

FRANCHISE DISCLOSURE DOCUMENT



Inspect-It 1st, LLC
a Delaware limited liability company
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The franchise is offered to provide Property Inspection Services and other related, optional property inspection services, such as termite, pool/spa, septic, well, and infrared thermography, and environmental inspections and testing, such as mold, asbestos, and radon testing among other inspections and tests that may be provided during a property inspection. ("**Property Inspection Business**" or "**Franchise**"). "

The total investment necessary to begin operation of an Inspect-It 1st franchised business is \$13,300-43,400. This includes \$24,900 that must be paid to Franchisor or its affiliates (or \$6,000 that must be paid to Franchisor or its affiliates if you are an IIF Conversion as defined below).

Included in this franchise offering is also the incremental right, but not the obligation, to conduct a home and building performance testing and improvements business using the trademark "Pro Energy Consultants". Such right is available to you beginning twelve (12) months after the commencement date of your Inspect-It 1st business and may be exercised by signing Attachment G to the Franchise Agreement. Home and building performance testing services include, but are not limited to, energy audits, energy monitoring, new construction ratings, duct testing, and indoor air quality testing. The total incremental investment necessary to begin operation of a Pro Energy Consultants Franchised Business is \$19,500 to \$30,550. This includes up to \$14,000 that must be paid to the Franchisor or its affiliates.

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 have the option of receiving a paper copy or a compact disc of the disclosure document. To request a paper or compact disc copy, contact the Compliance department at (877) 392-6278.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read the entire contract carefully. Show the contract

and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

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STATE COVER PAGE

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

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

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

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

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN OHIO. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN OHIO THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT OHIO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. EVEN THOUGH THIS FRANCHISE AGREEMENT PROVIDES THAT HOME STATE LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THE DISCLOSURE DOCUMENT FOR DETAILS.
4. FAILURE TO MAINTAIN CERTAIN LEVELS OF GROSS REVENUES AUTHORIZES THE FRANCHISOR TO TERMINATE THE FRANCHISE AGREEMENT. REFER TO ITEM 12 FOR COMPLETE DETAILS.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: _____

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