

ITEM 1

THE FRANCHISOR, PREDECESSORS AND AFFILIATES

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

The Franchisor

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 Professional Home Inspection". Our principal place of business is located at 13902 North Dale Mabry Hwy., Suite 300, Tampa, FL 33618. Our affiliate, Pillar To Post Inc., a Canadian corporation ("Pillar To Post (Canada)"), operates our international home office located at 5805 Whittle Road, Suite 211, Mississauga, Ontario, Canada L4Z 2J1. On October 20, 2003, a wholly-owned subsidiary of The Franchise Company (U.S.), Inc., a Delaware corporation ("TFC (U.S.)"), acquired all of the stock of Pillar To Post. Also on October 20, 2003, a wholly-owned subsidiary of The Franchise Company, Inc., a Canadian corporation ("TFC (Canada)"), acquired all of the stock of our affiliate, Pillar To Post (Canada). TFC (U.S.) is a wholly-owned subsidiary of TFC (Canada). TFC (U.S.)'s address in the United States is 126 Prospect Street, Cambridge, MA 02139. TFC (Canada)'s address in Canada is 5397 Eglinton Avenue West, Suite 108, Etobicoke, Ontario M9C 5K6. Our agents for service of process are listed in Exhibit H.

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. As of December 31, 2005, we had 9 Master Franchises and 400 individual franchises 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, 2005, Pillar To Post (Canada) had 78 home inspection franchises in Canada. Currently, neither we nor our affiliates offer any home inspection services business similar to the type being offered by this Offering Circular.

The Franchise Offered

We franchise the operation of independently owned and operated businesses which offer distinctive residential inspection services for single family and some various smaller multi-family residences. We offer our services and products under the names "Pillar To Post" and "Pillar To Post Professional Home Inspection". We are not engaged in any other business activities. The market for the services to be provided by you is developed, and consists primarily in connection with the purchase or sale of residential homes, townhouses, or condominiums for the purpose of identifying any defects in such homes. Each franchisee will offer its services to home owners and home buyers 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 with other businesses offering the same or similar services on a local, regional, and national basis. Some states require licensing or certification for home inspections. You should determine whether any licensing or certification is required in your location.

We and Pillar To Post (Canada), in conjunction with an engineering firm and other experts in the field of home inspection, have developed a training and instruction program for you. Our officers' and directors' experience in the operation and administration of a home inspection franchise system has given them the experience to administer this home inspection franchise system.

Predecessor

There is no predecessor to Pillar To Post.

Other Pillar To Post Affiliates

The following is a list of our affiliates (other than Pillar To Post (Canada) discussed above) including the principal address, a description of the business, and the numbers of franchises of each. None of our affiliates presently operate businesses of the type that they franchise, offer franchises in any line of business (other than as disclosed below) or engage in any other type of business.

Action Window Cleaners, Inc. Action Window Cleaners, Inc. is an Ontario corporation with its principal place of business at 100 Strada Drive, Unit 4, Woodbridge, Ontario L4L 5V7, Canada. Action Window Cleaners uses a seasonal student franchise system to provide residential window cleaning across the Province of Ontario, Canada. Founded in 1982 by a former employee of College Pro Painters Ltd., it was acquired by The Franchise Company, Inc., a Canadian corporation, in 1993. During the 2005 season, there were 90 Action Window Cleaners, Inc. franchises operated in the Province of Ontario only.

California Closet Company, Inc. California Closet Company, Inc. is a California corporation with its principal place of business at 1000 Fourth Street, Suite 800, San Rafael, California 94901. California Closet Company, Inc. has offered and sold franchises for the right to operate a franchised business using the California Closet systems and trademarks in the area of customized closet, office, garage, and other storage space design, production, and installation services and related products to both residential and commercial customers since 1980. As of December 31, 2005, California Closet Company, Inc. had 85 franchises in operation in the United States and 8 in Canada, and 6 international franchises.

Certa ProPainters Ltd. Certa ProPainters Ltd. is a Massachusetts corporation with its principal place of business at 150 Green Tree Road, Suite 1003, Oaks, Pennsylvania 19456. The division office for Canada is located at 5397 Eglinton Avenue West, Etobicoke, Ontario, Canada M9C 5K6. Certa ProPainters Ltd. has offered residential and

commercial painting and decorating franchises in the United States since the fall of 1992. As of December 31, 2005, 227 Certa ProPainters Ltd. franchises were in operation in the U.S as well as 5 total international franchises in the countries of Costa Rica, Guatemala, Dominican Republic, Portugal and Panama.

Certa ProPainters Ltd. (Canada). Certa ProPainters Ltd. is a Canadian corporation with its principal place of business at 5397 Eglinton Avenue West, Etobicoke, Ontario, M9C 5K6. Certa ProPainters Ltd. (Canada) is a wholly owned subsidiary of College Pro Painters Ltd., a Canadian Corporation which maintains its principal place of business at 5397 Eglinton Avenue West, Etobicoke, Ontario, M9C 5K6. College Pro Painters Ltd. is wholly owned by The Franchise Company, Inc., a Canadian Corporation. Certa ProPainters Ltd. sells residential and commercial painting and decorating franchises, and has done so in Canada since 1990. As of December 31, 2005, 20 franchises were in operation in Canada.

College Pro Painters (U.S.) Ltd. College Pro Painters (U.S.) Ltd. is a Maryland corporation with its principal place of business at 71 Second Avenue, Floor 2, Waltham, Massachusetts 02451. College Pro Painters (U.S.) Ltd. sells exterior residential and light commercial painting franchises. College Pro Painters (U.S.) Ltd. has offered and intermittently operated painting franchises in the United States since 1978. All College Pro Painters (U.S.) Ltd. franchises are offered for a one-year term and operate seasonally. During the 2005 season, there were 408 College Pro Painters (U.S.) Ltd. franchises in operation.

College Pro Painters Ltd. College Pro Painters Ltd. is a Canadian corporation with its principal place of business at 5397 Eglinton Avenue West, Etobicoke, Ontario, Canada M9C 5K9. College Pro Painters Ltd. sells exterior residential and light commercial painting franchises. College Pro Painters Ltd has offered and intermittently operated painting franchises in Canada since 1972. All College Pro Painters Ltd. franchises are offered for a one-year term and operate seasonally. During the 2005 season, there were 212 College Pro Painters Ltd. franchises in operation.

Floorcoverings International, Ltd. Floorcoverings International, Ltd. is a Georgia corporation with its principal place of business at 5182-B Old Dixie Highway, Forest Park, Georgia 30297. Floorcoverings International, Ltd. has offered and sold franchises in the mobile retail floor covering and window blind business since 1998. As of December 31, 2005, 69 Floorcoverings International, Ltd. franchises were in operation in the US, and 3 in Canada.

Paul Davis Restoration, Inc. Paul Davis Restoration, Inc. is a Florida corporation with its principal place of business at One Independent Drive, Suite 2300, Jacksonville, Florida 32202. Paul Davis Restoration, Inc. offers the rights to use the Paul W. Davis trade name, logo, Operations Manual, business systems, and computer programs in a general contracting business, as well as in providing cleaning services and other specialized contracting services since 1967. As of December 31, 2005, Paul Davis Restoration, Inc. had 215 franchises in operation.

Growers & Nomads, Inc. Growers & Nomads, Inc. is a Delaware corporation established in 2000 with its principal place of business at 1000 Fourth Street, Suite 800, San Rafael, CA 94901. Growers & Nomads provides marketing and brand development for the franchisor.

Tele-Link Services. Tele-Link Services is a Canadian company with its principal place of business at 700 Richmond Street, Suite 416, North London, Ontario, N6A 5C7. Tele-Link Services provides evening, weekend, and holiday answering services, in addition to certain telemarketing and customer survey services, for the franchisor and its franchisees.

ITEM 2

BUSINESS EXPERIENCE

Director and Chairman: Steven S. Rogers

Mr. Rogers became the Chief Executive Officer, President and Director of both The Franchise Company, Inc. and The Franchise Company (U.S.) Inc. in March 1996. His employment as Chief Executive Officer of College Pro Painters Limited began in 1992 and continues today. Additionally, Mr. Rogers serves on the Board of Directors of FirstService Corporation, as well as on the boards of various of the affiliates disclosed in Item 1. Mr. Rogers has his office at 5397 Eglinton Avenue West, Suite 108, Etobicoke, Ontario M9C 5K9, Canada.

Director and Chief Executive Officer: Paul Hayman

Mr. Hayman has been Chief Executive Officer since 2003. Mr. Hayman has been employed by The Franchise Company, Inc. in various positions for a number of years. From 1985 until 1992, Mr. Hayman served as Vice President of College Pro Painters (U.S.) Ltd. In 1992, Mr. Hayman was promoted to the position of President of College Pro Painters Limited. In 2001, he was appointed the Chief Executive Officer of College Pro Painters (U.S.) Ltd. and an Executive Vice-President of The Franchise Company, Inc. Mr. Hayman has his office at 700 Richmond Street North, Suite 416, London, Ontario N6A 5C7, Canada.

Director and Secretary: Paul W. Clements

Mr. Clements has been employed by The Franchise Company, Inc. in various positions for a number of years. He has served as Chief Financial Officer since 1992. Mr. Clements has also served as the Secretary and Treasurer of The Franchise Company (U.S.) Inc. since March 1996. Additionally, he serves as Secretary, Treasurer and/or Director for various of the affiliates disclosed in Item 1. Mr. Clements has his office at 5397 Eglinton Avenue West, Suite 108, Etobicoke, Ontario M9C 5K6, Canada.

President: D.R. (Dan) Steward

Mr. Steward joined Pillar To Post as President in 2004. Prior to joining Pillar To Post, Mr. Steward was Regional Vice President of Iron Mountain Corp. from 2000 – 2004 and Executive Vice President and Chief Operating Officer of Shred-It Group of Companies from 1998 – 1999. Mr. Steward was employed in various senior sales, marketing and general management positions with Laidlaw Inc./Canadian Waste Services Inc. from 1992 – 1998 and Sternson Ltd. from 1979 – 1991. Mr. Steward received a Bachelor of Business Administration degree in 1979 and a Master of Business Administration degree in 1993, both from Wilfred Laurier University in Waterloo, Ontario.

Chief Financial Officer: Henrik Leborg

Mr. Leborg joined Pillar To Post in 2000. Mr. Leborg has a Master's degree in Business Administration, and is a CA (Chartered Accountant) and a CPA (Certified Public Accountant). Prior to joining Pillar To Post, Mr. Leborg worked as an account manager in commercial banking and as a controller in private practice.

Assistant Treasurer: Douglas G. Cooke

Mr. Cooke is the Corporate Controller and Treasurer of FirstService Corporation, a position he has held since June 1995. From June 1993 to June 1995, Mr. Cooke was Senior Manager, Financial Reporting at Consumers Distributing, Inc., a retailer. From 1990 to 1993, Mr. Cooke was Senior Internal Auditor of Unilever Canada Limited. Mr. Cooke is a Chartered Accountant.

Assistant Secretary: John B. Friedrichsen

Mr. Friedrichsen joined FirstService Corporation as Vice President, Acquisitions in February 1998, a position that he held until May 2000 when he became Senior Vice President, Acquisitions. In September 2002, Mr. Friedrichsen was named Senior Vice President and Chief Financial Officer of FirstService Corporation. Prior to joining FirstService, from October 1996 to February 1998, Mr. Friedrichsen held the position of Vice President with Ernst & Young Corporate Finance Inc. in Toronto, Ontario, where he was responsible for advising companies on a range of corporate finance matters, including the raising of capital and acquisitions. Prior to October 1996 and from June 1995, Mr. Friedrichsen held the position of Vice President at Canadian Corporate Funding Limited, a privately held merchant and investment bank based in Toronto, where he was responsible for advising companies on raising private capital. From May 1987 to June 1995, Mr. Friedrichsen held senior lending and credit positions with National Bank of Canada in the bank's commercial and corporate banking group.

ITEM 3

LITIGATION

Actions Involving Pillar To Post

By Consent Order entered June 29, 2000, Case No. 200-0556, we acknowledged having inadvertently sold two franchises in Maryland during a period of lapsed registration. Both franchisees were offered rescission of their contracts. One franchisee accepted the offer to rescind. The other franchisee remained in the system.

Settled Litigation Involving Affiliates

Jay Seward v. Certa Pro, et al. On or about November 5, 1997, the plaintiff filed this action in the Superior Court of the State of California, Santa Clara County, Case No. CV769045. This case alleges intentional misrepresentation, negligent misrepresentation, breach of contract, promissory fraud, breach of covenant of good faith and fair dealing, violation of California Corporations Code Sections 31201, 31301 and 31302, and violation of the California Business and Professions Code Section 17200 all in connection with Certa Propainters Ltd.'s offer and sale of a franchise to the Plaintiff. Mr. Seward sought unspecified damages in excess of \$50,000. On or about February 25, 1998, the parties agreed to submit this matter to arbitration before the American Arbitration Association of California. This case was settled in 1999 (See Note 1 and Note 2 below).

Hoffman v. Certa Pro, et al. On or about July 21, 1998, the plaintiff filed this action in the Superior Court of the State of California, Orange County, Case No. 795852. This case alleges fraud and deceit, intentional misrepresentation, concealment, negligent misrepresentation, breach of contract, promissory fraud, breach of implied covenant of good faith and fair dealing, violation of California Corporations Code Sections 31201, 31301 and 31302, and violation of the California Business and Professions Code Section 17200 all in connection with Certa Propainters Ltd.'s offer and sale of a franchise to the Plaintiff. Mr. Hoffman sought unspecified damages in excess of \$50,000. This case was settled in 1999 (See Note 1 and Note 2 below).

Coughlin v. Certa Pro, et al. On or about July 22, 1998, the plaintiff filed this action in the Superior Court of the State of California, San Diego County, Case No. 721738. This case alleges fraud and deceit, intentional misrepresentation, concealment, negligent misrepresentation, breach of contract, promissory fraud, breach of implied covenant of good faith and fair dealing, violation of California Corporations Code Sections 31201, 31301 and 31302, and violation of the California Business and Professions Code Section 17200 all in connection with Certa Propainters Ltd.'s offer and sale of a franchise to the Plaintiff. Mr. Coughlin sought unspecified damages in excess of \$150,000. This case was settled in 1999 (See Note 1 and Note 2 below).

Kuhn v. Certa Pro, et al. On or about July 21, 1998, the plaintiff filed this action

in the Superior Court of the State of California, Santa Clara County, Case No. CV774754. This case alleges fraud and deceit, intentional misrepresentation, concealment, negligent misrepresentation, breach of contract, promissory fraud, breach of implied covenant of good faith and fair dealing, violation of California Corporations Code Sections 31201, 31301 and 31302, and violation of the California Business and Professions Code Section 17200 all in connection with Certa Propainters Ltd.'s offer and sale of a franchise to the Plaintiff. Mr. Kuhn sought unspecified damages in excess of \$50,000. This case was settled in 1999 (See Note 1 and Note 2 below).

Note 1: To avoid incurring continuing litigation costs and without admitting any wrongdoing, Certa Propainters Ltd., together with the other defendants, entered into settlement agreements with all the plaintiffs on or about August 12, 1999. At the same time, Certa Propainters Ltd. also entered into a settlement agreement with another former franchisee, John Novak, who had made similar claims but never filed an action. Certa Propainters Ltd. agreed to pay the plaintiffs and Mr. Novak a total of \$280,000, of which \$40,000 was paid at the time of settlement and \$240,000 was to be paid over a period of 18 months. The plaintiffs all dismissed their lawsuits with prejudice, and all parties executed mutual general releases. All amounts due under the settlement agreements have been paid.

Note 2: Steven S. Rogers, one of Pillar To Post's officers and directors and the Chief Executive Officer of its parent corporation, The Franchise Company (U.S.), Inc., was named in each of these cases because of his relationship to Certa ProPainters Ltd.

Except for the foregoing, no other litigation is required to be disclosed in this Offering Circular.

ITEM 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of this Offering Circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item.

ITEM 5

INITIAL FRANCHISE FEE

You must pay the initial franchise fee when the franchise agreement is signed. The amount of the initial franchise fee for an individual franchise in a Tier 1 territory is between Thirty-Five Thousand Nine Hundred Dollars (\$35,900.00) and Forty-Five Thousand Nine Hundred Dollars (\$45,900.00). The amount of the initial franchise fee for an individual franchise in a Tier 2 territory is Twenty-Nine Thousand Nine Hundred

Dollars (\$29,900.00). The amount of the initial franchise fee for an individual franchise in a Tier 3 territory is Nineteen Thousand Nine Hundred Dollars (\$19,900.00). Territories are classified as Tier 1, Tier 2 or Tier 3 based on a combination of demographic factors that include housing units, housing re-sale activity, real estate offices, and population. In fiscal year 2005, initial franchise fees paid for individual franchises ranged from \$18,900.00 to \$28,900.00.

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

Included in the initial franchise fee is the cost of training and the licensing of certain Pillar To Post[®] proprietary computer software. Hotel accommodations, meals, and training materials are also included.

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ITEM 6

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty (See Note A)	7% of Gross Revenues; minimum monthly payment of \$200 per month and minimum yearly payment of 7% of minimum Gross Revenues required by Franchise Agreement.	Monthly Royalty Fee payments due on the 10th day of the next month for the previous month's revenues. Yearly minimum Royalty Fee payment due on the 20 th day of the first month following the end of each contract year.	Gross Revenues include all revenue from the Franchised Business, excluding sales or use tax.
Brand (See Note B)	Up to 4% of Gross Revenues; minimum monthly payment of \$100 per month and minimum yearly payment of up to 4% of minimum Gross Revenues required by Franchise Agreement.	Same as Royalty Fee.	At present the Brand Fee is at 4% of Gross Revenues.
Transfer (See Note C)	\$4,000	Due prior to consummation of transfer.	Payable when franchise is transferred.
Administrative (See Note D)	\$2,500	Due 1 year to 6 months prior to renewal.	You are required to pay an administrative fee upon renewal after the first term and each term thereafter.
Insurance (See Note E)	Varies	Due as required by insurance company.	You are required under the Agreement to carry insurance.
Audit (See Note F)	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 G)	\$500	Due prior to consummation of transfer.	Payable upon execution of transfer documents.

Name of Fee	Amount	Due Date	Remarks
Manual Deposit Fee (See Note H)	\$250	Due prior to receipt of Operations Manual.	Deposit is made into a non-interest bearing account.

In addition to the initial individual Franchise Fee described in Item 5, you will or may be required to make the payments described above. None of these payments are refundable, except for the Manual Deposit Fee described in Note H below.

The following describes in more detail the Fees listed above.

Notes:

(A) Commencing with your operation within your Territory, 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 Dollars (\$200.00) 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 franchise territory. Payments for the previous month are due on the tenth (10th) day of each month. You also may have to pay us a minimum yearly Royalty Fee payment equal to 7% of the minimum Gross Revenues required by the Franchise Agreement. Under a Tier 2 Territory, you must generate Gross Revenues of at least: (a) Thirty Thousand Dollars (\$30,000) in the first twelve (12) months after execution of this Agreement; (b) Forty Thousand Dollars (\$40,000) in the second twelve (12) months after execution of this Agreement; (c) Fifty Thousand Dollars (\$50,000) in the third twelve (12) months after execution of this Agreement; (d) Sixty Thousand Dollars (\$60,000) in the fourth twelve (12) months after execution of this Agreement; and (e) Eighty Thousand Dollars (\$80,000) in the fifth twelve (12) months after execution of this Agreement. The minimum Gross Revenue requirements for Tier 1 and Tier 3 Territories are adjusted based on the different demographics and are set forth in addenda to the Franchise Agreement. See Exhibits G-2 and G-3. In the event you fail to generate the minimum Gross Revenues required for any particular twelve (12) month period of operation, you must pay us a minimum yearly Royalty Fee equal to seven percent (7%) of the minimum Gross Revenues required for that particular twelve (12) month period of operation less the total amount of monthly Royalty Fees paid by you for that particular twelve (12) month period of operation. Sales volume requirements for renewal terms (or for Franchisees who acquired their Franchised Business through transfer from a Franchisee, rather than from the Franchisor) shall be modified to reflect the potential of an established market place, and such requirements shall be set forth in an Addendum to the renewal Franchise Agreement. 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 pay 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 up to four percent (4%) of the monthly Gross Revenues of the Franchised Business, or a minimum payment of One Hundred Dollars (\$100) per month, whichever is greater. You also may have to pay a yearly Brand Fee to the Brand Fund equal to up to four percent (4%) of the minimum Gross Revenues required by the Franchise Agreement and set forth in Note (A) above. In the event you fail to generate the minimum Gross Revenues required for any particular twelve (12) month period of operation, you must pay the Brand Fund a minimum yearly Brand Fee equal to up to four percent (4%) of the minimum Gross Revenues required for that particular twelve (12) month period of operation less the total amount of monthly Brand Fees paid by you for that particular twelve (12) month period of operation. The monthly and, if applicable, yearly Brand Fees shall be deposited in the Brand Fund, which is administered by us and consists of all Brand Fees paid by all franchisees which are required pursuant to the terms of their Franchise Agreements. All payments of these sums must be made simultaneously with the monthly and, if applicable, yearly Royalty Fees described in Note (A) above.

(C) 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 Four Thousand Dollars (\$4,000.00), plus any applicable taxes, intended to cover the reasonable costs and expenses associated with reviewing the application to transfer, including, without limitation, management, legal and accounting fees.

(D) 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, you may be subject to termination. Upon such notice of your intent to renew, you must pay to us an administrative fee of Two Thousand Five Hundred Dollars (\$2,500.00), plus any applicable taxes, intended to cover the reasonable costs and expenses associated with reviewing the application to renew, including, without limitation, management, legal and accounting fees.

(E) You must, prior to opening a 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, an insurance policy or policies protecting (i) your fixtures, furnishings, and appliances against such hazards as are typically covered by a standard fire and extended coverage policy, (ii) errors and omissions insurance, insuring you and us from liability arising from errors or omissions in the inspections or reports, and (iii) general liability insurance, including product liability insurance, insuring you and us against any liability that may accrue by reason of your operation of the Franchised Business. In addition, you must maintain workers' compensation insurance, employers liability insurance, as well as other such insurance as may be required by law in the

jurisdiction in which the Franchised Business is located. All insurance must be placed with a responsible insurance carrier acceptable to us.

(F) If we should cause an audit to be made for any period and the Gross Revenues and business transacted as shown by your statements should be 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.

(G) 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. The franchisee must pay a fee of Five Hundred Dollars (\$500.00) intended to cover the reasonable costs and expenses associated with document preparation and review.

(H) Prior to your receipt of the Confidential Operations Manual (the "Manual"), you are required to pay to us a deposit fee of Two Hundred Fifty Dollars (\$250.00). This fee will be placed into a non-interest bearing account. In the event you do not renew your franchise or are terminated, you must return to us the Manual which is on loan to you. Upon receipt of the Manual by us, the deposit will be returned to you.

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ITEM 7

INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

	Amount	Method of Payment	When Due	To Whom Payment is Made
INITIAL FRANCHISE FEE	\$19,900 to \$45,900 (See Note A)	Lump Sum (See Note A)	At signing of Franchise Agreement	Pillar To Post Inc. (See <u>ITEM 5</u>)
TRAVEL EXPENSES TO TRAINING SITE	\$500 to \$1,000	As Incurred	As Incurred	Airlines or Ground Transportation
REAL ESTATE AND IMPROVEMENTS	Not Included in Total (See Note B)			
OPERATIONS MANUAL DEPOSIT FEE	\$250 (See Note C)	Lump Sum	Prior to receipt of the Manual	Pillar To Post Inc.
EQUIPMENT	\$1,500 to \$3,000 (See Note D)	Lump Sum	Prior to Opening	Suppliers
COMPUTER EQUIPMENT	\$4,000 to \$6,000 (See Note E)	Lump Sum	Prior to Opening	Suppliers
MISC. OPENING COSTS	\$4,000 to \$8,000 (See Note F)	Lump Sum	Prior to Opening	Suppliers, Utilities, etc.
PRE-OPENING PROMOTION	\$1,500	Lump Sum	Prior to Opening	Various Media and Suppliers
ADDITIONAL FUNDS – 3 MONTHS	\$1,800 to \$5,000 (See Note G)	As Incurred	As Incurred	Suppliers, Utilities, etc.
OPENING INVENTORY	\$2,250 to \$3,100 (See Note H)	Lump Sum	Prior to Opening	Pillar To Post Inc. or Designated Suppliers
TOTAL	\$35,700 to \$73,750			

Notes:

(A) The Initial Franchise Fee will vary depending upon whether the Territory granted by us to you is classified as a Tier 1, Tier 2 or Tier 3 Territory. The Initial Franchise Fee for a Tier 1 Territory is between \$35,900.00 and \$45,900.00. The Initial Franchise Fee for a Tier 2 Territory is \$29,900.00. The Initial Franchise Fee for a Tier 3 Territory is \$19,900.00. Territories are classified as Tier 1, Tier 2 or Tier 3 based on a combination of demographic factors that include housing units, housing re-sale activity, real estate offices, and population.

(B) The vast majority of Pillar To Post franchisees operate their businesses from their homes. If you do not operate your business from your home, you may lease office

space. Typical locations are commercial areas or strip centers. Rent is estimated to be between \$10.00 and \$20.00 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 approximately 1,000 square feet. If you choose to rent office space, we estimate leasehold improvements at between \$0 and \$5,000.00, depending on factors such as size, condition and location of the leased premises.

(C) The Manual is on loan to you from us. You are required to pay to us a deposit fee of Two Hundred Fifty Dollars (\$250.00) prior to your receipt of the Manual. This fee will be placed into a non-interest bearing account. In the event you do not renew your franchise or are terminated, you must return to us the Manual. Upon receipt of the Manual by us, the deposit will be returned to you.

(D) You must purchase ladders, meters and miscellaneous tools needed in the home inspection business.

(E) Successful operation of your franchised business depends heavily upon use of computers and the Internet. You will be required to purchase computer equipment to manage your franchised business and for use in providing computerized home inspection reports to your customers. The minimum standards for this equipment are set forth in the specifications sheet which is attached to this document as Exhibit D.

(F) You will also be required to obtain and maintain policies of insurance, part of which will normally be required to be paid in advance. Because of substantial variations in the cost of insurance we cannot meaningfully estimate your costs of insurance. You are urged to contact an independent insurance agent for further information.

(G) 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 in order to develop a business plan for your particular operation.

(H) You must purchase from us or designated suppliers initial inventory of Proprietary Products, including Pillar To Post Home Inspection Reports, and other equipment and products which may from time to time be expressly approved in writing by us for use and/or sale at the Pillar To Post home inspection franchise. As of the date of this Offering Circular, there are no approved suppliers for these items other than us.

Note: 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; neither do they include any applicable taxes.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You are required to purchase Pillar To Post® Home Inspection Reports and Pillar To Post® brochures and other promotional supplies from us, and such other items as we may from time to time require for the operation of the Franchised Business. As of the date of this Offering Circular, there are no approved suppliers for these items other than us and there are no other products or services that must be purchased from approved suppliers. The cost of home inspection supplies, inventory and home inspection equipment purchased in accordance with specifications listed in this Offering Circular, the Franchise Agreement and the Manual represents close to 100% of your total purchases in connection with the establishment of your franchise and close to 100% of your total purchases in connection with the operation of your franchise. For the fiscal year ended December 31, 2005, \$2,315,000 in revenue was received from franchisees for required purchases from us, or approximately 52% of total revenue of \$4,461,000.

You are required to maintain insurance coverage of the types and minimum amounts specified in the Manual, this Offering Circular, the Franchise Agreement or supplementary notices. All such insurance must name us as an additional insured as such interest may appear and must provide that it may not be terminated, amended, canceled, or modified without at least fifteen (15) 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.

All products and services 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. 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 its 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.

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, and signs as we may reasonably direct from time to time.

Not less than thirty (30) days prior to the opening date of the Franchised Business, you must order from us or our Designated Suppliers such initial inventory of the Proprietary Products and equipment as provided 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. As of the date of this Offering Circular, 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.

ITEM 9

FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS OFFERING CIRCULAR.

Obligation	Section in Agreement	Item in Offering Circular
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	None	None
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	None	None
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	
q. Owner's participation/management/staffing	Sections 7 and 17.1	Item 15
r. Records/reports	Section 11	Item 6
s. Inspections/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

ITEM 10

FINANCING ARRANGEMENTS

Summary of Financing Offered to Franchisees

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

ITEM 11

FRANCHISOR'S OBLIGATIONS

Except as listed below, we need not provide any assistance to you.

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 attend prior to opening your Business (Franchise Agreement - Section 6).

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.

During the operation of the Franchised Business, we will:

1. Develop new products and methods and provide you with information about developments (Franchise Agreement - Section 3).

2. Supply our Manual that specifies standard operational procedures, policies, rules, and regulations established by us with which all franchisees are required to comply. This Manual is confidential and remains our property. A \$250 security deposit is required at the time you receive the Manual. We will modify the Manual from time to time, but the modification will not alter your status and rights under the Franchise Agreement. The Table of Contents for the Manual is listed in Exhibit "C" of this Offering Circular. We also supply our computer software.

3. Administer a promotional program designed to promote and enhance the value of all franchised Pillar To Post® Home Inspection services businesses (Franchise Agreement - Section 12).

We 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.

We will also hold conferences, additional training courses 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, marketing, and general operating procedures. You will be required from time to time to attend these conferences, additional training courses or seminars which we deem, in our reasonable judgement, to be of major importance to the operation of your Franchised Business. You must pay all your travel and living expenses associated with any required conference, training course or seminar. These conferences are held at our Tampa, Florida headquarters, our Mississauga, Ontario, Canada international headquarters or at another location chosen by us.

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 provided by the Brand Fund to all franchisees will include CD's and DVD's, posters, brochures, and other miscellaneous items. You will receive certain samples at no charge. If you want additional copies, you must pay duplication 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.

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 local advertising agencies hired by individual franchisees or advertising cooperatives. We reserve the right to use promotional fees from the Pillar To Post® Professional Home Inspection Franchise System to place advertising in national media (including broadcast, print or other media) in the future. All payments to the Brand Fund are spent on promotion, advertising and marketing of goods and services provided by Pillar To Post® Professional Home Inspection Franchisees; it is not used to sell additional franchises. You must contribute the amounts described in Item 6, under the heading "Brand Fee".

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 thereof. The Brand Fund is intended to maximize general public recognition, acceptance, and use of the System; and we are not obligated, in administering the Brand Fund, to make expenditures for you which 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 media advertising campaigns; direct mail advertising; marketing surveys; employing advertising and/or public relations agencies to assist in the promotions; purchasing promotional items; and providing promotional and other marketing materials 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 checks made payable to the Brand Fund. All sums paid by franchisees to the Brand Fund will be maintained in an account separate from the other monies of ours. Except for the reasonable expenses and overhead incurred to administer the Brand Fund discussed below, the Brand Fund and any earnings thereon 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 will be made available to franchisees upon reasonable request. During the last fiscal year of the Brand Fund (ending on December 31, 2005), the Brand Fund spent 25% on production, 44% on national media placement, 12% on administrative expenses and 19% on other expenses (which includes 9% on national marketing programs such as calendars and winter contests and 10% on tradeshow).

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.

You are required to have a computer system as described in the attached Exhibit D and an Internet Service Provider. You must license computer database and other proprietary software that will be made available from time to time from us; the cost of such license is included in the Franchise Fee. The software provided to you by us is proprietary to us, and we will provide ongoing maintenance, repairs, upgrades or updates of this software. You must pay for the costs for software maintenance, repairs, upgrades and updates and there is no contractual limitation on the frequency or cost of this obligation in the Franchise Agreement. At this time, we provide software for collection and storage of a database of your prospective clients and for generating marketing letters to those clients. We do not have access to the information and data generated by this software. We also provide software for our computerized home inspection report. This software is known as CHIRP or the Computerized Home Inspection Reporting Program. CHIRP allows you to document inspection findings for a customer using checkmarks, comments and digital photos. A report is printed at the time of inspection. We have access to the information and data generated by CHIRP and there are no contractual limitations on our right to access this information.

We estimate the typical length of time between the execution of the Franchise Agreement and the commencement of the Franchised Business is between thirty (30) and one hundred twenty (120) days. The factors that affect this time are financing, zoning or local ordinances, weather conditions, shortages, state licensing, permitting, etc.

You select your business site within your exclusive territory subject to our approval. The vast majority of Pillar To Post franchisees operate their businesses from their homes, which, in most cases, are 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. 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 did not result from your failure to exercise due diligence or use your best efforts.

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.

Prior to your actual commencement of business operations, you (or, if the Franchised Business is a corporation, then the manager designated by you and acceptable to us, or if a Partnership, then 50% of the partners) must attend and complete our training program for new franchisees. Additionally, a minimum of at least seventy-five percent (75%) of all your employees must attend and complete, at your expense, our training program. This training program consists of up to two (2) weeks instruction and training on the management and operation of the Franchised Business, including procedures for inspection of single family and various smaller multi-family residences. The training program will take place at our corporate headquarters training facilities in Tampa, Florida, our international corporate headquarters training facilities in Mississauga, Ontario, Canada, or at such other facility or city as we may designate. We will not pay compensation for any services performed by you in connection with and during such training, and you will be responsible for all travel expenses incurred by you arising in connection with attendance at the instruction course. You must satisfactorily attend and complete such training to our sole, subjective satisfaction, exercised in good faith.

You will be trained as follows:

SUBJECT	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING
Home Inspection Overview	Includes overview of home; what and why to inspect	1	
The Inspection Process	Tools & Attire; The Inspection Route/Approach; Defect Recognition	18	1
House Envelope	Includes interior and exterior of home; ventilation	9	3
Plumbing System	Water supply and distribution system; draining and venting subsystems	3	2
Heating & Cooling Systems	Types of heating systems; sources of heat; Types of cooling systems	6	2
Electrical System	Electricity systems; service entrance; elements of the service lines	4	2
House Structure	Exterior; roofing systems; foundation	4	3
Report Writing	Effective reporting and communication skills; use of the computerized reporting system	3	
Ethics/Standards	Code of Excellence	3	

Accounting; Business Structure	Accounting manual; corp., sole proprietorship, or partnership	1	
Intellectual Property	Use of Trademark; inspect. standards; inspect. Contract	3	
Marketing	Advertising; promotions; media usage	11	
Marketing	Computer database	3	
Stock Ordering; Royalty payment	Operations Manual	1	

Instructors' experience:

Mr. Trevor Welby-Solomon studied architecture at the University of Cape Town, Cape Town, RSA from 1965 to 1970. He also studied computer programming and systems analysis at the Toronto School of Business. He 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, a Certified Reserve Planner and a Registered Home Inspector. He joined Pillar To Post in 1999.

Mr. Steve Kloppenburg earned his BS Degree in English at University of Wisconsin and his MBA at Cardinal Stritch University, Milwaukee, Wisconsin. With more than 17 years of operations, marketing, and management experience, he has built many successful marketing teams. Throughout his career, Mr. Kloppenburg has demonstrated his ability to cultivate, retain, and service a large customer base. In addition to providing operational direction, he has written numerous marketing plans and is skilled in the art of networking. Mr. Kloppenburg joined Pillar To Post in 2002.

Mr. Charles Gravely is a licensed professional engineer with a Masters degree from McGill University, specializing in stress analysis and reliability of structures. Mr. Gravely owned his own building inspection business before founding Clarus Group, a technical writing company that focuses on the building industry. He is a licensed instructor for the Ontario Real Estate Association. He has created and taught hundreds of residential and commercial inspection training courses for home inspection businesses. Mr. Gravely joined Pillar To Post in 2002.

Mr. Henrik Leborg, Chief Financial Officer and Controller at Pillar To Post, has a Master's degree in Business Administration and a CA (Chartered Accountant) and a CPA (Certified Public Accountant). Prior to joining Pillar To Post, he worked as an account manager in commercial banking and as a controller in private industry. Mr. Leborg joined Pillar to Post in 2000.

Ms. Cheryl McNiven obtained the CHI (Certified Home Inspector) designation in 1996. She is responsible for technical support and claims handling. Ms. McNiven joined Pillar To Post in 2000.

ITEM 12

TERRITORY

Prior to the execution of the Franchise Agreement, we and you will agree to the size and location of the franchised territory (referred to herein and in the Franchise Agreement as the "Territory"), which will consist of an area, typically bounded by streets or other geographic borders, and will be set forth on a map attached to the Franchise Agreement. So long as you are not in default of any provision of the Franchise Agreement, we will not open, operate, or franchise others to open or operate a Pillar To Post® home inspection franchise within your Territory. Except as provided in the preceding sentence, you are not granted any rights in connection with the Franchised Business. You may not solicit orders within another Franchisee's 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 will not solicit orders within your territory provided that you are not in default of any provision of the Franchise Agreement.

We do not have established conditions under which we will approve the relocation of your defined territory or approve the establishment of additional territories. Franchisees are not usually granted options, rights of first refusal or similar rights to acquire additional territories.

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, attorneys, mortgage brokers, bankers, insurance agents, and relocation agencies will also be located throughout the Territory. Thus, the Franchised Business will not be operated exclusively from the Approved Location, but instead will be operated throughout the Territory.

Under a Tier 2 Territory, you must generate Gross Revenues of at least \$30,000 within the first twelve months of the signing of the Franchise Agreement; \$40,000 in the second 12 months; \$50,000 in the third 12 months; \$60,000 in the fourth 12 months; and, \$80,000 in the fifth 12 months. The minimum Gross Revenue requirements for Tier 1 and Tier 3 Territories are adjusted based on the different demographics and are set forth in addenda to the Franchise Agreement. See Exhibits G-2 and G-3. These sales volume 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. If you fail to generate Gross Revenues equal to or in excess of the minimum Gross Revenues provided in the Franchise Agreement, we may, at our option, operate or license other franchisees to operate Pillar To Post home inspection franchises inside of the Territory.

Except for rights expressly granted to you under the Franchise Agreement, we retain all of our rights and discretion with respect to the Trademark, 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 Trademark 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 Trademark, under terms and conditions we deem appropriate.

ITEM 13

TRADEMARKS

You are granted the right to open and operate a home inspection service under the name "Pillar To Post Professional Home Inspection". You may also use our other current or future Trademarks to operate your service. By Trademark we mean trade names, trademarks, service marks and logos used to identify your service. The Trademark and logo appear in the upper left-hand corner of the front page of this Offering Circular.

You must follow our rules when you use the Trademark. You cannot use a 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 Trademark in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

On February 27, 1996, we registered the Trademark "Pillar To Post Professional Home Inspection" on the United States Patent and Trademark Office principal register, registration number 1,958,951.

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

There are no agreements presently in effect that would substantially limit the rights of us to use or license the use of the Trademark.

You must promptly notify us of any unauthorized use of the Trademark, any challenge to the validity of the Trademark, 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 Trademark. 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 Trademark. While we are not required to defend you against a claim against your use of the Trademark, we will reimburse you for your liability and reasonable costs in connection with defending the Pillar To Post Trademark. 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 Trademark in accordance with the Franchise Agreement, the cost of such defense, including the cost of any judgement or settlement, will be borne by you.

You must modify or discontinue the use of the Trademark if we modify or discontinue it. If this happens, we will reimburse you for your tangible costs of compliance (for example, changing signs). 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 Professional Home Inspection System and Franchised Businesses.

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

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 Marks on public computer networks. You may not establish or maintain a World Wide Web site, 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

You do not receive the right to use an item covered by a patent or copyright, but you can use the proprietary information in the Manual. The Manual is described in Item 11. Although we have not filed an application for a copyright registration for the Manual, we claim a copyright and the information is proprietary. Item 11 describes limitations on the use of the Manual by you and your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action, but will respond to this information as we think appropriate.

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 and must attend the Pillar To Post® Home Inspection initial training program. In the case of a corporate 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 corporate or partnership entity, and must have taken the initial training course.

Neither you nor the "on-premises" manager can have an interest in or business relationship with any of Pillar To Post's business competitors. The manager or supervisor must sign an agreement to maintain confidentiality of the trade secrets described in Item 14 and conform to the covenants not to compete described in Item 17. The manager or supervisor, the officers and directors of a corporate franchisee, 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 Agreements.

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. Goods used in connection with your home inspection service must be approved by us prior to you using 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.

There are no restrictions as to the identity of 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 not recommend yourself or any one else to effect any repairs or cure any defects disclosed by your inspection.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the standard Franchise Agreement. You should read these provisions in the agreements attached to this Offering Circular.

Provision	Section in the Franchise Agreement	Summary
a. Term of Franchise	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	Written notice to renew, not in default, sign new agreement, sign release, pay fee
d. Termination by you	None	You may terminate the Franchise Agreement only if allowed to by law
e. Termination by us without cause	Section 15	Bankruptcy, seizure of premises, foreclosure of mortgage on premises
f. Termination by us with cause	Section 15	Terminate only if you default
g. "Cause" defined - defaults which can be cured	Section 15.3	You have 30 days to cure: non-payment of fees, failure to obtain prior written permission from us
h. "Cause" defined - defaults which cannot be cured	Section 15.2	Non-curable defaults: abandonment, trademark misuse, felony conviction, unapproved transfer, repeated defaults even if cured, failure to attend mandatory training, seminars and programs, failure to maintain required insurance
i. Your obligations on termination/nonrenewal	Section 16	Cease and desist use of all marks, and payment of amounts due
j. Assignment of contract by us	Section 14	No restriction on our right to assign
k. "Transfer" by you - definition	Section 14	Includes transfer of contract or assets or ownership change
l. Our approval of transfer by Franchisee	Section 14	Has the right to approve all transfers, but will not unreasonably withhold approval
m. Conditions for our approval of transfer	Section 14	New Franchisee qualifies, transfer fee paid, payment of all amounts owed, training arranged, release signed by you and current agreement signed by new franchisee
n. Our right of first refusal to acquire your business	Section 14.5	Can match any offer for the Franchised Business
o. Our option to purchase your business	None	
p. Your death or disability	Section 14.6	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	No involvement in competing business
r. Non-competition covenants after the franchise is terminated or expires	Section 17.3	No competing business for 2 years within old Territory or within the territory of another Franchised Business that abuts the old Territory
s. Modification of the agreement	Section 23	No modifications generally, but Operations Manual subject to change
t. Integration/merger clause	Section 23	Only the terms of the Franchise Agreement are binding (subject to state law). Other promises may not be enforceable
u. Dispute resolution by arbitration or mediation	Section 25	Except for certain claims, all disputes must be arbitrated in Florida
v. Choice of forum	Section 25	Litigation must be in Florida
w. Choice of law	Section 25	Florida law applies

Some of the agreement provisions referred to above may be void under some state franchise laws. See Exhibit I.

These states have statutes that may supersede the Franchise Agreement in our relationship with you including the areas of termination and renewal:

Arkansas [Ark. Stat. § 72-201]; California [Bus. & Prof. Code §§ 20000-20043]; Connecticut [Conn. Gen. Stat. § 42-133e et seq.]; Delaware [Del. Code, tit.6, § 2551-6 et seq.]; Hawaii [Haw. Rev. Stat. § 482E-1]; Illinois [815 ILCS 705/19 and 705/20]; Indiana [Ind. Stat. § 23-2-2.7]; Iowa [Iowa Code §§ 523H.1 - 523H.17]; Minnesota [Minn. Stat. § 80C.14]; Mississippi [Miss. Code § 75-24-51]; Missouri [Mo. Rev. Stat. § 407.400]; Nebraska [Neb. Rev. Stat. § 87-401]; New Jersey [N.J. Stat. § 56:10-1]; South Dakota [S.D. Codified Laws § 37-5A-51]; Virginia [Va. Code §§ 13.1-557-574-13.1-564]; Washington [Was. Code § 19.100.180]; Wisconsin [Wis. Stat. § 135.03].

These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of the franchise.

ITEM 18

ARRANGEMENTS WITH PUBLIC FIGURES

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

ITEM 19

EARNINGS CLAIMS

Representations Regarding Earnings Capability

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income, or profits of our franchised "home inspection services" businesses. Actual results vary from unit to unit and we cannot estimate the results of any particular franchise.

ITEM 20

LIST OF OUTLETS

FRANCHISED STORE STATUS SUMMARY - U.S. FOR YEAR

2005/2004/2003

STATE	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY FRANCHISOR	LEFT THE SYSTEM - OTHER	TOTAL FROM LEFT COLUMNS	FRANCHISES OPERATING AT YEAR END
Alabama		0/0/1			0/0/0	0/0/1	7/6/1
Arizona	0/1/1				0/0/0	0/1/1	14/9/8
Arkansas						0/0/0	2/2/1
California	2/0/0	3/1/0			0/0/0	5/1/0	26/24/19
Colorado		0/1/0				0/1/0	13/8/10
Connecticut	1/0/0					1/0/0	6/3/3
Delaware					0/0/1	0/0/1	0/0/0
Florida	1/0/3	1/1/0				2/1/3	30/28/23
Georgia	1/0/0				0/0/0	1/0/0	23/20/21
Idaho	1/0/0	1/0/1				2/0/1	4/4/3
Illinois	0/1/0	0/1/0			0/0/0	0/2/0	17/14/13
Indiana		1/1/0				0/0/0	7/6/3
Iowa						0/0/0	6/4/2
Kansas		0/1/0			0/0/0	0/1/0	1/1/1
Kentucky		1/1/0				1/1/0	6/6/5
Louisiana			0/1/0			0/1/0	0/0/1
Maine						0/0/0	2/5/5
Maryland		1/0/2			0/0/1	1/0/3	8/8/6
Massachusetts					0/0/0	0/0/0	0/0/1
Michigan	0/1/0				0/0/1	0/1/1	12/12/10
Minnesota	0/0/0	0/1/0				0/1/0	9/8/8

Mississippi						0/0/0	1/0/0
Missouri		1/0/0				1/0/0	5/5/3
Montana						0/0/0	3/3/2
Nebraska						0/0/0	1/1/1
Nevada						0/0/0	4/4/1
New Hampshire	0/1/0					0/0/0	3/3/2
New Jersey	1/0/0					1/0/0	22/20/14
New Mexico						0/0/0	2/2/2
New York	0/3/1	5/1/1				5/4/2	19/23/19
North Carolina	0/2/0	0/0/1				0/0/0	15/13/8
North Dakota	0/0/0	0/0/0				0/0/0	1/1/1
Ohio	0/0/0	2/0/0				2/0/0	19/20/17
Oklahoma		1/0/0				1/0/0	2/3/1
Oregon	0/1/0					0/1/0	10/9/8
Pennsylvania	0/2/0	1/0/1				0/0/0	19/19/12
Rhode Island		0/0/1				0/0/1	0/0/0
South Carolina		0/1/0				0/1/0	6/4/3
South Dakota							1/0/0
Tennessee	0/0/1	1/0/0				1/0/1	13/12/12
Texas	1/1/1	1/0/0				2/1/1	19/17/15
Utah						0/0/0	4/4/2
Virginia		0/0/1				0/0/1	11/9/5
Washington	1/3/1	1/0/0				0/0/0	21/19/16
West Virginia							1/1/0
Wisconsin	1/1/0	2/0/0				3/1/0	14/13/13
TOTAL	10/17/8	23/11/9	0/1/0			0/0/3	33/28/20
							409/373/301

Totals are for December 31 of years 2005, 2004 and 2003.

STATUS OF COMPANY OWNED STORES
FOR YEARS 2005/2004/2003

STATE	STORES CLOSED DURING YEAR	STORES OPENED DURING YEAR	TOTAL STORES OPERATING AT END OF YEAR
	0/0/0	0/0/0	0/0/0

We do not have company owned stores.

PROJECTED OPENINGS AT DECEMBER 31, 2005 – U.S.

STATE	FRANCHISE AGREEMENT SIGNED BUT STORE NOT OPEN	PROJECTED FRANCHISED NEW STORES IN THE NEXT FISCAL YEAR	PROJECTED PILLAR TO POST INC. OWNED OPENINGS IN NEXT FISCAL YEAR
Alabama	0	2	0
Arizona	0	1	0
Arkansas	0	2	0
California	0	8	0
Colorado	0	1	0
Connecticut	0	2	0
Delaware	0	1	0
Florida	0	3	0
Georgia	0	2	0
Idaho	0	1	0
Illinois	0	2	0
Indiana	0	3	0
Iowa	0	1	0
Kansas	0	1	0
Kentucky	0	1	0
Louisiana	0	0	0
Maine	0	0	0
Maryland	0	1	0
Massachusetts	0	0	0
Michigan	0	1	0
Minnesota	0	1	0
Missouri	0	2	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	2	0
New Hampshire	0	0	0
New Jersey	0	1	0
New Mexico	0	0	0
New York	0	1	0
North Carolina	0	5	0
North Dakota	0	0	0
Ohio	0	2	0
Oklahoma	0	2	0
Oregon	0	1	0
Pennsylvania	0	3	0
Rhode Island	0	1	0
South Carolina	0	2	0

Tennessee	0	1	0
Texas	0	6	0
Utah	0	0	0
Virginia	0	2	0
Washington	0	1	0
West Virginia	0	1	0
Wisconsin	0	2	0
TOTAL	0	71	0

ITEM 21

FINANCIAL STATEMENTS

Exhibit E to this Offering Circular contains the following financial statements:

- (1) audited financial statements of The Franchise Company (U.S.) Inc., as parent of Pillar To Post Inc., for the fiscal years ended December 31, 2005 and December 31, 2004;
- (2) audited financial statements of The Franchise Company (U.S.) Inc., as parent of Pillar To Post Inc., for the fiscal years ended December 31, 2004 and December 31, 2003; and

IF ANY OF THE ENCLOSED FINANCIAL STATEMENTS ARE UNAUDITED, PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO CONTENT OR FORM.

The Federal Trade Commission and certain states require that a Guarantee of Performance be given by The Franchise Company (U.S.) Inc. Original guarantees are on file with the states identified in Exhibit H. Copies of the guarantees are attached as Exhibit F. The Franchise Company (U.S.) 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 proposed for use in respect of a franchise with a Tier 2 territory. Attached to the Franchise Agreement as Exhibits are: Exhibit "G-1", a Personal Guarantee to be signed by you; Exhibit "G-2", a copy of the Addendum amending the Franchise Agreement for Tier 1 territories; Exhibit "G-3", a copy of the Addendum amending the Franchise Agreement for Tier 3 territories; Exhibit "G-4", which provides a schedule of required computer equipment (same as Exhibit D of this document); and, Exhibit "G-5", the Friendship Agreement, which addresses marketing, territory and boundary issues between neighboring Pillar To Post® home

inspection franchises.

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

ITEM 23

RECEIPT

Attached to this Offering Circular at the last page is a Receipt prepared in duplicate. You must sign both copies of the Receipt. Please retain one copy for your records. Return the other copy to Pillar To Post Inc., 13902 N. Dale Mabry Hwy., Suite 300, Tampa, Florida 33618.