any and all notices required or permitted under this Agreement (except for notices by Franchisor to Franchisee that apply to the entire System) shall be in writing and shall be personally delivered, sent by registered mail, sent by overnight delivery or sent by other means which affords the sender evidence of delivery or attempted delivery to the respective parties at the following addresses, unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

PILLAR TO POST, INC.  
14502 N. Dale Mabry Highway  
Suite 200  
Tampa, Florida 33618  
Attn: Chief Executive Officer

Notices to Franchisee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any notice by a means which affords the sender evidence of delivery or attempted delivery shall be deemed to have been given and received at the date and time of receipt or attempted delivery, provided, however, if delivery or attempted delivery is on a holiday or weekend, delivery shall be deemed to have been given and received on the next business day.

Franchisor may provide notices to Franchisee under this Agreement using any communication means regularly used by Franchisor for systemwide communications if the subject of the notice equally applies to all Pillar To Post franchisees in the System.

## **23. ENTIRE AGREEMENT**

This Agreement, the preambles and exhibits to this Agreement, if any, and the documents referred to herein constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any prior written or oral agreements or representations. Nothing in this or in any related agreement is intended to disclaim the representations made in the franchise disclosure document that was furnished by Franchisor to Franchisee. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

## **24. SEVERABILITY AND CONSTRUCTION**

24.1 If, for any reason, any section, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such determination shall not impair the operation of, or have any other effect upon, any other portions, sections, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement.

24.2 Any provision or covenant of this Agreement, which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement survive such expiration or termination.

24.3 Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, their respective officers, directors, and employees, and any of Franchisor's successors and assigns as may be contemplated by Section 14 of this Agreement any rights or remedies under or by reason of this Agreement.

24.4 Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, or that may result from striking from any of the provisions hereof any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

24.5 This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute one and the same instrument.

24.6 The headings and captions contained herein are for the purpose of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. Unless specifically referenced otherwise, the parties agree that each section of this Agreement shall be construed independently of any other section or provision of this Agreement.

## **25. DISPUTE RESOLUTION AND APPLICABLE LAW**

25.1 Except as otherwise provided in this Agreement, the parties agree that all controversies, claims or disputes between Franchisor and Franchisee of whatever kind or nature, whether arising out of or relating to the negotiation, performance or breach of this or any other agreement or otherwise, shall be submitted to and resolved by arbitration before a sole arbitrator and such arbitration shall be administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, except the parties shall be entitled to limited discovery, including depositions. The parties acknowledge that the arbitrators' subpoena power is not subject to geographical limitations. The arbitrator shall have the right to award the relief that he or she deems proper, consistent with the terms of this Agreement, including compensatory damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, attorneys' fees and costs. This provision encompasses all causes of action, whether nominally a "claim", "counterclaim" or "cross-claim", and whether arising under common law or any state or federal statute. Nothing herein shall limit Franchisor's rights or remedies in connection with any action in any court of competent jurisdiction for injunctive or other provisional relief that Franchisor deems necessary or appropriate to compel Franchisee to comply with Franchisee's obligations under this Agreement or to protect the Marks. The arbitration proceedings, including, without limitation, all conferences, preliminary hearings and dispositive hearings, shall be conducted in Tampa, Florida. The award and decision of the arbitrator shall be conclusive and binding on all parties. Judgment upon the arbitration award, including, without limitation, any interim award for interim relief, may be entered in any court with jurisdiction thereof. This arbitration provision shall be self-executing.

If a party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party regardless of such failure to appear.

25.2 The Federal Arbitration Act and related federal judicial procedure shall govern this contract to the fullest extent possible, excluding all state arbitration law, irrespective of the location of the arbitration proceedings, the nature of the disputes between the parties or the nature of the court in which any related judicial proceedings may be brought. Except as provided in the preceding sentence respecting arbitration law, the resolution of all disputes between the parties hereunder, whether in tort and regardless of the place of injury or the place of the alleged wrongdoing or whether arising out of or related to the parties' contractual relationship, shall be governed by the laws of the State of Florida, without regard to choice of law principles.

25.3 No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

**25.4 FRANCHISOR AND FRANCHISEE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREE TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.** Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Pillar To Post home inspection franchise, brought by any party hereto against the other, except for claims for payment of financial obligations of Franchisee, shall be commenced within one (1) year from the discovery of the facts giving rise to such claim or action, or such claim or action shall be barred.

**25.5 FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR PUNITIVE, MULTIPLE, EXEMPLARY AND/OR CONSEQUENTIAL DAMAGES, EXCEPT THAT FRANCHISOR SHALL BE FREE AT ANY TIME HEREUNDER TO BRING AN ACTION FOR WILLFUL TRADEMARK INFRINGEMENT AND, IF SUCCESSFUL, TO RECEIVE AN AWARD OF MULTIPLE DAMAGES AS PROVIDED BY LAW.**

**25.6 FRANCHISOR AND FRANCHISEE EXPRESSLY AGREE THAT NO PARTY BOUND BY THIS AGREEMENT MAY RECOVER DAMAGES FOR ECONOMIC LOSS ATTRIBUTABLE TO NEGLIGENT ACTS OR OMISSIONS EXCEPT FOR CONDUCT WHICH IS DETERMINED TO CONSTITUTE GROSS NEGLIGENCE OR ANY INTENTIONAL WRONG.**

**25.7 FRANCHISOR AND FRANCHISEE EXPRESSLY AGREE THAT IN THE EVENT OF ANY FINAL ADJUDICATION OR APPLICABLE ENACTMENT OF LAW THAT PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES MAY NOT BE WAIVED, ANY RECOVERY BY ANY PARTY IN ANY FORUM SHALL NEVER EXCEED TWO (2) TIMES ACTUAL DAMAGES,** except for an award of multiple damages to Franchisor for willful trademark infringement, as provided by law.

25.8 Nothing herein contained shall bar Franchisor's right to obtain injunctive relief in a court of competent jurisdiction against threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions; and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining such relief.

25.9 This Agreement shall be deemed to have been made in, and shall be interpreted, construed and governed by the laws of, the State of Florida. Franchisee acknowledges that this Agreement is to be performed in part through services rendered to Franchisee in Florida.

**25.10 NO PARTY SHALL INITIATE OR PARTICIPATE IN ANY CLASS ACTION LITIGATION CLAIM AGAINST ANY OTHER PARTY BOUND HEREBY.**

25.11 The provisions of this Section 25 shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, however effected.

25.12 No statement, questionnaire, or acknowledgement signed or agreed to by Franchisee in connection with the commencement of the franchise relationship under this Agreement 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 Franchisor or any franchise seller or other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with this Agreement.

**26. FORCE MAJEURE**

26.1 Franchisor shall not be liable to Franchisee, or be deemed to be in default of this Agreement, for any delay or failure of delivery of any products or services supplied by Franchisor to Franchisee resulting from any cause beyond Franchisor's reasonable control, including, but not limited to, weather conditions, acts of God, laws, regulations, or government orders, labor disputes, shortages of materials, or war, acts of terrorism, or civil unrest.

**27. TIME OF ESSENCE**

27.1 Time shall be of the essence for all purposes of this Franchise Agreement.

INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Agreement on the date first above written.

\_\_\_\_\_  
FRANCHISEE

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**PILLAR TO POST, INC.**  
FRANCHISOR

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Exhibit A

**TERRITORY**

**EXHIBIT G-1**

**GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGEMENT**



## **GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGEMENT**

As an inducement to PILLAR TO POST, INC. ("Franchisor") to execute the Franchise Agreement between Franchisor and \_\_\_\_\_ ("Franchisee") dated \_\_\_\_\_, 20\_\_ (the "Agreement"), each of the undersigned, jointly and severally, hereby unconditionally guarantees to Franchisor and its successors and assigns that the Franchisee named herein will perform during the term of this Agreement each and every covenant, payment, agreement, undertaking and obligation on the part of Franchisee contained and set forth in this Agreement.

Upon demand by Franchisor, the undersigned will immediately make each payment required of Franchisee under the Agreement. The undersigned hereby waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment by Franchisor, and agree to be bound by any and all such amendments and changes to the Agreement.

The undersigned hereby agree to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, fees, and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned hereby acknowledge and agree to be personally and individually bound by all of the covenants and non-disclosure provisions contained in Sections 10 and 17 of the Agreement to the same extent as and for the same period of time as Franchisee is required to comply with and abide by such covenants and provisions, except to the extent otherwise required by the Agreement. These obligations of the undersigned shall survive any expiration or termination of the Franchise Agreement or this Guarantee.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 24 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of

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Florida, without regard to any conflict of law statute or doctrine applicable in the State of Florida.

Any and all notices required or permitted under this Guarantee shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which afford the sender evidence of delivery or attempted delivery, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

PILLAR TO POST, INC.  
14502 N. Dale Mabry Highway Suite  
200  
Tampa, Florida 33618  
Attn: Chief Executive Officer

Notices to Guarantor(s):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If more than one person has executed the Guarantee, the term "the undersigned," as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary.

Any notice by a method that affords the sender evidence of delivery or attempted delivery shall be deemed to have been given at the date and time of receipt or attempted delivery.

INTENDING TO BE LEGALLY BOUND, each of the undersigned has signed this Guarantee as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Individual, Guarantor

\_\_\_\_\_  
Individual, Guarantor

Initial\_\_\_\_\_

**EXHIBIT G-2**

**FRIENDSHIP AGREEMENT**

**PILLAR TO POST® FRIENDSHIP AGREEMENT  
FOR  
NEIGHBORING FRANCHISE TERRITORIES**

A Pillar To Post® Franchisee may enter another Pillar To Post® Franchisee's Territory to perform an inspection only in the event that the Franchisee is specifically asked by, petitioned by, or solicited by a person (e.g. Realtor, Banker, Insurance Agent, Lawyer and Relocation Agency) located in in the first Franchisee's Territory.

Except for referrals generated as described above, all customers that contact a Franchisee to book an inspection outside of their Territory via any means (including phone, text, email, online request for information or online booking) must be referred to an authorized Pillar To Post® Franchisee in that area.

No Pillar To Post® Franchisee may actively solicit clients outside his/her/its Territory or in another Pillar To Post® Franchisee's Territory, e.g., a Franchisee's direct mail advertising campaign letters may only be sent to those areas in the Franchisee's Territory.

Print or other media advertising by the Pillar To Post® Franchisee must clearly designate the Franchisee's Territory, and must list the Pillar To Post® Franchisee's address (Approved Location or Premises).

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Date

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**EXHIBIT G-3**

**GOOD NEIGHBOR AGREEMENT**



## Good Neighbor Agreement

### Introduction

Pillar to Post operates in an environment where multiple franchisees operate in a shared market territory. There are many advantages for each owner and the Brand in having multiple franchisees working in the same market including accelerating the success of every individual franchisee and growing our brand toward market dominance. We have coined the term, “co-opetition” for this reason which focuses on co-operation amongst all franchisees while recognizing that all franchisees are operating in the common marketplace. While each franchise owner is working to build their own business to their target level of success, operating in cooperation with fellow franchisees greatly increases the opportunities for individual success and strengthens our brand position in the market against competitors.

### Purpose & Outcome of Good Neighbor Agreement

Purpose of Good Neighbor Agreement is to:

- a. bring clarity to expectations for behavior, communication and collaboration amongst franchise owners operating in a common market territory.
- b. create a means to address discord

Outcome of Good Neighbor Agreement is to:

- a. To promote good neighbor relations amongst franchisees
- b. To leverage opportunities for all franchisees operating in common market
- c. To accelerate individual franchisee business growth and success
- d. To drive brand market awareness and growth of PTP market share

### Good Neighbor Agreement

1. Treat your fellow Pillar To Post franchisees the way you would like to be treated.
  - a. Use this guidance in all you think, say and do
2. Always speak of and refer to other franchisees and our Brand positively.
  - a. We should do this with all competition but even more so with our fellow franchisees.
  - b. Take every opportunity to build your fellow franchisees up.
  - c. Do not disparage another franchisee or our Brand.
3. Honor existing relationships between fellow franchisees and referring agents.
  - a. When marketing and are told they use another franchisee, speak positively and encourage them to stay with them. Simply offer to be their second choice.

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## Good Neighbor Agreement

- b. When someone calls to book an inspection and asks for your fellow franchisee, give them their contact information and explain as needed.
  - c. When one franchisee has established a paid marketing relationship with a real estate office, honor that relationship. Contact that franchisee to discuss opportunities to work together.
4. Coordinate sales and marketing efforts to best serve your referring agents, customers and our Brand.
- a. Work together to market in offices in the most effective manner.
    - i. Coordinate brochure displays.
    - ii. Sponsor events together rather than one after another.
    - iii. Show the strength of our Brand to help you stand out in a field of individual inspectors.
  - b. As opportunities arise at the Board of Realtors or brand level in your market, share these opportunities with all. Work together to minimize costs and maximize exposure.
5. Communicate with your neighboring franchisees regularly.
- a. Call and meet with your fellow franchisees regularly.
  - b. If faced with a complaint or concern about a fellow franchisee, speak with them directly to help resolve any issues.
  - c. When opportunities arise, speak with fellow franchisees to optimize opportunities.
  - d. When issues arise, speak with fellow franchisees to resolve those issues.

## Operate with Our Vision and Values as Guidance

### Our Vision

To be the most trusted brand recognized for our personal integrity, our technical excellence and unmatched customer experience.

- 1. Respect the individual
- 2. Have pride in what we do
- 3. Deliver what we promise
- 4. Practice continuous improvement

### Our Values

I agree to abide by and promote the Pillar To Post Good Neighbor Agreement.

---

Franchisee Signature

---

Date

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**EXHIBIT G-4**

**GENERAL RELEASE**



## GENERAL RELEASE

**RELEASOR:** \_\_\_\_\_

**RELEASEE:** **PILLAR TO POST, INC.**

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned (collectively, "Releasors") do hereby release, remise and forever discharge Pillar To Post, Inc. and its predecessors in interest, successors and assigns, affiliated corporations, officers, directors, agents, employees and representatives, past and present (collectively, "Releasees"), of and from all claims, demands, causes of action, suits, debts, dues, duties, sums of money, accounts, reckonings, covenants, contracts, agreements, promises, damages, judgments, extents, executions, liabilities and obligations, both contingent and fixed, known and unknown, of every kind and nature whatsoever in law or equity, or otherwise, which Releasors, individually or collectively, or their predecessors in interest, heirs, executors, successors or assigns ever had, now or may have, for, upon, or by reason of, any matter, cause, or thing whatsoever, from the beginning of the world to the date of this release, including, but not limited to, all claims, demands, causes of action, suits, debts, dues, duties, sums of money, accounts, reckonings, covenants, contracts, agreements, promises, damages, judgments, extents, executions, liabilities and obligations arising from or related to the Franchise Agreement dated \_\_\_\_\_ between Pillar To Post, Inc. and \_\_\_\_\_.

IN WITNESS WHEREOF, I have executed this release this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**"Releasors"**

\_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

Initial \_\_\_\_\_

**EXHIBIT G-5**

**CONFIDENTIALITY/NON-COMPETITION AGREEMENT**

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## CONFIDENTIALITY/ NON-COMPETITION AGREEMENT

THIS AGREEMENT is made and entered into on the date set forth below for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, by and between **(Name of Franchisee)** (hereinafter the "Pillar To Post® Franchisee") and \_\_\_\_\_ of \_\_\_\_\_ (hereinafter "Recipient"). The parties hereby agree as follows:

Recipient acknowledges and agrees that Recipient is receiving good and valuable consideration in exchange for entering into this Agreement in the form of his/her employment or association with the Pillar To Post® Franchisee or his/her continued employment and/or association with the Pillar To Post® Franchisee. Recipient also acknowledges and agrees that the Pillar To Post® Franchisee is an independently owned and operated franchise business within the Pillar To Post franchise system. Recipient also acknowledges and agrees that as part of Recipient's employment or association with the Pillar To Post® Franchisee, Pillar To Post, Inc. and the Pillar To Post® Franchisee will disclose certain of their confidential and proprietary information, and Recipient acknowledges that Recipient will receive valuable confidential and proprietary information, including without limitation, information regarding the operation, sales, promotional, and marketing methods of Pillar To Post, Inc., the Pillar To Post® Franchisee, and the Pillar To Post® franchise system. Finally, Recipient and the Pillar To Post® Franchisee acknowledge and agree that Pillar to Post, Inc. is an intended, third party beneficiary of this Agreement and, therefore, may take independent action to enforce the provisions contained herein.

Based on the foregoing, Recipient agrees that for a continuous uninterrupted period commencing upon the expiration or termination of Recipient's association (whether as officer, director, shareholder, partner, part-owner, manager, employee, independent contractor, agent, or other relationship) with the Pillar To Post® Franchisee and continuing for two (2) years thereafter, Recipient shall not, within the geographical territory of the Pillar To Post Franchisee identified in Exhibit "A" attached hereto and incorporated herein by reference (the "Territory") and within a twenty (20) mile radius of the Territory:

a. either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any business that offers products or services which are the same or similar to the products and services offered by the Pillar To Post® Franchisee,

b. contact or attempt to contact, any present or prospective business, referral source, or customer of the Pillar To Post® Franchisee; or divert, or attempt to divert, such present or prospective business, referral source, or customer of the Pillar To Post® Franchisee to any competitor, by direct or indirect inducement or otherwise; or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Pillar To Post® Franchisee, Pillar To Post, Inc. or the Pillar To Post® franchise system, or

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c. solicit, or attempt to solicit, or hire, or attempt to hire, any employee, independent contractor, or agent of the Pillar To Post® Franchisee or otherwise encourage any employee, independent contractor, or agent of the Pillar To Post® Franchisee to leave its employ.

Recipient also agrees that it shall keep all confidential and proprietary information of Pillar To Post, Inc. and the Pillar To Post® Franchisee secret and confidential. Recipient agrees that, during the time period in which he/she is employed or associated with the Pillar To Post® Franchisee and thereafter, Recipient shall not:

a. copy, duplicate, record, or otherwise reproduce the confidential or proprietary information of the Pillar To Post® Franchisee or Pillar to Post, Inc., in whole or in part, or otherwise make the same available to any unauthorized person, or

b. communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any confidential or proprietary documents, information, knowledge, or know-how concerning the methods of operation of Pillar To Post, Inc. or the Pillar To Post® Franchisee.

This Agreement shall be governed and construed in accordance with the laws of **(Franchisee's State)** and Recipient consents to the exclusive jurisdiction of the courts located there for any dispute arising out of this Agreement. Recipient agrees that in the event of any breach or threatened breach by Recipient, the Pillar To Post® Franchisee and/or Pillar To Post, Inc. may obtain, in addition to any other legal remedies which may be available, such equitable relief as may be necessary to protect the Pillar To Post® Franchisee and/or Pillar To Post, Inc. against any such breach or threatened breach.

Having read and understood this Agreement, it is the parties' desire and intent that the provisions hereof be enforced to the fullest extent permissible. Accordingly, if any part of this Agreement is adjudicated to be invalid or unenforceable, then such part shall be deemed amended to delete that portion thus adjudicated to be invalid or unenforceable, such deletion to apply only with respect to the operation of such paragraph. Further, to the extent any provision of such paragraph is deemed to be unenforceable by virtue of its scope, but may be made enforceable by limitation, the parties agree that the same shall, nevertheless, be enforceable to the fullest extent permissible.

INTENDING TO BE LEGALLY BOUND, each of the undersigned has signed this Agreement on the date set forth below:

Date: \_\_\_\_\_

**Pillar To Post® Franchisee**

\_\_\_\_\_  
Signature of Recipient

\_\_\_\_\_  
Signature of Franchise Owner

\_\_\_\_\_  
Typed or Printed Name of Recipient

Initial\_\_\_\_\_

## **EXHIBIT H**

### **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.

### **California**

Department of Financial Protection and  
Innovation

Los Angeles:  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, California 90013  
(866) 275-2677

Sacramento:  
2101 Arena Boulevard  
Sacramento, California 95834  
(916) 445-7205 or (866) 275-2677

San Diego:  
1455 Frazee Road, Suite 315  
San Diego, California 92108  
(619) 252-4044 or (866) 275-2677

San Francisco:  
One Sansome Street, Suite 600  
San Francisco, California 94104  
(415) 557-3787 or (866) 275-2677

### **Hawaii**

Hawaii Commissioner of Securities  
Department of Commerce and Consumer  
Affairs  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

### **Illinois**

Franchise Division  
Office of the Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465

### **Indiana**

Franchise Section  
Indiana Securities Division  
Secretary of State  
Room E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-0735

### **Maryland**

Maryland Division of Securities  
200 St. Paul Place  
Baltimore, Maryland 21202  
(410) 576-7044

### **Michigan**

Consumer Protection Division  
Michigan Department of Attorney General  
670 Law Building  
Lansing, Michigan 48913  
(517) 272-7177

**Minnesota**

Minnesota Department of Commerce  
Commissioner of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, Minnesota 55101

**New York**

NYS Department of Law  
Investor Protection Bureau  
28 Liberty St. 21st Floor  
New York, New York 10005  
(212) 416-8222

**North Dakota**

Securities Commissioner  
North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol Fifth Floor, Dept. 414  
Bismarck, North Dakota 58505  
(701) 378-4387

**Oregon**

Department of Insurance and Finance  
Corporate Securities Section  
Labor and Industries Building  
Salem, Oregon 97310  
(401) 462-9588

**Rhode Island**

Department of Business Regulation  
Securities Division  
John O. Pastore Complex  
1511 Pontiac Avenue, Building 69-1  
Cranston, Rhode Island 02920  
(401) 462-9588

**South Dakota**

Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501

**Virginia**

State Corporation Commission  
Division of Securities and Retail  
Franchising  
1300 East Main Street, 1<sup>st</sup> Floor  
Richmond, Virginia  
(804) 371-9733

**Washington**

Department of Financial Institutions  
Securities Administrator  
150 Israel Rd SW  
Tumwater, Washington 98501  
(360) 902-8736

**Wisconsin**

Securities and Franchise Registration  
Wisconsin Securities Commission  
P.O. Box 1768  
Madison, Wisconsin 53701  
(608) 266-8559

## **AGENTS FOR SERVICE OF PROCESS**

### **California**

Commissioner  
Department of Financial Protection and Innovation  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, California 90013

### **Hawaii**

Hawaii Commissioner of Securities  
Department of Commerce and Consumer Affairs  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

### **Illinois**

Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706

### **Indiana**

Administrative Office of the  
Secretary of State  
201 State House  
Indianapolis, Indiana 46204

### **Maryland**

Maryland Securities Commissioner  
200 Saint Paul Place  
20<sup>th</sup> Floor  
Baltimore, Maryland 21202-2020

### **Minnesota**

Minnesota Department of Commerce  
Commissioner of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, Minnesota 55101



**New York**

New York Secretary of State  
99 Washington Avenue  
Albany, New York 12231  
(518) 473-2492

**Rhode Island**

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

**South Dakota**

Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

**Virginia**

Clerk of the State Corporation  
Commission  
1300 East Main Street  
Ninth Floor  
Richmond, Virginia 23209

**Washington**

Dept. of Financial Institutions  
Securities Administrator  
150 Israel RD SW  
Tumwater, Washington 98501

**Wisconsin**

Commissioner of Securities  
Wisconsin Commission  
P.O. Box 1765  
Madison, Wisconsin 53701

Our Agent for Service of Process for all other states is as follows:

Sivyer Barlow Watson & Haughey, P.A.

Attn: Paul D. Watson, Esq.

401 E. Jackson Street, Suite 2225

Tampa, Florida 33602

**EXHIBIT I**

**DISCLOSURE ADDENDA FOR REGISTRATION STATES**

## **ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF CALIFORNIA**

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

No person named in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. §78a, et seq., suspending or expelling such persons from membership in such association or exchange.

The California Business and Professions Code Section 20000-20043 provide rights to the Franchisee concerning termination, transfer or non-renewal for a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101, *et seq.*).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Tampa, Florida. This provision may not be enforceable in California. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement contains a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporation Code Section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

The Franchise Agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.

You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of law.

No statements, questionnaire, or acknowledgement 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.

We use <http://www.pillartopost.com> as our website. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF FLORIDA**

The State of Florida has not reviewed and does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this Disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF HAWAII**

**THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

Registered agent in the state authorized to receive service of process:

Hawaii Commissioner of Securities  
Department of Commerce and Consumer Affairs  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96810

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF ILLINOIS**

Notwithstanding anything to the contrary in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois.

Illinois law governs the Franchise Agreement(s).

In conformance of 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 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.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.



**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF INDIANA**

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The first risk factor on the cover page does not apply. Indiana franchise laws apply notwithstanding the risk factor on the cover page.

2. The summary column of Item 17(c) is modified by the addition of the following language after the word “release”:

(for claims other than those arising under Indiana Deceptive Franchise Practice Act)

3. Item 17(r) may not be enforceable under the Indiana franchise laws.

4. Item 17(v) is not enforceable under the Indiana franchise laws.

5. With respect to Item 17(w), Indiana franchise laws apply even though Florida law applies generally.

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF MARYLAND**

Notwithstanding anything to the contrary in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Maryland:

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C. § 101, *et seq.*).

The general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any clause(s) referencing choice of forum is not applicable to claims arising under the Maryland Franchise Registration and Disclosure Law.

Any clause(s) referencing choice of law of any state other than Maryland is not applicable.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgement signed or agreed to be signed 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.

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF MICHIGAN**

**THIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REFLECTS CERTAIN REQUIREMENTS OF THE STATE OF MICHIGAN. IT IS BEING PROVIDED TO YOU AT THE SAME TIME AS THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION, AND SHOULD BE REVIEWED IN CONJUNCTION WITH THE FRANCHISE DISCLOSURE DOCUMENT, OF WHICH THIS IS MADE A PART.**

**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 thirty 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 furnishing 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 five 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, logo type, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six months advanced 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 the 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 not be 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.

**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:

State of Michigan  
Department of Attorney General  
Consumer Protection Agency  
Attn: Franchise  
670 Law Building

525 W. Ottawa Street  
Lansing, Michigan 48913  
Telephone No.: (517) 373-7117

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF MINNESOTA**

Minnesota Statute, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the Franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota Rules 2860.4400(D) prohibits the Franchisor from requiring the Franchisee to assent to a general release.

Minnesota Rules 2860.4400J prohibits the franchisor from requiring the franchisee to consent to entry of injunctive relief. The franchisor may seek injunctive relief and the court will determine if a bond is required.

Minnesota Statutes, Section 80C.17, Subd. 5 provides that no action may be commenced pursuant to the Minnesota Franchise Act more than three years after the cause of action accrues. The franchisor is prohibited from limiting claims in violation of this section.

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities,

antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements – No statement, questionnaire, or acknowledgement 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.

7. Receipts - - any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.



**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF NORTH DAKOTA**

**REGISTRATION OF THIS FRANCHISE WITH THE STATE DOES NOT  
CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE  
COMMISSIONER.**

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF RHODE ISLAND**

The following paragraph is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state is void with respect to a claim otherwise enforceable under this Act.”

**REGISTRATION OF THIS FRANCHISE WITH THE STATE DOES NOT  
CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE  
COMMISSIONER.**

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF SOUTH DAKOTA**

**REGISTRATION OF THIS FRANCHISE WITH THE STATE DOES NOT  
CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE  
COMMISSIONER.**

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF VIRGINIA**

**REGISTRATION OF THIS FRANCHISE WITH THE STATE OF VIRGINIA  
DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT  
BY THE COMMISSIONER.**

Additional Disclosure: The following statements are added to Item 17.h.

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.

## **ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF WASHINGTON**

We supplement Item 3 of the Franchise Disclosure Document to include:

In re: Franchise No Poaching Provisions (Pillar To Post, Inc.), Case No. 19-2-26769-1 SEA, State of Washington, King County Superior Court. In August 2019, the Attorney General of Washington initiated an investigation of us relating to “no-poach” language in our franchise agreements that restricted a franchisee’s ability to solicit or hire workers from another competing franchisee or corporate-owned unit. On October 11, 2019, Pillar To Post, Inc.’s Assurance of Discontinuance (“AOD”) was approved by the court, pursuant to which we agreed to (i) no longer include no-poach provisions in any future franchise agreements and (ii) no longer enforce no-poach provisions in any existing franchise agreements. The no-poach provision addressed in the AOD is a standard provision in many franchise agreements, and the Washington Attorney General has entered into AOD’s with over 200 franchisors.

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.

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT  
FOR THE STATE OF WISCONSIN**

**REGISTRATION OF THIS FRANCHISE IN WISCONSIN DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

The conditions under which the Franchise Agreement can be terminated or not renewed may be effected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135.

**EXHIBIT J**

**AGREEMENT ADDENDA/RIDERS FOR CERTAIN REGISTRATION STATES**



**ADDENDUM TO FRANCHISE AGREEMENT  
FOR THE STATE OF CALIFORNIA**

This Addendum to the Franchise Agreement dated \_\_\_\_\_, 20\_\_ is agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, between Pillar To Post, Inc. ("Franchisor") and \_\_\_\_\_ ("Franchisee"). The Franchise Agreement shall be modified to provide as follows:

1. No statements, questionnaire, or acknowledgement 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.

2. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Agreement on the date first above written.

\_\_\_\_\_  
FRANCHISEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PILLAR TO POST, INC.**  
FRANCHISOR

By: \_\_\_\_\_  
Signature of Corporate Officer

**ADDENDUM TO FRANCHISE AGREEMENT  
FOR THE STATE OF ILLINOIS**

This Addendum to the Franchise Agreement dated \_\_\_\_\_, 20\_\_ is agreed to this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between Pillar To Post, Inc. (“Franchisor”) and \_\_\_\_\_ (“Franchisee”). In recognition of the requirements of the Illinois Franchise Disclosure Act and the rules and regulations promulgated thereunder, the Franchise Agreement shall be modified as follows:

1. Governing Law. Illinois law shall govern the Franchise Agreement(s).
2. Forum. In conformance of 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.
3. Termination and Non-Renewal. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. Waiver. The following language is added to the end of Section 25.4 of the Franchise Agreement:

“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.”
5. NASAA Statement. No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Agreement on the date first above written.

\_\_\_\_\_  
FRANCHISEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PILLAR TO POST, INC.**  
FRANCHISOR

By: \_\_\_\_\_  
Signature of Corporate Officer

**ADDENDUM TO FRANCHISE AGREEMENT  
FOR THE STATE OF MARYLAND**

This Addendum to the Franchise Agreement dated \_\_\_\_\_, 20\_\_ is agreed to this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between Pillar To Post, Inc. (“Franchisor”) and \_\_\_\_\_ (“Franchisee”). In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law and the rules and regulations promulgated thereunder, the Franchise Agreement shall be modified as follows:

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement entered concurrently herewith. This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being executed because the Franchised Business to be operated by Franchisee pursuant to the Franchise Agreement will be located in the State of Maryland and/or because Franchisee is a resident of the state of Maryland. This Addendum shall be of no force and effect unless the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law and any regulation thereunder are met independently without reference to this Addendum.

2. Waiver. The following language is added to the end of Section 25.4 of the Franchise Agreement:

“Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Maryland Franchise Registration and Disclosure Law or any other law of the State of Maryland is void. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

3. Questionnaires and Acknowledgements. No statement, questionnaire, or acknowledgement signed or agreed to be signed 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.

INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Agreement on the date first above written.

\_\_\_\_\_  
FRANCHISEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PILLAR TO POST, INC.**  
FRANCHISOR

By: \_\_\_\_\_  
Signature of Corporate Officer

**MINNESOTA RIDER TO  
PILLAR TO POST, INC. FRANCHISE AGREEMENT**

THIS RIDER is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between PILLAR TO POST INC., a Delaware corporation (the "Franchisor") and \_\_\_\_\_, with its address at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the "Franchisee"). In recognition of the Minnesota Franchise Act, the Franchise Agreement shall be modified as follows:

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, \_\_\_\_ (the "Franchise Agreement") that has been entered into concurrently with the entering of this Rider. This Rider is annexed to and forms part of the Franchise Agreement.
2. Governing Law, Jurisdiction and Venue, Choice of Forum and Limitations on Claims. None of the provisions of Section 25 of the Franchise Agreement shall be deemed to be a waiver of your rights under the Minnesota Franchise Act, including specifically:
  - a. Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or the Franchise Agreement can abrogate or reduce (i) any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (ii) the Franchisee's rights to any procedure, forum, or remedies provided for by the law of the jurisdiction.
  - b. With respect to franchises governed by Minnesota law, the Franchisor will comply with Minnesota Statutes, Section 80C.14, Subds. 3-5, which require (except in certain specified cases) (i) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement and (ii) that consent to the transfer of the franchise will not be unreasonably withheld.
  - c. Minn. Stat. §80C.17, Subd. 5 provides that no action may be commenced pursuant to the Minnesota Franchise Act more than three years after the cause of action accrues. The franchisor is prohibited from limiting claims in violation of this section.
  - d. Minnesota Rules 2860.4400J prohibits the franchisor from requiring the franchisee to consent to entry of injunctive relief. The franchisor may seek injunctive relief, and the court will determine if a bond is required.
3. Proprietary Marks. The following section is hereby added to Section 8 of the Franchise Agreement addressing the Proprietary Marks:

The Franchisor will protect the Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Proprietary Marks.

4. General Release. Minnesota Rules 2860.4400(D) prohibits the Franchisor from requiring the Franchisee to assent to a general release. Franchisee shall not be required to execute Exhibit G-4 to the Franchise Agreement.
5. Except as modified herein, all other terms and provisions of the Franchise Agreement shall remain in full force and effect.

INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Agreement on the date first above written.

\_\_\_\_\_  
FRANCHISEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PILLAR TO POST, INC.**  
FRANCHISOR

By: \_\_\_\_\_  
Signature of Corporate Officer

**NORTH DAKOTA RIDER TO  
PILLAR TO POST, INC. FRANCHISE AGREEMENT**

This Rider to the Franchise Agreement dated \_\_\_\_\_, 20\_\_ is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between PILLAR TO POST, INC. and \_\_\_\_\_ to amend and revise said Franchise Agreement as follows:

(1) Item 17 of the Franchise Disclosure Document and Section 2.2.6 of the Franchise Agreement are amended to delete the requirement that a franchisee sign a general release upon renewal of the franchise agreement.

(2) Sections 16.7, 16.8 and 25.6 of the Franchise Agreement are amended to provide that the prevailing party in any enforcement action is entitled to recover costs and expenses including attorney's fees.

(3) Sections 25.4 and 25.5 of the Franchise Agreement are amended to delete the waiver of trial by jury and the waiver of exemplary and punitive damages.

The franchisee fee shall be deposited in an Escrow Account pending satisfaction of our material pre-opening obligations to you.

To the extent this Rider shall be deemed to be inconsistent with any terms or conditions of said Franchise agreement or Exhibits or Attachments thereto, the terms of this Rider shall govern.

INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Agreement on the date first above written.

\_\_\_\_\_  
FRANCHISEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PILLAR TO POST, INC.**  
FRANCHISOR

By: \_\_\_\_\_  
Signature of Corporate Officer



**SOUTH DAKOTA RIDER TO  
PILLAR TO POST, INC. FRANCHISE AGREEMENT**

This Rider to the Franchise Agreement dated \_\_\_\_\_, 20\_\_ is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between PILLAR TO POST, INC. and \_\_\_\_\_ to amend and revise said Franchise Agreement as follows:

(1) Item 17 of the Franchise Disclosure Document and Section 17.3 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

"Contracts in restraint of trade that take effect upon termination or expiration of a Franchise Agreement are generally unenforceable in South Dakota as set forth in SDCL 53-9-8, 53-9-9, 53-9-10, and 53-9-11."

(2) Item 17 of the Franchise Disclosure Document and Section 25.1 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

"In the event that either party shall make demand for arbitration, such arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association."

(3) Item 17 of the Franchise Disclosure Document and Section 25 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

"The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota, but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement, and interpretation under the governing law of the State of Florida."

(4) Section 4.4 of the Franchise Agreement is amended by the addition of the following language to the original language that appears therein:

"Every contract in which the amount of damage or compensation for breach of an obligation is determined in anticipation thereof is void to that extent except the parties may agree therein upon an amount presumed to be the damage for breach in cases where it would impractical or extremely difficult to fix actual damages. SDCL 53-9-5."

(5) The Franchise Agreement is amended as follows:

"Any provision in a franchise agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue, in a forum outside South Dakota

is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota.”

To the extent this Rider shall be deemed to be inconsistent with any terms or conditions of said Franchise agreement or Exhibits or Attachments thereto, the terms of this Rider shall govern.

INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Agreement on the date first above written.

\_\_\_\_\_  
FRANCHISEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PILLAR TO POST, INC.**  
FRANCHISOR

By: \_\_\_\_\_  
Signature of Corporate Officer

**ADDENDUM TO FRANCHISE AGREEMENT  
FOR THE STATE OF WASHINGTON**

This Addendum to the Franchise Agreement dated \_\_\_\_\_, 20\_\_ is agreed to this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between Pillar To Post, Inc. (“Franchisor”) and \_\_\_\_\_ (“Franchisee”). In recognition of the requirements of the Washington Franchise Investment Protection Act, RCW 19.100.180 (the “Act”), the Franchise Agreement shall be modified as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. 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.

3. 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.

4. 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.

5. Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

6. 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.

7. 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.

8. 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.

INTENDING TO BE LEGALLY BOUND, the parties hereto have duly executed this Agreement on the date first above written.

\_\_\_\_\_  
FRANCHISEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PILLAR TO POST, INC.**  
FRANCHISOR

By: \_\_\_\_\_  
Signature of Corporate Officer

## **EXHIBIT K**

### **FRANCHISEE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED**

There are no franchisee organizations that we have created, sponsored or endorsed required to be disclosed in this Franchise Disclosure Document.

## **EXHIBIT L**

### **INDEPENDENT FRANCHISEE ASSOCIATIONS**

Pillar Owners Association Inc.  
Thomas Capuano, President  
c/o Diversified Consultants Inc.  
4919 Lamar Avenue  
Mission, KS 66202  
913-387-5605  
[ptpowners@dc-kansascity.com](mailto:ptpowners@dc-kansascity.com)

## **EXHIBIT M**

### **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, Utah, 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:

<b>State</b>	<b>Effective Date</b>
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Utah	03/31/2025
Virginia	Pending
Washington	Pending
Wisconsin	03/27/2025

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 N**

**RECEIPT**



## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Pillar To Post, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

**[New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.] [Michigan and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]**

If Pillar To Post, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and the state agency listed on Exhibit H.

The franchisor is Pillar To Post, Inc., located at 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618. Its telephone number is (877) 963-3129.

Issuance Date: March 25, 2025

The franchise seller for this offering is

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone No: \_\_\_\_\_

Pillar To Post authorizes the respective state agencies identified on Exhibit H to receive service of process for it in the particular state.

**I have received a disclosure document dated March 25, 2025 that included the following Exhibits:**

Exhibit A:	List of Franchisees	Exhibit G-4: General Release
Exhibit B:	List of Franchisees Who Have Left The System Within The Past Fiscal Year (Sold To An Outside Party, Terminated, Other)	Exhibit G-5: Confidentiality/Non-Competition Agreement
Exhibit C:	Operations Manual Table of Contents	Exhibit H: List of State Agencies/Agents for Service of Process
Exhibit D:	Specifications: Required Computer Equipment	Exhibit I: Disclosure Addenda for Registration States
Exhibit E:	Financial Statements	Exhibit J: Agreement Riders for Certain Registration States
Exhibit F:	Guarantee of Performance	Exhibit K: Franchisee Organizations We Have Created, Sponsored or Endorsed
Exhibit G:	Franchise Agreement	Exhibit L: Independent Franchisee Associations
	Exhibit G-1: Guaranty	Exhibit M: State Effective Dates
	Exhibit G-2: Friendship Agreement	Exhibit N: Receipt
	Exhibit G-3: Good Neighbor Agreement	

Date Received: \_\_\_\_\_

\_\_\_\_\_  
Signature of Recipient

\_\_\_\_\_  
Please Print Full Name

\_\_\_\_\_  
Signature of Co-Recipient

\_\_\_\_\_  
Please Print Full Name

You may return the signed receipt either by signing, dating and mailing it to Pillar To Post at 14502 N. Dale Mabry Highway, Suite 200, Tampa, FL 33618 or by faxing a copy of the signed and dated receipt to (416) 620-3961.

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