

FRANCHISE DISCLOSURE DOCUMENT

WORLD INSPECTION NETWORK INTERNATIONAL, INC.

an Alabama corporation 9238 Madison Boulevard Suite 750 Madison, Alabama 35758 1-800-967-8127

E-mail: info@winhomeinspection.com



The franchisee will operate a residential building inspection service.

The total investment necessary to begin operation of a World Home Inspection Network International, Inc. ("WINI") franchised business is \$47,900 to \$58,500 for a Standard Designated Marketing Area and \$39,900 to \$50,500 for an Alternate Designated Marketing Area. This includes \$32,000 (which must be paid in full at signing) that must be paid to the franchisor for a Standard Designated Marketing Area or \$24,000 (which must be paid in full at signing) for an Alternate Designated Marketing Area, estimated third-party expenses, software licenses and state-mandated training fees for the states of Arizona, Louisiana, North Carolina, New Jersey, Nevada and Texas that currently can cost up to \$5,000 (for the State of New Jersey). WINI will reimburse a new franchisee in the amount of up to \$2,000 to cover the actual costs of travel, meals and lodging incurred in attendance at our required initial training program unless such funds are used to pay for initial state-mandated training requirements.

In certain instances, the fees to be paid to the franchisor for a Standard Designated Marketing Area or an Alternate Designated Marketing Area may be reduced for qualified military veterans in accordance with the WIN FOR AMERICA program as described in Item 5 of this disclosure document.

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 affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 9238 Madison Boulevard, Suite 750, Madison, Alabama 35758, 1-800-967-8127.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

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

Issuance Date: March 29, 2013



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 <u>Exhibit F-1</u> 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 WINI BY MEDIATION AND THEN LITIGATION ONLY IN MADISON, ALABAMA. OUT-OF-STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE AND LITIGATE WITH WINI IN ALABAMA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT ALABAMA 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. THE FRANCHISE AGREEMENT REQUIRES THE SPOUSES OF FRANCHISE OWNERS, SHAREHOLDERS, PARTNERS AND MEMBERS, IF THEY ARE NOT INVOLVED IN THE FRANCHISED BUSINESS, TO CONSENT AND AGREE THAT ALL ASSETS AND PROPERTY THAT ARE HELD JOINTLY, WHETHER AS JOINT TENANTS OR TENANTS BY THE ENTIRETIES, WILL BE SUBJECT TO CLAIMS UNDER THE FRANCHISE AGREEMENT. THE GUARANTY PLACES ALL OF THE PERSONAL ASSETS OF THE OWNERS, SHAREHOLDERS, PARTNERS AND MEMBER AND THEIR SPOUSES AT RISK.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.



STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise and registration and disclosure laws, with the following effective dates:

California

Illinois

Indiana

Maryland

Michigan

Minnesota

Nebraska

New York

Utah

Virginia

Washington

Wisconsin

In all other states that are not registration states, the effective date of this Franchise Disclosure Document is the issuance date of March 29, 2013.

WINI does not offer or sell franchises in any of the states listed in the first paragraph above in which WINI is not registered.

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