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FRANCHISE DISCLOSURE DOCUMENT



PILLAR TO POST, INC.
14502 N. Dale Mabry Highway
Suite 200
Tampa, FL 33618
(877) 963-3129
franchise.development@pillartopost.com
http://www.pillartopost.com

PILLAR TO POST, INC. (the "Franchisor") offers 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 protected, 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 $44,285 to $54,435, which does not include rent for the business location. This includes $28,500 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

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visit the FTC's home page at www.ftc.gov for additional information. Call your state agency listed in Exhibit H or visit your public library for other sources of information on franchising.

Issuance Date: March 25, 2022

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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:

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

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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.

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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 or advertising fund 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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TABLE OF CONTENTS

Page No.

ITEM 1 - THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES 1
ITEM 2 - BUSINESS EXPERIENCE 4
ITEM 3 - LITIGATION 6
ITEM 4 - BANKRUPTCY 8
ITEM 5 - INITIAL FEES 8
ITEM 6 - OTHER FEES 9
ITEM 7 - ESTIMATED INITIAL INVESTMENT 15
ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 20
ITEM 9 - FRANCHISEE'S OBLIGATIONS 23
ITEM 10 - FINANCING 23
ITEM 11 - FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING 24
ITEM 12 - TERRITORY 33
ITEM 13 - TRADEMARKS 35
ITEM 14 - PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION 37
ITEM 15 - OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS 37
ITEM 16 - RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 38
ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 39
ITEM 18 - ARRANGEMENTS WITH PUBLIC FIGURES 43
ITEM 19 - FINANCIAL PERFORMANCE REPRESENTATIONS 43
ITEM 20 - OUTLETS AND FRANCHISEE INFORMATION 48
ITEM 21 - FINANCIAL STATEMENTS 59
ITEM 22 - CONTRACTS 60
ITEM 23 - RECEIPT 60

EXHIBIT A - List of Franchisees

EXHIBIT B - List of Franchisees Who Have Left The System Within The Past Fiscal Year (Sold To An Outside Party, Terminated, Other)

EXHIBIT C - Operations Manual Table of Contents

EXHIBIT D - Specifications: Minimum Required Computer Equipment

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EXHIBIT E - Financial Statements

EXHIBIT F - Guarantees of Performance

EXHIBIT G - Standard Franchise Agreement

Exhibits to Franchise Agreement:

G-1 - Guaranty

G-2 - Friendship Agreement

G-3 – Good Neighbor Agreement

G-4 - General Release

G-5 - Confidentiality/Non-Competition Agreement

G-6 - Promissory Note

EXHIBIT H - List of State Agencies/Agents for Service of Process

EXHIBIT I - Disclosure Addenda for Certain Registration States

EXHIBIT J - Agreement Riders for Certain Registration States

EXHIBIT K - Franchisee Organizations We Have Created, Sponsored or Endorsed

EXHIBIT L - Independent Franchisee Associations

EXHIBIT M - State Effective Dates

EXHIBIT N - Receipt

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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 only in exclusive territories. In 2009, we began offering franchises in protected, non-exclusive territories. 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, 2021, we had 483 individual home inspection franchise units in the United States. 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, 2021, Pillar To Post (Canada) had 66 individual home inspection franchise units in Canada.

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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, virtual open house, radon testing, 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 arise primarily from the purchase or sale of single family and multi-family homes. You will provide homeowners, 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 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.

As a result of the COVID-19 pandemic that began affecting the United States in 2020, some federal, state, and local governmental authorities have issued regulations, restrictions, or recommendations affecting certain business operations, including regarding mask wearing and social distancing. We cannot predict how long the COVID-19 pandemic or related governmental restrictions, regulations, or recommendations will last, or if additional restrictions, regulations, or recommendations will be put in place. You must comply with all applicable laws, rules, and orders of any government authority concerning the pandemic.

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.

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Company/Address	Type of Business/Year Began Offering Franchises	Number of Franchises as of December 31, 2020
California Closet Company, Inc., a California corporation 1414 Harbour Way S. Suite 1750 Richmond, CA 94804	Residential and commercial customized closet, office, garage, and storage space design, production, and installation services and related products / 1980	39 (United States)* 5 (Canada) 2 (International) * A subsidiary of our parent company holds a majority interest in 42 franchises in the United States and 1 in Canada.
Certa ProPainters, Ltd., a Massachusetts corporation 2621 Van Buren Avenue, Suite 550A, Audubon, PA 19403	Residential and commercial painting and decorating franchises / 1992	342 (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	28 (Canada)
Floorcoverings International, Ltd., a Georgia corporation 5390 Triangle Parkway Suite 125 Norcross GA 30092	Mobile retail floor covering and window blind business / 1998	194 (United States) 10 (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	218 (United States)

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Company/Address	Type of Business/Year Began Offering Franchises	Number of Franchises as of December 31, 2020
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	61 (Canada)
Magic Bubbles Franchising, Inc., a Florida corporation 4440 PGA Blvd. #600 Palm Beach Gardens, FL 33410	Pressure washing / 2016	10 franchised 4 company owned (United States)
AFFILIATES WHICH MAY FROM TIME TO TIME PROVIDE PRODUCTS OR SERVICES TO THE FRANCHISOR AND/OR ITS FRANCHISEES:		
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: D.R. (Dan) Steward

Mr. Steward joined Pillar To Post as President in 2004 and became Chief Executive Officer in 2010. He was appointed as a Director in 2013. Mr. Steward maintains his primary office at 5399 Eglinton Avenue W., Suite 110, Toronto, Ontario M9C 5K6.

Senior Vice President Field Operations: 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. Mr. Furlough maintains his primary office at 7401 Four Brothers Way, Willow Springs, North Carolina 27592-9092.

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Vice President Finance & Internal Operations: Jeff Sholdice

Mr. Sholdice joined Pillar To Post in 2018. 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: John Verdon

Mr. Verdon joined Pillar To Post in 2017. Prior to joining Pillar to Post, Mr. Verdon was a marketing consultant in the restaurant industry and ran his own advertising agency from 2014 to 2017. Mr. Verdon maintains his primary office at 5399 Eglinton Avenue W., 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. Since 2014, he has been 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 New Franchise Development: Harpal Kalsi

Mr. Kalsi joined Pillar To Post in 2021. Prior to joining Pillar To Post, Mr. Kalsi was the Director of Consumer Services at ServiceMaster Canada from 2020 to 2021. From 2016 to 2020, Mr. Kalsi worked for Mathnasium Canada as General Manager of Canada (2016 to 2019) and as General Manager of Americas-Canada (2019 to 2020). Mr. Kalsi 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. She served as Director of Training and Development from 2006 to 2021. She became Vice President Learning Development & Communications in 2021. She maintains her 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.

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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 7 actions described below, there is no litigation that must be disclosed in this item:

Pending Actions

Pillar to Post, Inc. v. Todd Freeberg and Future Abode, Inc., Case No. 21-CVS-3494, in the General Court of Justice Superior Court Division, Cabarrus County, North Carolina. On October 11, 2021, we filed an action to confirm an arbitration award and for breach of a settlement agreement. On December 28, 2021, Todd Freeberg and Future Abode, Inc. consented to confirmation of the arbitration award and asserted counterclaims for breach of the settlement agreement, breach of the implied covenant of good faith and fair dealing, invasion of privacy, and unfair and deceptive trade practices. No trial date is set.

Pillar To Post, Inc. v. GDB Home Inspectors, LLC and Gerald Robbins, Case No. WRM-L-000010-22, in the Superior Court of New Jersey Law Division, Warren County. On January 14, 2022, we filed an action to confirm an arbitration award against GDB Home Inspectors, LLC and Gerald Robbins. On February 11, 2022, the court entered an order that confirmed the arbitration award and entered judgment in our favor for monetary damages and injunctive relief.

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

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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.

KJ Loughery, Inc. v. Pillar To Post, Inc., Case No. 3:17-cv-13731 (D.N.J., Trenton Division). On December 28, 2017, KJ Loughery, Inc. commenced an action against us in the United States District Court, District of New Jersey in Trenton, New Jersey. The complaint asserted claims for preliminary injunctive relief and wrongful termination of certain master franchise agreements under the NJFPA arising from the same alleged facts asserted in the KJ Loughery Arbitration discussed above. On January 11, 2018, the court entered an order requiring the parties to continue to perform under the master franchise agreements pending arbitration, which relief was stipulated to by us prior to and at the hearing, and denying the additional injunctive relief sought by KJ Loughery, Inc. On January 11, 2018, the case was administratively terminated pending arbitration.

LAL Enterprises, LLC v. Pillar to Post, Inc., AAA Case No. 01-19-0002-7764, American Arbitration Association. On September 5, 2019, LAL Enterprises, LLC ("LAL") commenced an action against us before the American Arbitration Association in Tampa, Florida. The arbitration demand sought a declaratory judgment that the noncompete provision of the franchise agreement was unenforceable under the Indiana Franchise Practices Act. We filed an answering statement, which denied the claim. On July 22, 2020, the parties entered into a settlement, pursuant to which the franchise agreement was extended through July 31, 2022, to allow LAL an opportunity to sell its franchise. LAL acknowledged as part of the settlement that the covenant not-to-compete and other post-termination obligations under the franchise agreement do not violate the Indiana Franchise Practices Act and are enforceable in the event the franchise agreement terminates or expires prior to a sale. LAL also agreed to pay Pillar To Post $64,506.93. The claims asserted against Pillar To Post were dismissed and released.

Pillar To Post, Inc. v. Future Abode, Inc. and Todd Freeberg, AAA Case No. 01-19-0004-2386, American Arbitration Association. On December 4, 2019, we commenced an action against Future Abode, Inc. and Todd Freeberg before the American Arbitration Association in Tampa, Florida. The arbitration demand asserted claims for breach of the franchise agreement, trademark infringement and unfair competition. On January 3, 2020, Respondents filed a counterclaim against us seeking a declaratory judgment that the noncompete provisions of the franchise agreement are not enforceable and related permanent injunctive relief. On October 7, 2020, the parties entered into a settlement, pursuant to which the parties agreed to a stipulated injunction enjoining Freeberg to comply with the covenant not-to-compete and other post-termination obligations under the franchise agreement. Respondents also agreed to pay Pillar To Post $50,000. The claims asserted against Pillar To Post were dismissed and released.

Pillar to Post, Inc. v. GDB Home Inspectors, LLC and Gerald Robbins, AAA Case No. 01-21-0002-7045, American Arbitration Association. On April 14, 2021, we commenced an action against GDB Home Inspectors, LLC and Gerald Robbins before the American Arbitration Association in Pennington, New Jersey. On November 16, 2021, the Arbitrator issued an arbitration award in favor of us.

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Governmental Actions

There are no actions required to be disclosed.

Pending Affiliate Actions

There are no actions required to be disclosed.

Prior Affiliate Actions

Pillar To Post, Inc. v. Cook. On or about April 18, 2017, Pillar To Post (Canada) commenced an arbitration action against Gregg Cook ("Cook"), a former franchisee in Ontario, Canada. The parties agreed to submit all disputes to Bates Barristers Professional Corporation in Toronto, Ontario, Canada in accordance with Canada's Arbitration Act, 1991, S.O. 1991, c. 17. Pillar To Post (Canada) sought damages and injunctive relief enforcing the post-termination obligations of its franchise agreement with Cook, which was terminated in March, 2017. Cook asserted separate claims against Pillar To Post (Canada) for breach of the franchise agreement, breach of the friendship agreement, violation of section 7 of the Arthur Wishart Act (Franchise Disclosure), 2000, SO 2000, c 3 (the "Wishart Act"), and price-fixing pursuant to section 45(1) of Canada's Competition Act, RSC 1985, c C-34 (the "Compliance Act"). Cook sought additional damages from Pillar To Post under the Wishart Act for alleged bad faith conduct. Cook also asserted claims against BrandPoint Services, Inc., an affiliate of Pillar To Post and Pillar To Post (Canada), and separately asserted claims against Pillar To Post (Canada) before the Human Rights Tribunal of Ontario. By Ruling dated October 5, 2017, the arbitration tribunal held that BrandPoint Services, Inc. was not a proper party and stayed the price-fixing claims for failure to state a cause of action. On February 28, 2018, the parties entered into a settlement, pursuant to which Cook agreed to pay Pillar To Post (Canada) $30,000 (CDN), transfer certain telephone numbers to Pillar To Post (Canada), withdraw its claims before the Human Rights Tribunal of Ontario, and precure the required professional liability insurance coverage required by the franchise agreement for a period of two years. The parties also agreed to dismiss and release all claims.

Affiliate Litigation Against Franchisees Commenced in the Past Fiscal Year

There are no actions required to be disclosed.

ITEM 4 - BANKRUPTCY

No bankruptcies are 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 is Twenty-Eight Thousand Five Hundred Dollars ($28,500). The total paid to us is $28,500.

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

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Included in the initial franchise fee is the cost of initial training, one (1) inspection tablet computer, access to certain Pillar To Post® proprietary manuals and computer software, and the registration fee for attendance at our annual convention during your first year.

ITEM 6 - OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty (See Note A)	7% of Gross Revenues; minimum monthly payment of $280 per month.	Monthly Royalty Fee payments due on the 10th day of the next month for the previous month's revenues.	Gross Revenues include all revenue from the franchised business, excluding sales or use tax.
Brand (See Note B)	4% of Gross Revenues; minimum monthly payment of $160 per month.	Same as Royalty Fee.	
IT Fee (See Note C)	The current IT Fee is $3.00 for each home inspection performed.	IT Fee payments due on the 10th 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 and Binders (See Note D)	The current cost of each Inspection Number and Binder is $25.	Purchased as needed, typically 20 at a time. Invoiced as purchased.	Inspection numbers are purchased from and assigned by us. The cost of the inspection number includes the presentation binder that will be delivered through the designated supplier. You will be required to pay shipping and handling to the designated supplier to receive the binders. We may change or increase the cost of each inspection number and binder upon 90 days advance notice to you in the event the costs incurred by us are changed or increased.

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Name of Fee	Amount	Due Date	Remarks
EZ Book Connections (See Note E)	The current user fee is $33.50 for each home inspection booked.	The user fees for EZBook Connections are due on the 10th day of the next month for services provided in the previous month.	EZBook Connections provides telephone answering and inspection booking services. See Item 11. 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 Tours (See Note F)	The current fee for a PTP360 Tour is $2.00 for each home inspection performed.	The fees for PTP360 Tours are due on the 10th 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.
PTP360 Floorplans (See Note F)	The current fee for a PTP360 Floorplan depends on the size of the house and is between $19.50 and $149.50.	The fees for PTP360 Floorplans are due on the 10th 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.
PTP360 Virtual Open Houses (See Note F)	The current fee for a PTP360 Virtual Open House is $10.00.	The fees for PTP360 Virtual Open Houses are due on the 10th day of the next month for services	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

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Name of Fee	Amount	Due Date	Remarks
		provided in the previous month.	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.
Brand Conference (See Note G)	The registration fee for one person to attend the Brand Conference is typically between $650 and $850. The non-attendance fee for failure to attend the Brand Conference is currently $500. The registration fee for the 2021 Brand Conference was $850.	The registration fee for one person to attend the Brand Conference is determined by us each January for the Brand Conference scheduled the following calendar year. The registration fee is paid in 12 monthly installments from January through December each year. If you fail to attend the Brand Conference, the non-attendance fee is due 15 days after the last day of the Brand Conference.	You are required to attend our Brand Conference, which is held annually at a location we choose. See Item 11. The registration fee for one person to attend the Brand Conference is set by us annually based on costs and location. The registration fee for one person to attend the Brand Conference during your first year is included in the initial franchise fee. If you fail to attend the Brand Conference, you must pay the non-attendance fee.
Transfer (See Note H)	$4,000	Due prior to consummation of transfer.	Payable when franchise is transferred.
Referral Fee (See Note I)	$5,000	Due at closing of the transfer.	Payable if we refer a transferee to you.
Renewal (See Note J)	$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 K)	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	$1,000	Due prior to consummation of transfer.	Payable upon execution of transfer documents unless assignment occurs within 6

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Name of Fee	Amount	Due Date	Remarks
(See Note L)			months of execution of the Franchise Agreement.
Miscellaneous Software (See Note M)	$250 – $850 annually	Licensing costs due as needed for Microsoft Office, antivirus software, other software licenses, and any maintenance, repairs or upgrades that are required.	See Item 11.
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 on a monthly basis, or a minimum Royalty Fee payment of Two Hundred Eighty Dollars ($280) per month, whichever is greater. The minimum monthly Royalty Fee payment is waived for the first two (2) full months of operation for a newly established franchised business provided that the Pillar To Post home inspection franchise is opened timely. Payments for the previous month are due on the tenth (10th) 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.

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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.

(B) You will be required to pay a monthly Brand Fee to a promotion and advertising fund (the "Brand Fund") equal to four percent (4%) of the monthly Gross Revenues of the franchised business or a minimum payment of One Hundred Sixty Dollars ($160) per month, whichever is greater. The minimum monthly Brand Fee is waived for the first two (2) months of operation for a newly established franchised business provided that the Pillar To Post home inspection franchise is opened timely. Payments for the previous month are due on the tenth (10th) 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. The monthly Brand Fees shall be deposited in the Brand Fund, which is administered by us and consists of all Brand Fees paid by all franchisees. All payments of these sums must be made simultaneously with the monthly Royalty Fees described in Note (A) above.

(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 Three Dollars ($3.00) per inspection. Payment of the IT Fee for home inspections performed in the previous month are due on the tenth (10th) 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. The current cost of each inspection number is Twenty-Five Dollars ($25) and includes the presentation binder. You must use a new inspection number and binder for each home inspection performed by the Pillar To Post home inspection franchise. Inspection numbers and binders are purchased as needed, typically 20 at a time, and you will be invoiced as they are purchased. We require you to pay all invoices for inspection numbers and binders by electronic funds transfer, and you must provide all documentation required to authorize such electronic payments. You will receive the binders that you order directly from the designated supplier. You are required to pay the designated supplier separately for the shipping and handling associated with delivery of the binders to you. We may change or increase the cost of each inspection number and binder upon 90 days advance notice to you in the event the costs incurred by us are changed or increased. See Item 8.

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