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FRANCHISE DISCLOSURE DOCUMENT

PDA

PROPERTY DAMAGE APPRAISERS, INC
A Texas Corporation
6100 Southwest Boulevard, Suite 200
Fort Worth, Texas 76109-3964
(800) 872-4732
franchise@pdaorg net
www pdacorporation com

The franchises described in this Disclosure Document are for the establishment and operation of a property damage appraisal business under the names PROPERTY DAMAGE APPRAISERS and PDA

The total investment necessary to begin operation of a Property Damage Appraisers, Inc, franchise is $75,888 to $653,425, including an initial franchise fee payable to PDA that currently ranges from $50,000 to $600,000 depending upon market size and conditions and performance as well as book of business and performance factors where the particular Property Damage Appraisers business is being resold by PDA from a terminated or expired prior franchise

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 to you To discuss the availability of disclosures in different formats, contact the Franchise Business Administrator at 6100 Southwest Boulevard, Suite 200, Fort Worth, Texas 76109 or at 800-872-4732

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 an 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 D C 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

ISSUED April 4, 2017

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 D 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 MEDIATION OR ARBITRATION IN TEXAS OUT-OF-STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN TEXAS THAN IN YOUR OWN STATE ANY DISPUTES WITH US THAT ARE NOT SUBJECT TO ARBITRATION MUST BE RESOLVED BY LITIGATION IN TEXAS IT MAY COST YOU MORE TO LITIGATE WITH US IN TEXAS THAN IN YOUR OWN STATE

2 THE FRANCHISE LICENSE AGREEMENT STATES THAT TEXAS 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 FRANCHISEE'S SPOUSE IS REQUIRED TO SIGN A PERSONAL GUARANTY OF THE FRANCHISEE'S OBLIGATIONS SUCH SPOUSE IS JOINTLY AND SEVERALLY LIABLE FOR ALL DEBTS OF THE FRANCHISE WHETHER OR NOT SUCH SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISEE AND SPOUSE AT RISK

4 THERE MAY BE OTHER RISK FACTORS CONCERNING THIS FRANCHISE

We do not use the services of Franchise Brokers or referral services to assist us in selling our franchises

Effective Date April 4, 2017

[See state specific effective dates, if different from the above date, on next page]

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 registration and disclosure laws, with the following effective dates

California	May 22, 2017
Hawaii	May 11, 2017
Illinois	April 21, 2017
Indiana	April 21, 2017
Maryland	October 12, 2017
Michigan	May 19, 0217
Minnesota	August 21, 2017
New York	June 26, 2017
North Dakota	April 10, 2017
Rhode Island	April 17, 2017
South Dakota	April 5, 2017
Virginia	April 13, 2017
Washington	pending
Wisconsin	April 4, 2017

Notes

[1]On March 22, 2017, we filed an Exemption in the state of Florida

[2]On March 1, 2017, we filed an Exemption in the state of Utah

TABLE OF CONTENTS

EXHIBITS

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language, this Disclosure Document uses "we" or "us" or "PDA" to mean Property Damage Appraisers, Inc, the Franchisor "You" means the individual, corporation, or other entity that buys a PDA Franchise

Franchisor, Parent, and Affiliates

PDA is a Texas corporation that was incorporated on July 16, 1963 PDA does business under the name "Property Damage Appraisers" and "PDA" Our principal business address is 6100 Southwest Boulevard, Suite 200, Fort Worth, Texas 76109 PDA does business under the service marks "Property Damage Appraisers" and "PDA"

PDA has no parents, predecessors or affiliates

Agent for Service of Process

PDA's agent for service of process is disclosed in Exhibit "E"

Prior Experience

PDA offers and sells franchises for the right to do appraisal businesses under the marks "Property Damage Appraisers" and "PDA," which specializes in providing damage appraisal services of property, automobiles, motorcycles, heavy equipment, off-road equipment, boats, recreational vehicles, mobile homes and real property (the "System")

PDA has been offering and selling franchises since its incorporation in 1963 PDA may, from time-to time, own and operate Property Damage Appraisers businesses in select locations throughout the nation or may temporarily operate such businesses in the markets of franchisees whose franchises have terminated or expired with the intent of refranchising such businesses, it currently operates nine (9) company-owned Property Damage Appraisers businesses PDA operates a virtual estimating, web-based application called "PDA Xpress" that allows for clients to take pictures of their automobile damage and have a claim assigned to a network of appraisers to obtain a response, in many instances, to their claim within hours PDA Xpress is not part of the System or the Franchise Business (defined below) PDA does not currently own or operate any other Property Damage Appraisers business

PDA does not do business in any other name other than PDA Xpress and has not offered franchises for any other line or type of business

PDA does not maintain a sales organization in any state other than Texas

The Business We Offer

PDA offers to certain qualified individuals, corporations, and partnerships the opportunity to develop and operate an appraisal business (the "Franchised Business") in a System that includes the right to use various trade names, trademarks and service marks and includes uniform standards, specifications and procedures for performing appraisal services, quality and uniformity of products and services offered, training and assistance, and advertising and promotional programs You will have the right and obligation to establish a single Franchised Business at a specific location (the "Office") The Franchise License Agreement that you will be required to execute will be the form of Franchise License Agreement attached to this Disclosure Document as Exhibit A PDA will designate a non-exclusive marketing area for the Franchised Business (the "Marketing Area") Unless approved by PDA in writing, the Office must at all times be located within the Marketing Area You must use your best efforts to promote and maximize the sale of the Franchised Business's appraisal services in your marketing area

The Franchised Business's products and services are marketed primarily to insurance companies that provide casualty and property damage insurance coverage However, appraisals are occasionally performed for individuals and other organizations You may operate the Franchised Business from an Office located in commercial space or your residence, subject to PDA's approval

The market for appraisal services is well established However, the property damage appraisal business is highly competitive You will have to compete with other independent appraisers as well as with internal appraisal departments of insurance companies, motor vehicle dealerships and automobile repair shops

Law or Regulations that May Apply to the Franchised Business

Some states require persons who perform property appraisals to be licensed by the state, however because the Franchised Business primarily involves the appraisal of personal property damage, you should not be subject to licensing requirements directed to real estate appraisers Laws governing these matters vary from state to state You should determine what laws, if any, you will need to comply with before acquiring a franchise

ITEM 2

BUSINESS EXPERIENCE

Chairman of the Board Merrell Athon

Started in January 1989 as President of Wareing, Athon and Company, an investment company located in Houston, Texas where he is still employed In April 1989, Mr Athon was appointed as a director for PDA He was appointed Chairman of the Board April 2003

Chief Executive Officer Tom Dolfay

In March 2010, Mr Dolfay was hired as PDA's Chief Executive Officer in Fort Worth, TX, where he is still currently employed

Chief Business Development Officer. Tom Slimak

In February 2011, Mr Slimak was hired as PDA's Northeast Regional Manager in Fort Worth, TX where he is still employed In February 2012, Mr Slimak was promoted to Asst Vice President of Heavy Equipment/Specialty In January 2015, Mr Slimak was promoted to Chief Business Development Officer

Chief Operations Officer Kenneth Loose

Started in June 2008, Mr Loose was employed as the Assistant Vice President/MGA Liaison of Claims for Balboa Insurance in Plano, TX, where his employment ended August 2010 Started in January 2011, Mr Loose was hired as PDA's Vice President of Operations in Fort Worth, TX In January 2015, Mr Loose was promoted to Chief Operations Officer in Fort Worth, TX, where he is currently employed

Chief Compliance Officer Grady Nance

In December 2009, Mr Nance was employed with Nationwide Insurance as a Technical Director, where his employment ended in February 2013 In February 2013, Mr Nance was employed with Crown Mercedes Benz as a Service Manager, where his employment ended in October 2014 In October 2014, Mr Nance was employed with Gerber Collision as a General Manager, where his employment ended in April 2015 In April 2015, Mr Nance was hired as PDA's Assistant Vice President of Sales & Operations, in Fort Worth, TX In March 2017, he was promoted to Chief Compliance Officer

Chief Sales & Marketing Officer David Eisman

In June 2011, Mr Eisman was self-employed at P&C iClaim Solutions in Deerfield, IL, where his employment ended June 2014 In June 2014, Mr Eisman started as PDA's Vice President of Sales & Marketing in Fort Worth, TX In January 2015, Mr Eisman was promoted to Chief Sales & Marketing Officer in Fort Worth, TX, where he is currently employed

Director Leland A Hodges

On July 16, 1963, Mr Hodges was appointed as a director Mr Hodges has been self-employed with The Hodges Companies in Fort Worth, TX, since June 1988

Director Jeffrey Dillard

In April 1989, Mr Dillard was appointed as a director Since June 1981, his principal occupation is that of Vice President of Cobra Oil & Gas Corporation in Wichita Falls, Texas, where he is currently employed

Director John S Hawkins

In April 1989, Mr Hawkins was appointed as a director He has been the President of Hawkins-Welwood Homes, L P in Dallas, TX, since October 1989

Director   Mark Neyland

In February 2006, Mr Neyland was appointed as a director He is currently the partner and CEO of the Pawn Shop Management Company in Fort Worth, TX, since February 2000

Director. Burch Waldron

In February 2008, Mr Waldron was appointed as a director His principal occupation is an Attorney for Law, Snakard & Gambill, P C in Fort Worth, TX, since July 2005

ITEM 3

LITIGATION

Timothy Mott vs Property Damage Appraisers, Inc , Case No 01-17-0000-2633, before the American Arbitration Association, Fort Worth, Texas, 4 16-cv-00121-Y, in the United States District Court for the Northern District of Texas, Fort Worth Division Timothy Mott filed this lawsuit in Washington state court on March 9, 2015 alleging that PDA terminated Mr Mott's franchise agreement without proper notice and without good cause and in violation of Washington franchise laws The lawsuit was subsequently removed and transferred to federal court in Fort Worth, Texas Mr Mott alleges that termination was the result of unlawful discrimination by PDA and that PDA has withheld moneys due to Mr Mott in breach of franchise agreement and that the franchise agreement contains unenforceable and unconscionable provisions Mr Mott seeks declaratory relief, actual damages, exemplary trebled damages, and costs and attorneys' fees PDA denies Mr Mott's allegations This action remains pending in the United States District Court for the Northern District of Texas and has been stayed for arbitration, which is now proceeding through the American Arbitration Association in Fort Worth, Texas

Gary and Sue Rakestraw v Property Damage Appraisers, Inc , Case No 01-17-0002-0492, before the American Arbitration Association, Orange County, CA Mr & Mrs Rakestraw initiated this arbitration proceeding on April 8, 2017 alleging that PDA is in breach of the franchise agreement by asking for additional audit reports beyond the scope of the agreement and that PDA has wrongly accused Mr & Mrs Rakestraw of falsifying their financial reports to PDA The Rakestraws also allege that PDA provided them with an out-of-date franchise disclosure document in connection with a July 2014 franchise agreement Mr & Mrs Rakestraw further allege that PDA is wrongfully threatening termination of the franchise agreement in an attempt to "usurp" their "territory" and seeks damages for that PDA denies the allegations of Mr & Mrs Rakestraw This proceeding remains pending through the American Arbitration Association in Orange County, California

Dean G Del Vecchio, Sr v Property Damage Appraisers, Inc , Case No 3 14-cv-01653-SRU, in the United States District Court for the District of Connecticut Plaintiff Dean G Del Vecchio, Sr , a PDA franchisee, filed this lawsuit on November 5, 2014, alleging that PDA violated the Connecticut Franchise Act and his Franchise License Agreements when it delivered a Notice of Default letter to Mr Del Vecchio and indicated that Mr Del Vecchio's franchises would be terminated pursuant to the Franchise License Agreements Mr Del Vecchio sought injunctive relief to prohibit PDA from terminating his franchise and alleged PDA's actions constituted wrongful termination of his agreements under the contractual provisions and under Connecticut franchise laws and unfair trade practice laws and sought damages for that PDA defended against the claims asserted by Mr Del Vecchio PDA and Mr Del Vecchio agreed to submit to a mediation in Fort Worth, Texas pursuant to the dispute resolution provisions in the Franchise License Agreements The matter was ultimately settled at the mediation wherein PDA assumed control of the operations of the franchises and Mr Del Vecchio was given the opportunity to sell his franchises The settlement agreement included a full release for PDA and the dismissal of this lawsuit

Brian K Nygaard, an individual d/b/a as PDA Sacramento and PDA Stockton and BKN Appraisals, Inc v Property Damage Appraisers, Inc and DOES 1-50 , Case No 16-cv-02184, in the United States District Court for the Eastern District of California, Sacramento Division The Plaintiffs Brian K Nygaard, d/b/a PDA Sacramento and PDA Stockton and BKN Appraisals, Inc (collectively "Plaintiffs") originally brought this lawsuit against PDA in California state court, PDA removed the case to federal court Following PDA's termination of the Plaintiffs' franchises as a result of multiple infractions and violations of the Plaintiffs' Franchise License Agreements related to among other things missed mandatory meetings, failures to submit required marketing plans or other reports or to timely enter data related to pending assignments, the Plaintiffs filed this lawsuit asserting causes of action for breach of contract, wrongful termination of franchise in violation of California franchise law, breach of implied covenant of good faith and fair dealing, conversion, and unfair and unlawful business practices in violation of California law Plaintiffs seek damages for loss of its franchised business and injunctive relief with respect to PDA's alleged unfair or fraudulent practice of asserting violations or infractions allegedly not based upon specific contractual provisions PDA denies Plaintiffs' allegations The Plaintiffs also assert causes of action against unknown affiliates of PDA for assisting or aiding and abetting PDA"s alleged violations This action remains pending in the United States District Court for the Eastern District of California and has been referred to mediation pursuant to the Franchise License Agreement

Property Damage Appraisers, Inc v Todd R Andersen, Case No 01-17-0003-3008 This arbitration proceeding is pending before the American Arbitration Association, Fort Worth, Texas PDA initiated this arbitration proceeding against former franchisee Todd R Andersen on June 2, 2017 to recover damages attributable to breaches by Mr Andersen of post-termination nonsolicitation and noncompete covenants In late 2016, PDA sent Mr Andersen notice that PDA would be terminating his franchise for falsifying records and knowingly maintaining false books and records Mr Andersen entered into a Settlement Agreement with PDA on February 10, 2017 permitting Mr Andersen to attempt to sell his franchise in lieu of outright termination In this Settlement Agreement, Mr Andersen promised to comply with any nonsolicitation provisions contained in the Franchise License Agreement, which state that during the term of the Franchise License Agreement and for a two-year period following the date the Franchise License Agreement is terminated, Mr Andersen would not take or attempt to take any business or customer away from any PDA franchise Mr Andersen also agreed that he would not open a competing business located in Jackson County, Larimer County, and parts of Boulder County, Colorado PDA alleges that Mr Andersen has violated this agreement by opening and operating competing businesses in these areas and soliciting PDA clients and that Mr Andersen is tortiously interfering with PDA's other franchise agreements and business relationships PDA alleges that Mr Andersen is liable to PDA for monetary damages suffered as a result of this conduct

Kevin Johnston v Property Damage Appraisers, Inc , Cause No 4-09CV-292-A - On May 26, 2009, Kevin Johnston, a PDA multi-unit franchisee operating franchised businesses in Miami, Florida and Ft Lauderdale, Florida, filed suit in the United States District Court for the Northern District of Texas, Fort Worth Division in a suit styled *Kevin Johnston v Property Damage Appraisers, Inc* , Cause No 4-09CV-292-A, seeking to enjoin PDA from terminating the Ft Lauderdale franchise as a result of that franchise's failure of audits conducted by PDA, seeking a declaration that Mr Johnston had not breached his Franchise license Agreement with respect to the Ft Lauderdale franchise, and asserting breach of contract claims against PDA The court issued a preliminary injunction which prohibited PDA from terminating the Ft Lauderdale franchise pending a trial on the merits PDA denied the claims of Mr Johnston and contended that it properly terminated the Ft Lauderdale franchise PDA asserted counterclaims against Mr Johnston for breach of contract and also sought a declaration that the termination of the Ft Lauderdale franchise was appropriate and a declaration as to the date of expiration for the Miami franchise On June 15, 2009, PDA and Mr Johnston entered into a confidential settlement agreement, pursuant to which each party agreed to dismiss their claims in the lawsuit and each party denied liability to the other party As part of the settlement agreement, (i) Mr Johnston's rights to the Ft Lauderdale franchise were terminated, (ii) Mr Johnston's rights in connection with the Miami franchise were expanded to include three additional counties, (iii) PDA's audit procedures were approved, but as to Mr Johnston's Miami franchise, the parties agreed that any failure of all or part of an audit would require Mr

Johnston and/or his office manager to attend training in Fort Worth, Texas and not termination, (iv) the PDA Miami franchise agreement was extended to June 15, 2012, but all renewal options were terminated, (v) PDA agreed to waive Mr Johnston's non-competition obligations if he sells the Miami franchise, (vi) PDA waived its right to receive a royalty from the PDA Miami operations for a period of one year, and (vii) PDA agreed to provide Mr Johnston with a credit for certain fees that would have been owed by the Ft Lauderdale location and agreed to pay to Mr Johnston a portion of such credit if Mr Johnston sells the PDA Miami franchise The court dissolved the injunction and dismissed the case, with prejudice, on June 17, 2009

Other than these actions, no litigation is required to be disclosed in this Item

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

ITEM 5

INITIAL FEES

You must pay PDA an initial franchise fee that is not uniform in amount and is an amount to be determined by PDA ranging in amount from $50,000 to $600,000, depending upon market size and conditions and performance as well as book of business and performance factors where the particular Property Damage Appraisers business is being resold by PDA from a terminated or expired prior franchisee The initial franchise fee is a valuation based on a discounted cash flow method, including estimated future cash flows, an estimated discount rate after considering the risk of future cash flows, and a computation of the present value of future cash flows Such initial franchise fee will be payable to PDA either in a lump sum upon signing the Franchise License Agreement or, by agreement of you and PDA, such initial franchise fee may be financed pursuant to a 5-year promissory note Such initial franchise fee is nonrefundable

PDA did not charge or collect any initial franchise fees during the 2016 fiscal year

ITEM 6

OTHER FEES*

TYPE OF FEE*	AMOUNT	DUE DATE	REMARKS
Royalty (Note 1)	15% of Weekly Gross Invoice Fees	On or before the fifth business day after you submit the required weekly report of Gross Invoice Fees	You must pay to PDA a continuing weekly royalty fee for each week of operation
Factoring (Note 2)	2% of each invoice	Deducted from the amount PDA pays you for the particular receivable	If you elect to sign, and PDA agrees to the Factoring Agreement attached to the Franchise License Agreement as Exhibit D, PDA will purchase certain of your accounts receivables
Advertising (Note 3)	$364 per year	Due with royalty fee	You must pay to PDA a "Marketing Fee" on a weekly basis for nationwide marketing and advertising conducted by PDA
Initial Training	No fee for initial training	N/A	You will be responsible for all expenses incurred by you in connection with the initial training program
Additional Training (Note 4)	No fee currently being charged	N/A	Additional training programs offered by PDA may be available for you and your employees At PDA's discretion, these may be mandatory training programs
Transfer (Note 5)	$1,500 00 or $4,500 00	On demand by PDA	If you transfer any interest in the Franchise License Agreement, or the franchised business to another party
Audits (Note 6)	All expenses incurred by PDA	On demand by PDA	PDA has the right to have an independent audit made of the books of your franchised business
Management (Note 7)	2 percent (2%) of the Gross Invoice Fees of the franchised business for each calendar week	Due with royalty fee	If your death or permanent disability should occur, PDA may elect to operate the franchised business during the 12 months following the death or 6 months following the permanent disability (see Item 17)
	25 percent (25%) of the Gross Invoice Fees to compensate for operating the franchise business,	Due with royalty fee	If you default under the Franchise License Agreement and PDA or its assignee elects to manage or operate the franchised business, PDA may charge this fee for its (or its agent's) services

*Unless otherwise specified, all fees are uniformly imposed, are collected by and payable to PDA, and are non-refundable

	plus all expenses		
TYPE OF FEE*	**AMOUNT**	**DUE DATE**	**REMARKS**
Insurance Costs (Employer's Liability Insurance, Automobile Liability coverage, and any insurance which may be required by statute or rule of the state or locality in which your office is located Insurance Costs (Commercial General Liability & Commercial Umbrella Liability coverage, Errors & Omissions coverage, and Hired & Non-Owned Automobile & Garagekeepers Legal Liability coverage (Note 8)	Premium due on coverage Premium due on coverage	On demand by insurance provider or PDA	If you, for any reason, fail to obtain and maintain the insurance required by the Franchise License Agreement, PDA will have the right and authority (but not the obligation) to immediately procure insurance coverage for you and to charge you for the premiums
Interest	18 percent (18%)	Until paid	If any payment or fee due under the

*Unless otherwise specified, all fees are uniformly imposed, are collected by and payable to PDA, and are non-refundable

(Note 9)	per annum or the maximum rate permitted by the law, whichever is less		Franchise License Agreement is not paid by you when the payment is due, PDA will charge interest in addition to the overdue amount
Legal Fees and Related Costs (Note 10)	All expenses incurred by PDA	On demand by PDA	You must pay to PDA all costs and expenses (including reasonable attorney's fees) incurred by PDA regarding the enforcement of our obligations listed in the Franchise License Agreement
Indemnification (Note 11)	All expenses incurred by PDA	On demand by PDA	See Note
Software License Fee (Note 12)	$185 00 to $280 00	Due with weekly Royalty Fee	PDA requires that you use automated appraisal software from vendors that we have approved and that you purchase that software by way of a Site License Agreement that PDA has with the approved vendors
TYPE OF FEE*	**AMOUNT**	**DUE DATE**	**REMARKS**
Taxes, Permits, Indebtedness, and Related Expenses	Amount Imposed on PDA	On demand by PDA	You must pay PDA for any sales, tax, gross receipts tax or similar tax imposed upon PDA regarding any payment to PDA required under the Franchise License Agreement unless the tax is credited against income tax that is payable to PDA These fees may vary
Promissory Note Interest (if applicable)	Prime Rate plus three percent (3%) per annum	Monthly in arrears over 60 months or until principal is paid in full	If an event of default occurs, PDA will charge you default interest at the annual interest rate plus an additional three percent (3%) per annum See Item 10 for more detail

Note 1 "Gross Invoice Fees" means the sum of all invoice amounts and billings of the franchised business from appraisal services of whatever kind or nature, and the sale of all other services or goods, and income of any other kind and nature related to the franchised business or the System generally, whether for cash or credit and regardless of collection in case of credit Gross Invoice Fees do not include applicable state sales taxes or other taxes collected from clients of the franchised business, which are transmitted to the appropriate taxing authority The royalty fee is imposed by and payable to PDA Royalty fees are non-refundable and will not be imposed or collected in whole or in part from any third party

Note 2 Two percent (2%) of the total of each invoice for any line of business The fee may be changed upon 30 days written notice to you The factoring fees are imposed by PDA and are payable to PDA Factoring Fees are non-refundable and will not be imposed or collected in whole or in part from any third party If PDA does not receive payment in full from an account debtor within 120 days of receipt of the applicable invoice, you must repurchase the account receivable from PDA, upon notice, by paying PDA the full invoice amount less any partial payments received by PDA PDA may deduct this amount from any future amounts paid by PDA to you Afterwards, you will have all rights regarding the collection of these receivables Any amounts received by PDA on a receivable repurchased by you will be promptly delivered to you

*Unless otherwise specified, all fees are uniformly imposed, are collected by and payable to PDA, and are non-refundable

Note 3 You are required to devote not less than 10 hours per month to promote and market the sale of appraisal services in your marketing area If you use advertising or promotional materials not furnished by PDA, you must have them approved by PDA before they can be used The Marketing Fee you must pay is used to support nationwide advertising and marketing of the Franchised Business by PDA

Note 4 PDA does, however, reserve the right to impose a reasonable training fee for additional training programs and the fee will generally represent the then current cost to PDA for providing the training Training fees are imposed by and payable to PDA These fees are non-refundable and will not be imposed or collected in whole or in part from any third party

Note 5 There is no charge for transferring your franchised business into a corporation wholly owned by the franchisee and formed solely for the convenience of ownership Because of the expenses incurred by PDA in connection with an onsite transfer opening, a transfer fee of $4,500 00 will be due from you to defray costs and expenses associated with the onsite transfer opening If your transfer opening can be conducted remotely via telephone and computer, a transfer fee of $1,500 00 will be imposed Transfer fees are imposed by and payable to PDA prior to transfer of a franchise Transfer fees are non-refundable and will not be imposed or collected in whole or in part from any third party

Note 6 If any report or statement is understated by 2 percent (2%) or more, you are required to pay to PDA the additional amount of fees owing as a result of the understatement, plus interest, and to pay all costs of the audit, travel, lodging, meals, wage expenses, reasonable accounting and legal fees incurred by PDA These costs are imposed by and payable to PDA These non-refundable costs may vary and will not be imposed or collected in whole or in part from any third party

Note 7 This applies also to the death or permanent disability of any person with a 25 percent (25%) or more interest in the franchised business, or any person with an interest less than 25 percent (25%) if PDA determines that the person had substantial control over the operation of the franchised business If PDA provides one of its employees to manage the Franchised Business, PDA will also be entitled to payment of the employee's then-current salary for the time of such interim management Management fees are imposed by and payable to PDA These non-refundable management fees may vary, and will not be imposed or collected in whole or in part from any third party

Note 8 Insurance coverage requirements are imposed on all franchisees (see Item 7 (note 7) and Item 8) However, the costs of this coverage might not be the same for all franchisees because premiums vary in accordance with the insurer, the location of the franchised business, the insurance requirements of applicable law, and other factors PDA provides administration of a national insurance program for Commercial General Liability, non-owned auto and garagekeepers liability, and errors and omissions coverage, in which program you are required to participate PDA intends to make a profit on the administration of this insurance program Insurance costs will be imposed by and payable to PDA Insurance costs are non-refundable and will not be imposed or collected in whole or in part from any third party

Note 9 Any interest payment or fee is imposed by and payable to PDA These non-refundable interest payments may vary, and will not be imposed or collected in whole or in part from any third party

*Unless otherwise specified, all fees are uniformly imposed, are collected by and payable to PDA, and are non-refundable

Note 10 If the Franchise License Agreement expires or has an early termination, you are additionally obligated to pay to PDA all damages, costs and expenses (including reasonable attorney fees) incurred by PDA as a result of any default by you which causes termination and incurred by PDA in enforcing your post-termination and post-expiration obligations listed in the Franchise License Agreement These fees and costs are imposed by and payable to PDA These non-refundable legal fees and related costs may vary, and will not be imposed or collected in whole or in part from any third party

Note 11 You and each Designated Person(s) listed in your Franchise License Agreement are required to make good any loss incurred by PDA in connection with any action, suit, proceeding, claim, demand, investigation or formal or informal inquiry (regardless of whether same is reduced to judgment or any settlement, whether or not a formal proceeding or action has been instituted) which comes out of or is based upon any of the actions or alleged actions taken by you, Designated Person(s), your subsidiaries and affiliates, your employees, or your independent contractors as stated in Section 16 E of the Franchise License Agreement These expenses may vary This includes, but is not limited to, violation or breach of any contract, law or regulation, violation or breach of any representation, warranty, or obligation in the Franchise License Agreement, or other agreement between you and PDA or its subsidiaries or affiliates, and any other acts, errors or omissions in connection with the establishment of operation of the franchised business including, without limitation, acts, errors or omissions in the operation of any motor vehicle

Note 12 PDA requires that you use automated appraisal software from vendors that we have approved You must purchase your automated appraisal software for automobiles from Mitchell International PDA has a Site License Agreement with Mitchell International, which affords PDA the opportunity to offer you a discounted price on this software PDA intends to make a profit on the administration of this program Additional information regarding this program is contained in Item 7 and in Item 8

*Unless otherwise specified, all fees are uniformly imposed, are collected by and payable to PDA, and are non-refundable

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
INITIAL FRANCHISE FEE	$ 50,000 to 600,000 **(Note 1)**	Applicable Lump Sum or financed pursuant to promissory note	Upon signing of Franchise License Agreement	PDA, Inc
REAL ESTATE	$ 00 to $ 3,000 **(Note 2)**	As incurred	Monthly	Independent Vendors
REAL ESTATE IMPROVEMENTS	$ 500 to $ 1,000 **(Note 3)**	Progress Payment	Prior to Opening	Utilities, Independent Contractors
TRAVEL AND LIVING EXPENSES WHILE TRAINING	$ 1,134 to $ 4,095 **(Note 4)**	As incurred	Prior to Opening	Airline, Hotels & Restaurants
FURNITURE & EQUIPMENT	$ 8,000 to $ 18,000 **(Note 5)**	Lump Sum or Negotiable	Prior to Opening	Independent Vendors
LICENSES	$ 200 to $ 350 **(Note 6)**	Lump Sum	Prior to Opening	State, County and/or Municipal Agencies
SOFTWARE	$ 9,620 to $ 14,560 **(Note 7)**	Weekly or Annual	Weekly or Annual	PDA, Inc or Independent Vendor
INSURANCE	$ 1,820 to $ 4,420 **(Note 8)**	Weekly or Annual	Weekly or Annual	PDA, Inc or Independent Carrier
ADVERTISING	$ 364 to $ 500 **(Note 9)**	Weekly or Annual	Weekly or Annual	PDA, Inc or Independent Vendors
ADDITIONAL FUNDS - 3 MONTHS	$ 4,000 to $ 7,000 **(Note 10)**	As incurred	As Incurred	Various Payees
PROFESSIONAL FEES	$ 250 to $ 500 **(Note 11)**	As incurred	As Incurred	Independent Vendors
	$75,888 to			

TOTAL	$653,425 **(Note 12)**

Notes

(1) In its discretion, PDA will provide you with the option to finance all or a portion of the initial franchise fee through PDA on an unsecured basis If you elect to do so and PDA agrees to extend such financing to you, you will be required to execute a promissory note in favor of PDA and an authorization allowing PDA, in its sole discretion, to offset the amount of any payment owed to PDA by you under such promissory note against any sum then or in the future owed by PDA to you under the Factoring Agreement (discussed below) or any other sums received by PDA for your benefit The unsecured financing provided by PDA will cover up to the total amount of the initial franchise fee for the Franchised Business or such lesser amount as you and PDA may agree upon Any such financing provided by PDA will bear interest at the then current Prime Rate of interest as published in the Eastern print edition of the Wall Street Journal as of the business day immediately preceding the date of the promissory note plus 3% per annum Upon the occurrence of an event of default under the promissory note, the default rate of interest will be the annual interest rate described in the immediately preceding sentence plus an additional 3% per annum Unless otherwise accelerated because of an event of default, the principal owed under the promissory note is payable in 60 equal monthly installments of one-sixtieth of the principal amount of the note, with the final payment due on the fifth anniversary of the promissory note Payments of accrued but unpaid interest on the principal amount owed under the promissory note are to be made monthly in arrears Additional information is contained in Item 10 concerning the terms of the financing that PDA may offer to you for the initial franchise fee

(2) PDA requires you to have a location for your Office that is approved by PDA PDA will allow you to establish the Office in your residence if you have adequate space If you lease an office, you will need to lease from 200 to 500 square feet of office space, depending on the number of employees required These considerations were determined by actual rent paid for real estate by our nationwide network of franchise offices

(3) If you establish the Office in your residence, you will need to install at least 2 separate business lines for telephone and facsimile You will also need to have high speed internet access (dsl, cable modem or wireless) If you lease commercial space, you may be required to install certain electrical and telephone lines to accommodate your Office and to make utility deposits

(4) PDA provides initial training for Franchisee (including the Operating Principal) in the Fort Worth, Texas Corporate Office There is no fee for the training The costs will vary depending upon the distance incurred for travel, the lodging and your meals

(5) You will need to purchase certain office equipment to establish and operate the Office including a computer that can run the most recent version of Windows, color ink jet or laser printer, lap top computer with portable printer for yourself and for each appraiser you may hire, along with high speed internet access, facsimile machine, photocopier, typewriter, and any other equipment listed in the Manual or otherwise required by PDA in writing If your office is not in commercial space, you must also rent a post office box

in the city or other geographic area in which your office is located PDA may require that you communicate with certain vendors (and coordinate your purchases from those vendors) through PDA, rather than directly with the vendors Except as disclosed in Notes 6 and 7 of this Item 7 and in Item 8, there are no such restrictions in place as of this date

(6) Some states, counties, and/or municipalities require that appraisers be licensed If the state, county, and/or municipality where you establish your Office has such a requirement, you and any appraiser you employ must be licensed before beginning business or performing appraisal services

(7) PDA provides to you, at no cost, a proprietary operational software program, PDAFMS This software is to process assignments and generate invoices for record keeping and reports PDA requires that you purchase and use an automated appraisal software from vendors that we have approved You must purchase your automated appraisal software for automobiles from Mitchell International PDA intends to make a profit on the administration of this program The cost of the appraisal software varies, and is subject to yearly increases PDA requires that you communicate with Mitchell International (and coordinate your purchases from this vendor) through PDA, rather than directly with the vendor If you conduct non-automobile property damage appraisals, you must purchase your automated appraisal software for such services directly from Symbility Solutions or Xactware PDA requires that you communicate and coordinate your purchases directly with Symbility Solutions or Xactware Additional information regarding these programs is contained in this Item 7 and in Item 8

(8) PDA requires you to maintain the following insurance coverage

A) Hired and non-owned automobile liability and garagekeepers legal liability insurance in coverage amounts of not less than $1,000,000 per occurrence

(B) Workers compensation, including employer's liability insurance for each employee in the amounts required or described under state law ,

(C) Owned automobile liability insurance with coverage in an amount of not less than $500,000 as a combined single limit for bodily injury and property damage,

(D) Errors and omission coverage in an amount not less than $1,000,000 per occurrence and $5,000,000 in the aggregate,

(E) Any insurance which may be required by statute or rule of the state or locality in which the Franchised Business will be located, and

(F) Commercial General and Commercial Umbrella Liability Insurance with independent contractor's coverage for claims involving bodily injury and/or property damage liability arising out of the acts of Franchisee and/or its employees, agents or independent contractors, with a minimum combined single coverage limit of $1,000,000 per occurrence and $2,000,000 in the aggregate

PDA requires you to participate in a national insurance program (A Risk Purchasing Group) which provides the required Commercial General Liability, non-owned auto and garagekeepers liability, and errors and omissions coverages PDA makes a profit on the administration of this program Additional details regarding this program are contained in this Item 7 and in Item 8 The actual premiums for your required insurance will vary from the estimated semi-annual premiums provided above depending upon certain factors unique to each franchisee, determined by location, staff size, business volume, claims experience, driving record and deductibles selected

(9) PDA requires you to pay a "Marketing Fee" on a weekly basis used to support nationwide advertising and marketing of the Franchised Business by PDA

(10) These figures are estimates PDA cannot guarantee that you will not have additional expenses in starting the business Your costs will depend on factors such as conditions unique to your individual office, the location of your Marketing Area, number of appraisers and office staff you hire, the volume of business done by your office, whether you participate in the Factoring Program, the amount of salary you (or the Designated Person(s)) require, your management skills, and how well you follow the PDA operating system

(11) PDA anticipates that you may retain the services of an attorney and accountant to review the Franchise License Agreement and in establishing the Office The costs will vary depending on the rates of the professional retained by you

(12) PDA relied on its more than 50 years of experience in the appraisal business to compile these estimates You should review these figures carefully with a business advisor before making any decisions to purchase the franchise The high end of the amount of your Initial Investment is based on an average of 2 5 hired appraisers for your office

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

You must purchase your Commercial General Liability, non-owned auto and garagekeepers liability, and errors and omissions insurance from a national insurance program (A Risk Purchasing Group) administered by PDA PDA intends to make a profit on the administration of this program Additional details regarding this program are contained in Item 7 and in this Item 8 You must also purchase your automated appraisal software from vendors that we have approved You must purchase your automated appraisal software for automobiles from Mitchell International, 6220 Greenwich Drive, San Diego, California 92122, 800-238-9111 PDA has a Site License Agreement with Mitchell International, which affords PDA the opportunity to offer you a discounted price on this software PDA intends to make a profit on the administration of this program If you conduct non-automobile property damage appraisals, you must purchase your automated appraisal software for such services from a vendor that we approve As of this date, we have approved Symbility Solutions, 100 Country Club Drive, Hendersonville, Tennessee 37075, 866-796-2454, and Xactware, 1100 West Traverse Parkway, Lehi, Utah 84043, (801)764-5900 Additional information regarding these programs is contained in Item 7 and in this Item 8 You must also purchase all materials, equipment and supplies used in the operation of the Franchised Business in accordance with our standards and specifications, though, except as set forth in this paragraph, you may purchase them from suppliers of your choice

Required and Approved Suppliers

PDA may require that you communicate with certain vendors (and coordinate your purchases from those vendors) through PDA, rather than directly with the vendors Except for the matters listed in the previous paragraph, you may purchase all required equipment listed in the Operations Manual from your choice of suppliers There are no approved suppliers in which any of our officers own an interest

Approval of Alternative Suppliers

You may ask us to approve a prospective supplier at any time Our determination to approve or disapprove a prospective supplier may be made in our sole and absolute discretion and may be based on several factors, such as the quality of the product or service being sold by the prospective supplier, whether the prospective supplier's product or service meets our specifications, the financial capabilities of the prospective supplier, the prospective supplier's ability to provide and support the product or service in a timely fashion, the prospective supplier's willingness to maintain the confidentiality of our confidential information, the prospective supplier's business reputation, or any other factors we deem relevant We will not charge you a fee when you ask us to approve a prospective supplier It will take no more than thirty (30) days for us to approve or disapprove a prospective supplier, after we receive your written request to do so, and any other information about the prospective supplier we may request You may not give our standards and specifications to a supplier unless we give you advance written permission to do so

Revenue From Franchisee Purchases

For the year ended December 31, 2016, PDA's revenue for administering the national insurance program was $381,408 or 2 3% of PDA's total revenues of $16,619,981 PDA estimates the cost of purchasing this insurance will represent 7% to 2 4% of your total purchases in connection with the establishment of your Office

PDA's revenue as a reseller of the automated appraisal software for the year ended December 31, 2016, was $2,646,430 or 15 9% of PDA's total revenues of $16,619,981 PDA estimates the cost of purchasing this software will represent 2 2% to 12 7% of your total purchases in connection with the establishment of your Office

PDA estimates the purchases of insurance and software from these approved suppliers will represent an estimated 2 9% to 15 1% of the overall operation of your franchise

Cooperatives

We do not have any purchasing or distribution cooperatives

Negotiated Prices

Other than the programs mentioned above, PDA does not negotiate arrangements with any other suppliers for your other required purchases

Material Benefits

We do not provide any material benefits to you if you buy from sources we approve

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 disclosure document

Obligation	Section in Agreement	Disclosure Document Item
a Site and Selection and acquisition/lease	Section 1 C	Items 7 & 12
b Pre-opening purchases/leases	Section 6 C	Item 7
c Site development and other pre-opening requirements	Section 6 G	Item 7
d Initial and ongoing training	Section 6 B	Items 6 & 11
e Opening	Section 6 C	Item 11
f Fees	Sections 2, 4, 6, 8, 11, 13, 14, 15, 16, 17 and Exhibit D	Items 5 & 6
g Compliance with standards and policies/operating manual	Section 8	Item 11
h Trademarks and proprietary information	Recitals, Sections 1, 7, 8 and 9 and Exhibits L and M	Items 13 & 14
i Restrictions on products/services offered	Sections 6 D, 9, 10, and 11	Item 16
j Warranty and customer service requirements	Section 6 D	Item 16
k Territorial development and sales quotas	Sections 6 F and Exhibit A	Items 12 & 16
	Section 6 E	Item 16
l Ongoing product/services purchases		
	Section 6 D 2	Items 6 & 16
m Maintenance, appearance and remodeling requirements		
	Section 6 H	Items 6 & 7

Obligation	Section in Agreement	Disclosure Document Item
n Insurance	Section 6 F 2	Item 11
o Advertising	Section 16	Item 6
p Indemnification	Sections 6 A, 6 B, 6 D, and 7	Items 15 & 16
q Owner's participation/ management/staffing	Section 10	Items 6, 11, & 16
r Records/reports	Sections 3 G, 6 L, and 10	Item 6
s Inspections/audits	Section 11	Item 17
t Transfer	Section 2	Item 17
u Renewal	Section 13	Item 17
v Post-termination obligations	Sections 9 and 14 and Exhibit M	Item 17
w Non-competition covenants	Sections 6 I and 18	Item 17
x Dispute resolution	Section 15	Item 6
y Other		
Taxes, Permits and Indebtedness	Section 5 A and Exhibit G	Item 15
Guaranty and Assumption of Obligations		

ITEM 10

FINANCING

Except as described below, PDA does not offer, directly or indirectly, any financing arrangements to you

Optional PDA Financing of Initial Franchise Fee

PDA is unable to estimate whether you will be able to obtain financing from a third party for all or part of your initial franchise fee and, if you are able to obtain financing, PDA cannot predict the terms of this financing PDA does not receive payment from any person for the placement of financing for you

Where applicable and in its discretion, PDA will provide you with the option to finance the payment of initial franchise fee through PDA on an unsecured basis If you elect to do so, and PDA agrees to extend such financing to you, you will be required to execute (i) a promissory note in favor of PDA substantially in the form attached to the Franchise License Agreement as Exhibit O and (ii) an authorization substantially in the form attached to the Franchise License Agreement as Exhibit P authorizing PDA, and in PDA's sole discretion, to offset the amount of any payment owed to PDA by you under such promissory note against any sum then or in the future owed by PDA to you under the Factoring Agreement (discussed below) or any other sums received by PDA for your benefit

The unsecured financing provided by PDA will cover up to the total amount of the initial franchise fee for the Franchised Business Financing provided by PDA will bear interest at the then current Prime Rate of interest as published in the Eastern print edition of the Wall Street Journal as of the business day immediately preceding the date of the promissory note plus 3% per annum For example, if a promissory note was executed on April 1, 2016, the general interest rate would have been 6 5% percent per annum (which is the Prime Rate of 3 5% as published in the Eastern print edition of the Wall Street Journal plus 3%) Upon the occurrence of an event of default under the promissory note, the default rate of interest will be the annual interest rate described in the immediately preceding sentence plus an additional 3% per annum Unless otherwise accelerated because of an event of default, the principal owed under the promissory note is payable in 60 equal monthly installments of one-sixtieth of the principal amount of the note, with the final payment due on the fifth anniversary of the promissory note Payments of accrued but unpaid interest on the principal amount owed under the promissory note are to be made monthly in arrears

Other key terms of the financing option provided by PDA are (i) the obligations under the promissory note must be personally guaranteed by you, that is by any individual Franchisee and by the Operating Principal and all of the Designated Persons of any Franchisee entity, (ii) the obligations under the promissory note can be prepaid at any time without penalty, and (iii) Franchisee waives presentment, protest, demand, or other notice of any kind in connection with the promissory note Franchisee is not required to waive defenses or other legal rights under the promissory note Franchisee's potential liabilities upon default of the obligations under the promissory note include acceleration of the entire amount due, the obligation to pay court costs, attorneys' fees and expenses, and other amounts incurred by PDA in collecting the amount owed under the promissory note, liabilities from cross-default provisions with the Franchise License Agreement, and termination of the Franchised Business

PDA does not have any past or present practice or present intent to transfer, assign, discount or sell to a third party any promissory note, contract or other instrument executed by you, however, PDA reserves the right to do so in the future

PDA does not receive any consideration for placing financing with any lender

Optional Factoring of Receivables by PDA

If you request and PDA agrees to do so, PDA will purchase certain of your accounts receivables attributable to the Franchised Business under the terms of the Factoring Agreement attached to the Franchise License Agreement as Exhibit D The Factoring Agreement provides that PDA will purchase your accounts receivables in regards to the Gross Invoice Fees on invoices submitted by you each week PDA will deliver a check to you weekly, equal to the total Gross Invoice Fees reflected on the invoices submitted by you less (i) the 15% royalty fee owed on each invoice and (ii) the 2% factoring fee of the

Gross Invoice Fees of all invoices PDA may from time to time modify the factoring fee described in clause (ii) of the immediately preceding sentence upon thirty (30) days prior written notice to Franchisee Furthermore, PDA may deduct from any payment due to Franchisee hereunder any and all amounts due from Franchisee to PDA in connection with Franchisee's purchase of insurance policies and software licenses from PDA under the Franchise Agreement and the documents related thereto PDA will have no obligation to submit payment regarding any particular invoice, which PDA determines to be uncollectible, invalid, and fraudulent or for appraisal work that was not performed by you

> **RISK: If PDA does not receive payment in full from an account debtor within 120 days of receipt of the applicable invoice, you must repurchase the account receivable from PDA, upon notice, by paying PDA the full invoice amount less any partial payments received by PDA PDA may deduct this amount from any future amounts paid by PDA to you Afterwards, you will have all rights regarding the collection of these receivables Any amounts received by PDA on a receivable repurchased by you will be promptly delivered to you**

The Factoring Agreement is an account purchase transaction

PDA does not have any past or present practice or present intent to transfer, assign, discount or sell to a third party any promissory note, contract or other instrument executed by you, however, PDA reserves the right to do so in the future

PDA does not receive any consideration for placing financing with any lender

PDA does not routinely offer or provide financing arrangements to franchisees However, PDA is offering a direct financing arrangement to one new franchisee that may be used to finance the franchise fee, site acquisition, equipment and fixture acquisition, inventory and supply acquisition, and other continuing expenses The anticipated amount of financing is \$38,500 *See* Unsecured Promissory Note (the "Note") (attached), section 1 The anticipated rate of interest for the financing is 4 25% per year *Note* at sec 2 The anticipated number of payments is 260 weekly installments over five years *Note* at sec 3 The franchisee himself will be the only person liable for the financing There financing can be repaid at any time without a pre-payment penalty *Note* at sec 4 If the franchisee defaults, the debt may be accelerated, the franchisee may be liable for costs, including attorneys' fees, and the franchisee's franchise agreement may be declared to be in default and terminated *Note* at sec 5 The loan agreement requires the franchisee to waive any rights to notice of presentment, protest, demand, or other notice of any kind in connection with this the loan agreement *Note* at sec 11 The franchiser does not intend to sell, assign, or discount to a third party all or part of the financing arrangement No consideration is received by PDA or any of its affiliates for placing the financing arrangement with PDA, other than the consideration (namely, interest and other payments) called for by the financing arrangement itself

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, PDA is not required to provide you with any assistance

Pre-Opening Assistance

Before you open your business, PDA will

1 Designate a non-exclusive marketing area for the Franchised Business (the "Marketing Area") Unless approved by PDA in writing, the Office must at all times be located within the Marketing Area (Franchise Agreement, Section 1)

2 Approve or reject, in its sole discretion, the location for your franchised business office before you commence operations The location and premises of the Office must meet PDA's criteria as required in the Manual or otherwise provided to you in writing The factor considered by PDA in your office location is that your office must be located within your Marketing Area, and in a commercial space, or subject to PDA's approval, in your residence Your residence likely would not be approved if it does not contain space that can be converted into a business office It is your responsibility to maintain your office in a clean, orderly condition, in good repair and in compliance with the standards, specifications and requirements of the System If you and PDA cannot agree on a site location within 45 days after execution of the Franchise License Agreement, you cannot commence business (Franchise License Agreement, Sections 1 and 6)

3 Provide you with an initial training program as described in this Item 11 at no extra charge You must pay your own travel and living expenses associated with such training (Franchise License Agreement, Section 3(A))

4 Loan you our Operating Manual and various other materials (Franchise License Agreement, Section 3(B))

Time to Open PDA estimates that it will take approximately one (1) month for the Franchised Business to make all arrangements necessary to commence operations This time may vary significantly depending upon the time necessary to obtain an Office site, financing and the permits and licenses necessary for the operation of the Franchised Business You are obligated to begin business within 45 days after execution of the Franchise License Agreement If you fail to do so, we have the option to terminate the Franchise License Agreement (Franchise License Agreement, Sections 6(C) and 12(B)(21))

Assistance During the Operation of the Franchise

During the operation of the Franchised Business

1 PDA may make available additional training programs at its discretion You and your personnel (including the Operating Principal) may attend optional training programs PDA may make additional training mandatory For all mandatory programs (including training

required at the time of renewal of the Franchise License Agreement, if any), you (or the Operating Principal) will be required to attend PDA will provide the instructors and materials for all optional and mandatory training programs, which will be conducted in the PDA Corporate Office in Fort Worth, Texas PDA reserves the right to impose a reasonable fee for additional training programs (including any refresher training) You will be responsible for all expenses incurred by you and your personnel for travel and living during the training period

2 PDA may, but will have no obligation to refer (or to continue to refer) clients to you You must strictly comply with the requirements and special arrangements prescribed by PDA in rendering services to accounts originated by PDA, including the handling and billing of such accounts (Franchise License Agreement, Section 3(C))

3 Upon your request, PDA may, in its sole discretion, purchase your accounts receivables attributable to the Franchised Business pursuant to the terms and following the parties' execution of a Factoring Agreement (Franchise License Agreement, Section 3(D) and Exhibit D)

4 PDA may, in its sole discretion, provide ongoing assistance to the Franchisee from time to time through its field representatives (subject to availability of personnel) Such assistance may include, at PDA's discretion, regional conference calls, regional meetings, site visits and other meetings or phone calls (Franchise License Agreement, Section 3(E) If PDA has required that you communicate with any vendors (or coordinate your purchases from those vendors) through PDA, rather than directly with the vendor, PDA will communicate with vendors (or arrange your purchases from them) on your behalf, as appropriate

5 PDA expects uniformity and high quality services from all franchisees operating under the PDA System, and may conduct audits and/or inspections of the Franchised Business in furtherance thereof and to protect the PDA brand (Franchise License Agreement, Section 3(G))

6 Provide certain advertising and promotional materials, subject to availability, for your use in marketing the System and written materials concerning techniques of managing, marketing and operating the franchised business (Franchise License Agreement, Section 3(F))

Advertising

All advertising and promotional materials must be furnished by PDA or approved in advance by PDA in writing, must follow PDA's advertising standards, and must indicate that you are the franchisee of the Franchised Business You cannot advertise or use in advertising or any other form of promotion, the trademarks or service marks of PDA without appropriate ©, ®, TM or SM designations (Franchise License Agreement, Section 6(F))

PDA has in place a marketing plan to include advertising and marketing to clients on a national level for its franchise offices There is no requirement set forth stating that PDA must spend any specific amount on advertising in franchise areas, however, PDA sets forth each year a marketing budget to further the PDA brand Marketing on a national level is carried out by the PDA Sales & Marketing staff and a national advertising agency There is currently no advertising council composed of franchisees

There is currently no requirement that you participate in a local or regional advertising cooperative Other than the payment of a "Marketing Fee" of $364 per year, or $1 per day, paid on a weekly basis and used to support nationwide advertising and marketing of the Franchised Business administered by PDA, there is currently no additional requirement that you participate in any other advertising fund In the event that PDA establishes company-owned businesses or locations, PDA will contribute Marketing Fees on the same pro rata basis that you do as a franchisee Upon request, PDA will provide an annual unaudited accounting of how such Marketing Fees were spent In the event such Marketing Fees are not applied for the designated marketing purposes in the year in which collected, the balance will be carried over by PDA and spent for such marketing purposes in subsequent fiscal years None of the Marketing Fee is used to solicit new franchise sales

In the 2016 fiscal year, 100% of the Marketing Fee charged to franchisees went toward the subscription cost for Salesforce software, which is Customer Relationship Management (CRM) software, used to store and manage prospect and customer information, such as contact information, accounts, leads, and sales opportunities in one central location In addition to franchisee contribution, PDA absorbs approximately 30% of the total subscription cost This fee is included in our audited financials None of the Marketing Fee was spent on production, media placement, or administrative expenses

You must actively promote the sale of appraisal services under the PDA System in the Marketing Area Unless otherwise approved in writing by PDA, you must devote not less than ten (10) hours per calendar month to promoting and marketing the sale of appraisal services under the PDA System You must maintain a written monthly report detailing the promotional activities undertaken in the previous month, including time spent on each activity and an up-to-date mailing list and client contact list with names, addresses and telephone numbers, upon PDA's request, you must furnish any and all such reports to PDA within seven (7) days of such request

Computer Requirements

You must purchase or lease a computer that can run the most recent version of Windows, color ink jet or laser printer, laptop computer for yourself and for each appraiser you may hire, along with high speed internet access, and an automated appraisal software program The cost of the computer system hardware can range from approximately $850 to $1,000 per system The principal function of this equipment is to process assignments and generate invoices for record keeping and reports All contractual rights or obligations to provide ongoing maintenance, repairs, upgrades or updates on the equipment and software you purchase or lease will be between you and the local maintenance you choose PDA may require that you communicate with certain vendors (and coordinate your purchases from those vendors) through PDA, rather than directly with the vendors PDA does require ongoing maintenance, upgrades, and updates on all equipment and software The suppliers approved by PDA for automated appraisal software as of this date are

Mitchell International 6220 Greenwich Drive San Diego, CA 92122 800-238-9111	Symbility Solutions 100 Country Club Drive Hendersonville, TN 37075 866-796-2454	Xactware 1100 W Traverse Pkwy Lehi, Utah 84043 801-764-5900

The cost of the Mitchell automated appraisal software subscription ranges from $802 00 to $1,213 00 per month depending on office volume from the previous year The software is the property of the vendor This software is to calculate the damage cost and replacement parts required on your assignments It also provides various other data in order to properly service PDA clients The software updates are done by the vendor and are included as part of the subscription cost The cost of the automated appraisal software varies and is subject to yearly increases PDA has a Site License Agreement with Mitchell International, which provides you with a discounted price However, PDA is not obligated to make such arrangements and exercises no control over any of the suppliers you choose PDA, as a reseller for the Mitchell International Site License Agreement, intends to make a profit on this product PDA derives no income resulting from your purchases from other vendors

PDA will provide to you access to the Franchise Management System (PDAFMS) software program upon execution by you of the Software License Agreement in the form attached to the Franchise License Agreement as Exhibit H (Franchise License Agreement, Section 6(C)) You must install PDA's web based Franchise Management System (PDAFMS) software on an IBM-compatible computer The software is designed for record keeping and office management purposes and you must use this software in a competent manner and in accordance with the instructions, formats and procedures outlined by PDA in the Manual or otherwise in writing The Franchise Management System (PDAFMS) software is proprietary to PDA, is updated regularly, and is licensed to you at the cost specified in the Software License Agreement

You must maintain your computer so as to provide PDA with independent access to all sales, financial, marketing, customer, productivity, management and other business information and other operational data, all of which will be generated and/or maintained on your computer systems All such information for your franchised business is proprietary property owned by PDA There are no contractual limitations on PDA's rights to access information for your franchised business

Operating Manual

PDA will loan to you one hard copy of the Confidential Operations Manual (the "Manual"), and may provide you with access to an electronic version of the Manual on PDA's password-protected website PDA may amend the Manual from time to time, and it will be Franchisee's responsibility to stay apprised of any such amendments, by accessing the electronic version of the Manual or otherwise You can keep the hard copy of the Manual, and any hard copies of amendments thereto or restatements thereof, for so long as the Franchise License Agreement remains in effect The Manual is at all times to be kept confidential and is to be returned upon PDA's request or upon the termination of the Franchise License Agreement for any reason In order to protect the reputation and goodwill of PDA, you must operate the Franchised Business in strict accordance with the provisions, standards and procedures as may be set forth in the Manual, and other written directives which PDA may issue from time to time You cannot at any time, without the prior written consent of PDA, disclose, copy, duplicate, record, or otherwise reproduce, in whole or in part, or otherwise make available to any unauthorized person or source, the contents of the Manual, and you must maintain such information as secret and confidential

As of January 1, 2017 the Manual has a total of 264 pages including the Franchise Management System Manual

THE OPERATIONS MANUAL
TABLE OF CONTENTS

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
PDAFMS	17 hours	Not Applicable	Fort Worth, Texas
Franchise Relations	1 5 hour	Not Applicable	Fort Worth, Texas
PDA Catastrophe Plan & Procedures	1 5 hours	Not Applicable	Fort Worth, Texas
Sales & Marketing	1 5 hours	Not Applicable	Fort Worth, Texas
Operations	1 5 hours	Not Applicable	Fort Worth, Texas
Finance & Accounting	1 5 hours	Not Applicable	Fort Worth, Texas
Customer Service	1 hours	Not Applicable	Fort Worth, Texas
Employee Relations	1 5 hours	Not Applicable	Fort Worth, Texas
Mitchell	1 5 hours	Not Applicable	Fort Worth, Texas
E & O Insurance	5 hour	Not Applicable	Fort Worth, Texas
IT Best Practices	5 hour	Not Applicable	Fort Worth, Texas
Excel	1 5 hours	Not Applicable	Fort Worth, Texas

The initial training program offered by PDA to you shall consist of PDA required office management, review of PDA client procedures, review of PDA's service commitment to its clients, and a review of PDA marketing techniques The training shall be conducted at PDA's Fort Worth, Texas corporate office, the Office, or at another location designated by PDA, approximately six (6) times a year, and will be taught by PDA's Assistant Vice Presidents, Vice Presidents, Chief Compliance Officer, Chief Sales & Marketing Officer, Chief Financial Officer and Assistant Vice President of Training, who all have 15-35 years of experience in their respective fields of expertise The training materials include the Manual and various other printed materials that will be delivered to you at or before the training, at no charge to you PDA will determine whether the Operating Principal has satisfactorily completed the initial training The Operating Principal must attend the training within 30 days before commencing operations of the Franchised Business If the Operating Principal does not satisfactorily complete the training program, you may not begin business under the System until PDA so approves PDA may conduct additional training programs in its sole discretion, and may designate whether attendance by the Operating Principal is optional or mandatory One other employee of the Franchised Business may attend the initial and any additional training programs, provided that PDA may require attendance of such additional employee

ITEM 12

TERRITORY

You will not receive an exclusive territory You may face competition from other franchisees, from outlets that we own, or from other channels of distribution, such as the Internet, telemarketing, or other direct marketing or competitive brands that we control The Marketing Territory usually constitutes an assigned portion of a city, county or unincorporated geographic area The boundaries of the Marketing Territory will be determined by PDA based on a distance or range of distances or a specified population or range of populations The Marketing Territory will be described in Exhibit A of the Franchise License Agreement, typically by boundary streets or highways, city limit boundaries or by another method of delineation, as PDA may prescribe You must devote full time and use your best efforts to solicit and provide appraisal services in the Marketing Territory

PDA and any other authorized person or entity may, at any time, advertise and promote the System in the Marketing Territory and solicit and service any clients for appraisal services, including clients located in the Marketing Territory, utilizing other channels of distribution, such as the Internet, telemarketing, or other direct marketing, without owing any compensation to you for doing so

PDA may itself establish or grant franchises to others to establish a Property Damage Appraisers office using the System and the Proprietary Marks both within and outside the Marketing Territory There are no restrictions on the franchisor from soliciting or accepting orders inside the franchisee's defined Marketing Territory In addition, PDA may offer and sell (and may authorize others to offer and sell) products and services which may be similar to those offered by the Franchised Business under names and marks other than the Proprietary Marks, as well as under the Proprietary Marks, including the appraisal services offered under the PDA Xpress business operated by PDA described in Item 1

This franchise is for a specific Office location, which we approve You may not relocate the Office location without the express written consent of PDA We may elect whether to approve relocation of the Office in our sole discretion You may not establish or operate another Franchised Business except under a separate Franchise License Agreement

ITEM 13

TRADEMARKS

If you enter into a Franchise License Agreement with PDA, PDA will grant you the right to operate a business under the name Property Damage Appraisers, and to use our other current or future trademarks to operate your business By trademark, PDA means trade names, trademarks, service marks, and logos used to identify your franchised business PDA registered the trademarks below with the U S Patent and Trademark Office and they are listed on the Principal Register All required affidavits with regards to these trademarks have been filed and they have been renewed with the U S Patent and Trademark Office

Description	Federal Registration Number	Date of Registration
PDA and Design	1671343	January 7, 1992
Property Damage Appraisers, PDA and Design	1674517	February 4, 1992
PDA We're With You and Design	3498620	September 9, 2008

You must follow our rules when you use these marks You cannot use any Proprietary Marks as part of any corporate or trade name or with any prefix, suffix or other modifying or extraneous words, terms, designs-or symbols (including but not limited to any religious symbols), or in any modified form, and you cannot use any Proprietary Marks in connection with the sale of any unauthorized service or product or in any other manner not expressly authorized in writing by PDA

PDA claims common law rights in the mark PDA and design as of April 1989

PDA has no current effective material determination of the Patent and Trademark office, Trademark Trial and Appeal Board, the trademark administrator of this state or any court PDA has no pending infringements, opposition or cancellation and pending material litigation involving the principal trademark

No agreements limit PDA's right to use or license the use of PDA's trademarks

You must notify PDA immediately when you learn about any infringement of or challenge to your use of our trademarks PDA will take the action we think appropriate PDA is not required to defend you against a claim against your use of our trademarks, but PDA shall have the right to exclusively control any litigation, U S Patent and Trademark Office proceeding or other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any of our trademarks

You must change or discontinue the use of a trademark if PDA changes or discontinues it If this happens, PDA will not reimburse you for any cost to follow these changes You must not directly or indirectly contest our right to our trademarks, trade secrets or business techniques

PDA does not know of any superior rights or infringing uses that could materially affect your use of PDA's trademarks

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights: PDA does not own any right in or to any patents or registered copyrights that are material to the franchise PDA does claim statutory copyrights in original materials used in the System, including the Manual, the Franchise Management System software and other written materials used in the operation of the Franchised Business and advertising and promotional materials used in the System

Confidential Information You and any Designated Person(s) are prohibited, during the term of, and after the term, in the Franchise License Agreement from communicating, divulging, or using for the benefit of any other person, partnership, association, or corporation, any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you or any Designated Person(s), or of which you or any Designated Person(s) may be informed, by virtue of your operation of the Franchised Business under the terms of the Franchise License Agreement You and the Designated Person(s) may divulge this confidential information only to employees and representatives of yours as must have access to it in order to operate the Franchised Business All information and instructions regarding the System which PDA communicates to you or a Designated Person(s), including contents of the Manual, specifications, techniques, training materials, tapes and films, computer software, client lists and other data is deemed confidential for purposes of the Franchise License Agreement Neither you nor any Designated Person(s) may, without PDA's written consent, copy, duplicate, record or otherwise reproduce these materials or information, nor otherwise make the same available to any unauthorized person

You must require all independent contractors performing appraisal services on your behalf or third parties performing services for you which provides access to confidential PDA information, to execute and deliver to PDA a Confidentiality Agreement substantially in the form attached to the Franchise License Agreement as Exhibit L Failure to assure such execution and delivery will be deemed a breach of your confidentiality obligations under the Franchise License Agreement You must sign and ensure that any of your employees, Designated Persons, and Operating Principals who have access to confidential PDA information sign a Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form attached to the Franchise License Agreement as Exhibit M, prior to any disclosure of Trade Secrets to such individuals You must ensure that any parties who execute such agreements act as required by such agreements

All right, title and interest in and to any and all copyrightable works prepared by you or any of your Designated Persons or employees within the scope of the Franchised Business or using any of the Trade Secrets shall be owned exclusively by PDA, and PDA will be considered the author of all such works If you or any of your Designated Persons or employees jointly or solely develops, conceives, reduces to practice or otherwise produces any new concept, design, development, process or improvement in the operation or promotion of the Franchised Business (the "Inventions"), you will promptly and fully disclose the same to PDA and provide PDA with all necessary, related information On behalf of yourself and your Designated Persons and employees, you (1) agree that any such Invention shall be the property of PDA, (2) grant, transfer and assign to PDA all their rights, title and interest in and to such Inventions, (3) acknowledge that PDA may use or disclose such Inventions to other franchisees as it deems appropriate, and (4) waive and quitclaim to PDA any and all claims of any nature whatsoever that you now or hereafter may have for infringement of any patent application, patent, or other intellectual property right relating to any Inventions so assigned to PDA, all without compensation to you or such Designated Persons or employees

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Upon execution of the Franchise License Agreement, you must designate an individual to serve as the "Operating Principal" The Operating Principal must meet the following qualifications

1 (a) If you are an individual, you must perform all obligations of the Operating Principal You may hire any person who meets PDA standards and is appropriately trained to be an on-premises supervisor of your franchised business

(b) If Franchisee is a corporation, the Operating Principal shall, at all times during which he serves as Operating Principal, (i) directly or indirectly beneficially own at least fifty-one percent (51%) of the shares of each class of Franchisee's issued and outstanding capital stock and (ii) be entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require the corporation to take or omit to take any action which the corporation is required to take or omit to take under this Agreement If you should hire an on-premises supervisor, he/she is not required to have any equity interest in the Franchisee

(c) If Franchisee is a partnership, the Operating Principal shall, at all times during which he serves as Operating Principal, (i) own at least a fifty-one percent (51%) interest in the operating profits and operating losses of the partnership as well as at least a fifty-one percent (51%) ownership interest in the partnership (and at least a fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner) and (ii) be entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement If you should hire an on-premises supervisor, he/she is not required to have any equity interest in the Franchisee

(d) If Franchisee is a LLC, the Operating Principal shall, at all times during which he serves as Operating Principal, (i) own at least fifty-one percent (51%) interest in the operating profits and operating losses of the company, as well as at least fifty-one percent (51%) ownership interest in the company and (ii) be entitled under its operating agreement or applicable law to act on behalf of the company without the approval or consent of any other member or be able to cast a sufficient number of votes to require the company to take or omit to take any action which the company is required to take or omit to take under this Agreement

(e) Except as may otherwise be provided in the Franchise License Agreement, the Operating Principal's interest in you must remain free of any promise, guarantee, mortgage, lien, charge, burden, voting or stand in agreement, security interest or purchase right or options

2 The Operating Principal must be involved in the management of and the day-to-day operations of the Franchised Business, devote full time and best efforts to the supervision and management of the Franchised Business and be individually, jointly and severally bound by all obligations of yours, the Operating Principal and

Designated Person(s)

3 The Operating Principal must meet any and all other standards and criteria of PDA for this position, listed in the Manual or otherwise in writing by PDA

The Operating Principal must complete, to PDA's satisfaction, the initial training described in Item 11 Should the Operating Principal become incapable to continue to serve in that capacity or no longer qualified to act in accordance with the Franchise License Agreement, you must promptly notify PDA and designate a replacement within 30 days after the Operating Principal ceases to serve Any replacement will be subject to the same qualifications listed above

If you are not an individual, each Designated Person will be required to execute a "Guaranty and Assumption of Obligations" contained in Exhibit G of the Franchise License Agreement If you are an individual, your spouse and each Designated Person will be required to execute a "Guaranty and Assumption of Obligations" contained in Exhibit G of the Franchise License Agreement

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

To ensure that the highest degree of quality and service is maintained, you and, where applicable, each Designated Person must operate the Franchised Business in accord with these standards, techniques, and procedures as PDA may prescribe in the Manual or otherwise in writing, and shall refrain from deviating therefrom without first obtaining PDA's written consent In addition, you must

1 Perform all types of appraisal services and related services authorized by PDA as part of the System, and avoid performing any services which are not expressly authorized by PDA as part of the System or for which personnel of yours are not qualified, as determined by PDA, in its sole discretion Without limitation, PDA has the right to change, improve, or further develop the products and services offered by you, in its sole discretion

2 Not use body shop or contractor estimates without making your own independent estimates and investigations

3 Not purchase or sell any type of salvage unless expressly approved by PDA in writing

4 Not be involved in any activity that may create a conflict of interest unless any such conflict is fully disclosed to PDA and PDA expressly waives any such conflict in writing

When providing appraisal services to accounts originated by PDA, you must comply with the requirements and special arrangements prescribed by PDA in rendering services to these clients, including the handling and billing of such accounts

PDA does not impose any other restrictions in the Franchise License Agreement or otherwise, as to the goods or services, which you may offer to sell, or as to the customers to whom you may offer or sell

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a Length of the franchise term	Section 2 A	Term expires 5 years from the date on initial agreement
b Renewal or extension of the term	Section 2 B	You may renew the Agreement for 3 additional consecutive 5-year terms subject to certain conditions
c Requirements for franchisee to renew or extend	Section 2 B 1, 2, 3, 4, 5, 6, 7, & 8	For you to renew your Agreement, you must give PDA a written notice of your intention to renew at least 180 days and no more than 240 days before expiration of the initial or any renewal item You may be required to execute PDA's then-current form of Agreement, which may contain materially different terms and conditions from the original contract
d Termination by franchisee	Section 12 A	If PDA materially breaches its obligations under the Agreement, you may terminate the Agreement upon ninety (90) days prior written notice to PDA of such breach, but only if PDA fails to cure or to commence a cure of the breach within thirty (30) days after receipt of such notice
e Termination by franchisor without cause	Not Applicable	
f Termination by franchisor with cause	Section 12 B	PDA can terminate only if you default
g "Cause" defined - curable defaults	Sections 12 B and 12 C	You will generally have 30 days to cure, except as otherwise indicated in Sections 12 B and 12 C
h "Cause" defined - non-curable defaults	Sections 12 B and 12 C	PDA will notify you by written notice if you are in default and you will not be allowed to cure Non-curable defaults include failure to start business on time, relocating the Office without permission, being convicted of a felony or any other crime, and transferring your franchise interest without obtaining approval For additional non-curable defaults see

Provision	Section in franchise or other agreement	Summary
		Section 12 C
i Franchisee's obligations on termination/non-renewal	Section 13 and Exhibit F	You would immediately cease to operate as a PDA franchisee and relinquish all rights granted under the Agreement upon termination and/or expiration of the Agreement Please reference Exhibit F for additional information on California laws concerning termination or non-renewal of a franchise
j Assignment of contract by franchisor	Section 11 A	There are no restrictions on PDA's right to assign
k "Transfer" by franchisee - defined	Section 11 B	You cannot sell, assign, transfer, give away, pledge, mortgage or encumber any direct or indirect interest in the Agreement, Franchised Business, or, if you are a business entity, in you, without PDA's prior written consent
l Franchisor approval of transfer by franchisee	Section 11 B 1	PDA has the right in its sole discretion to approve or reject a transfer
m Conditions for franchisor approval of transfer	Section 11 B 1	All your accrued monetary obligations to PDA must have been paid in a timely manner, you cannot be in default, and you and the transferor must meet all the requirements listed under Section 11 B
n Franchisor's right of first refusal to acquire franchisee's business	Section 11 C 1	PDA has 30 days after receiving written notice from you to match any offer made to you for your Franchised Business
o Franchisor's option to purchase franchisee's business	Section 11 C 1	If PDA exercises the option to purchase your Franchised Business the purchase shall occur 60 days from date of notice to seller
p Death or disability of franchisee	Section 11 D	In the event of your death your executor, administrator or other representative can transfer your business after PDA's approval or PDA may elect to operate the Franchised Business for 12 months following your death Should you have a disability PDA may require the interest to be transferred or PDA may elect to operate the Franchised Business for 6 months following the disability
q Non-competition covenants during the term of the franchise	Section 14 A 3	You cannot own, operate, maintain, engage in, participate in or have any interest in any business , other than the Franchised Business, which is the same or similar to the Franchised Business

Provision	Section in franchise or other agreement	Summary
r Non-competition covenants after the franchise is terminated or expires	Section 14 A 3	Effective from the date your Agreement is terminated or expires, you cannot own, operate, maintain, engage in, participate in or have any interest in any business, other than the Franchised Business, which is the same or similar to the Franchised Business for the 2 years following
s Modification of the agreement	Sections 17 I, 7 E and 3 B	Generally no modification, but PDA has the right to change the Proprietary Marks, and can make changes to the Operations Manual and the Franchise Management System software
t Integration/merger clause	Section 17 C	Only the terms of the Franchise Agreement (including all exhibits thereto and documents referenced therein, including the Operations Manual) and this Disclosure Document are binding (subject to state law) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable
u Dispute resolution by arbitration or mediation	Sections 18 A and 18 B	Disputes shall be resolved through mediation, or if not resolved thereby, then through arbitration
v Choice of forum	Sections 17 E and 18 D	Subject to state law, the exclusive venue for any proceeding relating to or arising out of the agreement shall be the State Courts of Tarrant County, Texas and, the Federal District Court for the Northern District of Texas, Fort Worth division, provided, however, with respect to any action (1) for injunctive or other extraordinary relief or (2) involving possession or disposition of, or other relief relating to, real property, PDA may bring such action in any state or Federal District Court which has jurisdiction
w Choice of law	Section 17 E	Your state law is applicable

See the state addenda to the Franchise Agreement and disclosure document for special state disclosures

ITEM 18

PUBLIC FIGURES

PDA does not use any public figure to promote its franchise You are not explicitly prohibited by the Franchise License Agreement from using the name of a public figure in your promotional efforts or advertising All advertising and promotional plans and materials, however, must be approved by PDA before you may use them, as described in Item 11

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances

PDA does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting the Franchise Business Administrator, 6100 Southwest Blvd, Ste 200, Fort Worth, Texas 76109 or 800-872-4732, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

System Wide Outlet Summary
For years 2014, 2015, and 2016

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
FRANCHISED	2014	250	245	-5
	2015	245	243	-2
	2016	243	243	0
COMPANY-OWNED	2014	0	0	0
	2015	0	0	0
	2016	0	9	9
TOTAL OUTLETS	2014	250	245	-5
	2015	245	243	-2
	2016	243	252	9

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2014, 2015, and 2016

STATE	YEAR	NUMBER OF TRANSFERS
Alabama	2014	0
	2015	0
	2016	0
Alaska	2014	0
	2015	0
	2016	0
Arizona	2014	0
	2015	0
	2016	1
Arkansas	2014	0
	2015	0
	2016	0
California	2014	1
	2015	0
	2016	2
Colorado	2014	0
	2015	0
	2016	0
Connecticut	2014	0
	2015	0
	2016	0
Florida	2014	1
	2015	0
	2016	0
Georgia	2014	0
	2015	0
	2016	0
Hawaii	2014	0

	2015	0
	2016	0
Idaho	2014	0
	2015	0
	2016	0
Illinois	2014	1
	2015	1
	2016	1
STATE	**YEAR**	**NUMBER OF TRANSFERS**
Indiana	2014	0
	2015	0
	2016	1
Iowa	2014	0
	2015	1
	2016	0
Kansas	2014	2
	2015	0
	2016	0
Kentucky	2014	0
	2015	0
	2016	0
Louisiana	2014	0
	2015	0
	2016	0
Maine	2014	0
	2015	0
	2016	0
Maryland	2014	0
	2015	1
	2016	0
Massachusetts	2014	0
	2015	0
	2016	0
Michigan	2014	0
	2015	0
	2016	0
Minnesota	2014	0
	2015	0
	2016	0
Mississippi	2014	0
	2015	0
	2016	0
Missouri	2014	1
	2015	1
	2016	0
Montana	2014	0
	2015	0
	2016	0
Nebraska	2014	0
	2015	0

	2016	0
Nevada	2014	0
	2015	0
	2016	1
New Hampshire	2014	0
	2015	0
	2016	0
New Jersey	2014	1
	2015	1
	2016	1
New Mexico	2014	0
	2015	0
	2016	0
New York	2014	0
	2015	0
	2016	0
North Carolina	2014	0
	2015	0
	2016	3
STATE	**YEAR**	**NUMBER OF TRANSFERS**
North Dakota	2014	0
	2015	0
	2016	0
Ohio	2014	0
	2015	0
	2016	0
Oklahoma	2014	0
	2015	0
	2016	1
Oregon	2014	0
	2015	0
	2016	0
Pennsylvania	2014	2
	2015	1
	2016	1
Rhode Island	2014	0
	2015	0
	2016	0
South Carolina	2014	0
	2015	0
	2016	0
South Dakota	2014	0
	2015	0
	2016	0
Tennessee	2014	0
	2015	0
	2016	0
Texas	2014	1
	2015	2
	2016	0
Utah	2014	0

	2015	0
	2016	0
Vermont	2014	0
	2015	0
	2016	0
Virginia	2014	0
	2015	1
	2016	0
Washington	2014	0
	2015	1
	2016	0
West Virginia	2014	0
	2015	0
	2016	1
Wisconsin	2014	0
	2015	0
	2016	1
Wyoming	2014	0
	2015	0
	2016	0
TOTALS	2014	10
	2015	10
	2016	14

Status of Franchised Outlets
For years 2014, 2015 and 2016

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS – OTHER REASONS	OUTLETS AT END OF YEAR
Alabama	2014	4						4
	2015	4						4
	2016	4						4
Alaska	2014	1						1
	2015	1						1
	2016	1						1
Arizona	2014	4						4
	2015	4						4
	2016	4	1					5
Arkansas	2014	3						3
	2015	3						3
	2016	3						3
California	2014	21		1				20
	2015	20		1			2	17
	2016	17	3	3			2	15
Colorado	2014	7					1	6
	2015	6	1					7
	2016	7						7
Connecticut	2014	2						2
	2015	2	2	2				2
	2016	2						2
Delaware	2014	1						1
	2015	1						1
	2016	1						1
Florida	2014	15						15
	2015	15					1	14
	2016	14	1					15
Georgia	2014	12						12
	2015	12						12
	2016	12						12
Hawaii	2014	1						1
	2015	1						1
	2016	1						1
Idaho	2014	1						1
	2015	1						1
	2016	1	1					2
Illinois	2014	9						9
	2015	9						9
	2016	9						9
Indiana	2014	4		1				3
	2015	3	1					4
	2016	4						4
Iowa	2014	4						4
	2015	4						4

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS – OTHER REASONS	OUTLETS AT END OF YEAR
	2016	4						4
Kansas	2014	4						4
	2015	4						4
	2016	4						4
Kentucky	2014	4						4
	2015	4						4
	2016	4						4
Louisiana	2014	6						6
	2015	6						6
	2016	6						6
Maine	2014	1						1
	2015	1						1
	2016	1						1
Maryland	2014	3						3
	2015	3						3
	2016	3					1	2
Massachusetts	2014	5					1	4
	2015	4	1	2				3
	2016	3	2					5
Michigan	2014	5	1					6
	2015	6						6
	2016	6		2				4
Minnesota	2014	4						4
	2015	4						4
	2016	4						4
Mississippi	2014	4						4
	2015	4					1	3
	2016	3	1					4
Missouri	2014	4						4
	2015	4						4
	2016	4						4
Montana	2014	3						3
	2015	3						3
	2016	3						3
Nebraska	2014	1	1					2
	2015	2						2
	2016	2	1					3
Nevada	2014	2						2
	2015	2						2
	2016	2						2
New Hampshire	2014	1						1
	2015	1						1
	2016	1						1
New Jersey	2014	3						3
	2015	3						3
	2016	3						3
New Mexico	2014	2						2

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS – OTHER REASONS	OUTLETS AT END OF YEAR
	2015	2						2
	2016	2						2
New York	2014	12	2	2				12
	2015	12	1	1				12
	2016	12						12
North Carolina	2014	9						9
	2015	9						9
	2016	9						9
North Dakota	2014	2		1				1
	2015	1						1
	2016	1						1
Ohio	2014	11						11
	2015	11						11
	2016	11		2				9
Oklahoma	2014	2						2
	2015	2						2
	2016	2						2
Oregon	2014	2						2
	2015	2						2
	2016	2	2					4
Pennsylvania	2014	11		1				10
	2015	10	1					11
	2016	11		1			1	9
Puerto Rico	2014	0						0
	2015	0						0
	2016	0						0
Rhode Island	2014	1						1
	2015	1						1
	2016	1						1
South Carolina	2014	4						4
	2015	4						4
	2016	4						4
South Dakota	2014	2						2
	2015	2						2
	2016	2						2
Tennessee	2014	6						6
	2015	6						6
	2016	6						6
Texas	2014	24						24
	2015	24						24
	2016	24						24
Utah	2014	4						4
	2015	4						4
	2016	4						4
Vermont	2014	1						1
	2015	1						1
	2016	1						1

Virginia	2014	6						6
	2015	6						6
	2016	6						6
Washington	2014	4		1				3
	2015	3	1					4
	2016	4						4
West Virginia	2014	2						2
	2015	2						2
	2016	2						2
Wisconsin	2014	5						5
	2015	5						5
	2016	5						5
Wyoming	2014	1						1
	2015	1						1
	2016	1						1
TOTALS	2014	250	4	7	0	0	2	245
	2015	245	8	6	0	0	4	243
	2016	243	12	8			4	243

Status of Company-Owned Outlets
For years 2014, 2015, and 2016

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
California	2014	0					0
	2015	0					0
	2016	0		5			5
New York	2014	0					0
	2015	0					0
	2016	0	1				1
Ohio	2014	0					0
	2015	0					0
	2016	0		1			1
Pennsylvania	2014	0					0
	2015	0					0
	2016	0		2			2
TOTALS	2014	0					0
	2015	0					0
	2016	0	1	8			9

Projected Openings as of December 31, 2016

STATE	FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLET IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLET IN THE NEXT FISCAL YEAR
Alabama			
Alaska			
Arizona			
Arkansas			
California			
Colorado			
Connecticut			
Delaware			
Florida			
Georgia			
Hawaii			

Idaho			
Illinois			
Indiana			
Iowa			
Kansas			
STATE	**FRANCHISE AGREEMENT SIGNED BUT OUTLET NOT OPENED**	**PROJECTED NEW FRANCHISED OUTLET IN THE NEXT FISCAL YEAR**	**PROJECTED NEW COMPANY-OWNED OUTLET IN THE NEXT FISCAL YEAR**
Kentucky			
Louisiana			
Maine			
Maryland			
Massachusetts			
Michigan			
Minnesota			
Mississippi			
Missouri			
Montana			
Nebraska			
Nevada			
New Hampshire			
New Jersey			
New Mexico			
New York			
North Carolina			
North Dakota			
Ohio			

Oklahoma			
Oregon			
Pennsylvania			
Rhode Island			
South Carolina			
South Dakota			
Tennessee			
Texas			
Utah			
Vermont			
Virginia			
Washington			
West Virginia			
Wisconsin			
Wyoming			
TOTALS	0	0	0

At the end of our most recently completed fiscal year, December 31, 2016, there were 252 outlets The names of these franchisees, and the addresses and telephone numbers of their outlets, are included in this Disclosure Document as "Exhibit B "

Note The outlets used in the Item 20 tables include three (3) outlets that may not be considered "substantially similar" to the franchise offered under this Disclosure Document Those that may not be substantially similar are primarily older outlets that operate under a form of franchise agreement that was discontinued in 1993 Those franchises are similar to the franchise offered under this Disclosure Document in many respects, including the general type of business they are licensed to operate and the marks they are licensed to operate under The outlets that may not be substantially similar are noted with an asterisk (*) in the List of Current Franchisees attached as <u>Exhibit B</u>

Listed below are the last known names, city, state and home telephone numbers of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the Disclosure Document issuance date

STATE	OUTLET INFORMATION	OUTLET INFORMATION
Arizona	Flagstaff Franchise	

	Phil Oyler Las Vegas, NV 89123 702-575-7705	
California	Chico Franchise LEFT SYSTEM COMPLETELY Theresa Edson Chico, CA 95973 530-936-4404	Los Angeles – San Gabriel Valley FranchiseLEFT SYSTEM COMPLETELY Greg Heider Beaumont, CA 92223 562-691-4097
	Sacramento Franchise LEFT SYSTEM COMPLETELY Brian Nygaard El Dorado Hills, CA 95762 916-826-7832	San Francisco Franchise Don Ferguson Milpitas, CA 95035 925-360-3349
	San Francisco Franchise LEFT SYSTEM COMPLETELY Viraj Patel Antioch, CA 94509 925-329-2929	Santa Rosa Franchise LEFT SYSTEM COMPLETELY Brian Nygaard El Dorado Hills, CA 95762 916-826-7832

STATE	OUTLET INFORMATION	OUTLET INFORMATION
California Cont'd	Stockton Franchise LEFT SYSTEM COMPLETELY Brian Nygaard El Dorado Hills, CA 95762 916-826-7832	
Illinois	Champaign Franchise LEFT SYSTEM COMPLETELY Steve Otis Urbana, IL 61802 217-643-2050	
Indiana	South Bend Franchise LEFT SYSTEM COMPLETELY John Skidmore South Bend, IN 46617 574-286-3089	
Maryland	Baltimore West Franchise Ken Wilhide Hampstead, MD 21074	

	410-207-2419	
Michigan	Grand Rapids FranchiseLEFT SYSTEM COMPLETELY Elizabeth Wright Grand Rapids, MI 49505 616-550-3711	Kalamazoo Franchise LEFT SYSTEM COMPLETELY Elizabeth Wright Grand Rapids, MI 49505 616-550-3711
New Jersey	Eastern Jersey Franchise LEFT SYSTEM COMPLETELY James A Haag, Jr Toms River, NJ 732-644-6020	
North Carolina	Fayetteville Franchise LEFT SYSTEM COMPLETELY Dan Kunnert Fayetteville, NC 28311 910-977-3270	Hickory Franchise Greg Whitaker Marvin, NC 28173 704-200-4022
	Winston-Salem Franchise LEFT SYSTEM COMPLETELY Tom Talmon Lexington, NC 27295 339-408-3638	
Ohio	Mansfield Franchise LEFT SYSTEM COMPLETELY Jim Perkins Crestline, OH 44827 419-565-1225	Morgantown/Steubenville Franchise John Johnson Lucasville, OH 45648 740-370-5178
STATE	**OUTLET INFORMATION**	**OUTLET INFORMATION**
Ohio Cont'd	Parkersburg/Cambridge Franchise John Johnson Lucasville, OH 45648 740-370-5178	
Oklahoma	Tulsa Franchise LEFT SYSTEM COMPLETELY Ray Brewster Tulsa, OK 74134 918-663-7063	

Pennsylvania	Harrisburg Franchise LEFT SYSTEM COMPLETELY Greg Buss Harrisburg, PA 17111 717-979-2406	Lancaster Franchise LEFT SYSTEM COMPLETELY Gary Reed Akron, PA 17501 717-808-6118
	Reading Franchise LEFT SYSTEM COMPLETELY Greg Buss Harrisburg, PA 17112 717-979-2406	
Wisconsin	Eau Claire FranchiseGary Mardis Jim Falls, WI 54748 715-828-5900	

NOTE If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Property Damage Appraisers You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you

Franchisee Association

PDA Inc, has not created, sponsored, or endorsed a trademark-specific franchisee association

ITEM 21

FINANCIAL STATEMENTS

A Attached to this Disclosure Document as Exhibit C are our audited, fiscal year end financials for 2014, 2015, and 2016

1 PDA's audited Balance Sheets as of December 31, 2014, 2015, and 2016

2 PDA's audited Statements of Income and Retained Earnings and Cash Flows for the years ended December 31, 2014, 2015, and 2016

ITEM 22

CONTRACTS

The following agreements and other required exhibits are attached to this Disclosure Document in the pages immediately following

A Property Damage Appraisers, Inc , Franchise Agreement, including all exhibits/agreements that become a part of it

ITEM 23

RECEIPT PAGE

(The RECEIPT PAGE is the last page of this document, after Exhibit F)

Property Damage Appraisers, Inc

EXHIBIT A

Franchise License Agreement

Property Damage Appraisers, Inc

EXHIBIT B

List of Current Franchisees

Property Damage Appraisers, Inc.

EXHIBIT C

Financial Statements

Property Damage Appraisers, Inc

EXHIBIT D

List of State Administrators

State of California Securities Regulation Division Department of Business Oversight One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415)972-8565	State of New York Office of the Attorney General Investor Protection Bureau 120 Broadway 23rd Floor New York NY 10271 (212) 416-8211
Department of Commerce & Consumer Affairs Commissioner of Securities Business Registration Division 335 Merchant Street, Room 310 Honolulu, HI 96809 (808)586-2722	State of North Dakota Franchise Division Securities Department 600 East Boulevard - 5th Floor Bismarck, ND 58505 (701) 328-2910
State of Illinois Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	State of Oregon Corporate Securities Section Dept of Insurance & Finance Labor & Industries Bldg Salem, OR 97310 (503) 378-4387
State of Indiana Franchise Division Office of Secretary of State 302 W Washington St, Rm E111 Indianapolis, IN 46204 (317) 232-6681	State of Rhode Island Department of Business Regulations Securities Division 1511 Pontiac Ave, Bldg 69-1 Cranston, RI 02920 (401) 462-9527
State of Maryland Franchise Office Division of Securities 200 St Paul Place - 20th Floor Baltimore, MD 21202 (410) 576-6360	Department of Labor & Regulation Division of Securities 124 S Euclid, Ste 104 Pierre, SD 57501 (605) 773-4823
State of Michigan Consumer Protection Division Franchise Section PO Box 30213 Lansing MI 48909	State of Virginia State Corporation Commission Division of Securities & Retail Franchising 1300 E Main St, 9th Floor Richmond, VA 23219 (804) 371-9276
State of Minnesota Franchise Division	State of Washington The Department of Financial Institutions

Department of Commerce 85 7^{th} Place East, Ste 500 St Paul, MN 55101 (651) 296-6328	Securities Division P O Box 9033 Olympia, WA 98507-9033 (360) 902-8760
State of Wisconsin Department of Financial Institutions Division of Securities 201 W Washington Ave , Ste 300 Madison, WI 53703 (608) 266-3364	ALL OTHER STATES Federal Trade Commission Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street, NW Washington, DC 20580 (202) 326-3128

Property Damage Appraisers, Inc

EXHIBIT E

Agents to Receive Service of Process

ALABAMA
CT Corporation System
2 N Jackson St, Ste 605
Montgomery, AL 36104

ALASKA
C T Corporation System
9360 Glacier Hwy, Ste 202
Juneau, AK 99801

ARIZONA
C T Corporation System
2390 E Camelback Rd
Phoenix AZ 85016

ARKANSAS
The Corporation Company
124 West Capital Avenue, Suite 1900
Little Rock, AR 72201

CALIFORNIA
CT Corporation System
818 W Seventh St, 2nd Floor
Los Angeles, CA 90017

COLORADO
The Corporation Company
1675 Broadway, Ste 1200
Denver, CO 80202

CONNECTICUT
C T Corporation System
One Corporate Center,
Floor 11
Hartford, CT 06103

DELAWARE
The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

FLORIDA
C T Corporation System
1200 S Pine Island Road
Plantation, FL 33324

GEORGIA
C T Corporation System
1201 Peachtree Street, NE
Atlanta, GA 30361

HAWAII
The Corporation Company, Inc 1136
Union Mall, Ste 301
Honolulu, HI 96813

IDAHO
C T Corporation System
921 S Orchard St, Ste G
Boise, ID 83705

ILLINOIS
CT Corporation System
208 S LaSalle St, Ste 814
Chicago, IL 60604

INDIANA
CT Corporation System
150 W Market St, Ste 800
Indianapolis, IN 46204

IOWA
C T Corporation System
400 E Court Ave, Ste 110
Des Moines, IA 50309

KANSAS
The Corporation Company, Inc
112 S W Seventh St, Ste 3C
Topeka, KA 66603

KENTUCKY
C T Corporation System
306 W Main St, Ste 512
Frankfort, KY 40601

LOUISIANA
C T Corporation System
5615 Corporate Blvd, Suite
400B
Baton Rouge, LA 70808

MAINE
C T Corporation System
1536 Main St
Readfield, ME 04355

MARYLAND
The Corporation Trust, Inc
351 W Camden St
Baltimore, MD 21201

MASSACHUSETTS
C T Corporation System
155 Federal Street, Suite 700
Boston, MA 02110

MICHIGAN
The Corporation Company
30600 Telegraph Rd, Ste 2345
Bingham Farms, MI 48025

MINNESOTA
CT Corporation System, Inc
100 S 5th St, Ste 1075
Minneapolis, MN 55402

MISSISSIPPI
C T Corporation System
645 Lakeland East Dr, Ste 101
Flowood, MS 39232

MISSOURI
C T Corporation System
120 S Central Avenue
Clayton, MO 63105

MONTANA
C T Corporation System
208 N Broadway, Ste 313
Billings, MT 59101

NEBRASKA
CT Corporation System
5601 S 59th St
Lincoln, NE 68516

NEVADA
The Corporation Trust Company
Of Nevada
311 S Division St
Carson City, NV 89703

NEW HAMPSHIRE
C T Corporation System
9 Capitol Street
Concord, NH 03301

NEW JERSEY
The Corporation Trust Co
820 Bear Tavern Road
West Trenton, NJ 08628

NEW MEXICO
C T Corporation System
123 E Marcy
Santa Fe, NM 87501

NEW YORK
C T Corporation System
111 Eighth Ave , 13th Floor
New York, NY 10011

NORTH CAROLINA
C T Corporation System
150 Fayetteville St , Box 1011
Raleigh, NC 27601

NORTH DAKOTA
CT Corporation System
314 E Thayer Ave
Bismarck, ND 58501

OHIO
C T Corporation System
1300 E 9th Street
Cleveland, OH 44114

OKLAHOMA
The Corporation Company
1833 S Morgan Rd
Oklahoma City, OK 73128

OREGON
C T Corporation System
388 State Street, Suite 420
Salem, OR 97301

PENNSYLVANIA
C T Corporation System
116 Pine St , Ste 320
Harrisburg, PA 17101

RHODE ISLAND
CT Corporation System
Dept of Business
Regulation450 Veterans
Memorial Pkwy , Ste 7A
E Providence, RI 02914

SOUTH CAROLINA
C T Corporation System
2 Office Park Court, Ste 103
Columbia, SC 29223

SOUTH DAKOTA
Dept of Labor & Regulation
Div of Securities
124 South Euclid, Ste 104
Pierre, SD 57501

SOUTH DAKOTA
CT Corporation System
Dir of the Div of Securities
319 S Coteau St
Pierre, SD 57501

TENNESSEE
C T Corporation System
800 S Gay Street, Suite 2021
Knoxville, TN 37929-9710

TEXAS
C T Corporation System
1999 Bryan St , Ste 900
Dallas, TX 75201

UTAH
C T Corporation System
1108 East South Union Ave
Midvale, UT 84047

VERMONT
C T Corporation System
400 Cornerstone Dr , Suite 240
Willison, VT 05495

VIRGINIA
CT Corporation System
4701 Cox Rd , Ste 285
Glen Allen, VA 23060

WASHINGTON
CT Corporation System
505 Union Ave SE, Ste 120
Olympia, WA 98501

WASHINGTON, DC
C T Corporation System

WEST VIRGINIA
C T Corporation System

WISCONSIN
C T Corporation System

1015 15th Street NW, Ste 1000
Washington, D C 20005

5400 D Big Tyler Rd
Charleston, WV 25313

8040 Excelsior Dr, Ste 200
Madison, WI 53717

WYOMING
C T Corporation System
1712 Pioneer Ave, #120
Cheyenne, WT 82001

Property Damage Appraisers, Inc

EXHIBIT F

State Addenda to Franchise Disclosure Document

CALIFORNIA ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

1 Item 14, para 2 is hereby amended by the addition of the following language

Covenants not to compete that extend beyond the term of the Agreement may not be enforceable under California law

2 Item 17 is hereby amended by the addition of the following language to the original language that appears therein

California Business and Professions Code Sections 20000 through 20043, provide rights to the Franchisee concerning termination or non-renewal of a franchise If the Franchise Agreement or, if applicable, the Development Agreement, contains a provision that is inconsistent with the law, the law will control

3 Item 17 q and r in the sections regarding "Non-Compete Covenants" is hereby amended by the addition of the following language to the original language that appears therein

The Franchise Agreement contains covenants not to compete which extend beyond expiration or termination of the franchise These provisions may not be enforceable under California law

4 Pursuant to Section 310 114 1 of the California Administrative Code, Title 10, Chapter 3, Subchapter 2 6, the following language is added to the Disclosure Document

THE FRANCHISE AGREEMENT REQUIRES APPLICATION OF THE LAWS OF TEXAS UNDER CERTAIN CIRCUMSTANCES THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER

CALIFORNIA LAW

OUR WEBSITE WWW PDACORPORATION COM HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW DBO CA GOV

5 Clauses regardıng the waıver of trıal by jury and restrıctıon on the statute of lımıtatıon are not enforceable under Calıfornıa law

6 The Franchıse Agreement provıdes for termınatıon upon bankruptcy Thıs provısıon may not be enforceable under federal bankruptcy law

7 The Franchıse Agreement requıres bındıng arbıtratıon The arbıtratıon wıll occur ın Texas wıth the costs beıng borne by the franchısee Prospectıve Franchısees are encouraged to consult prıvate legal counsel to determıne the applıcabılıty of Calıfornıa and federal laws (such as Busıness and Professıons Code Sectıon 200040 5 Code of Cıvıl Procedure Sectıon 1281, and the Federal Arbıtratıon Act) to any provısıons of a Franchıse Agreement restrıctıng venue to a forum outsıde the State of Calıfornıa

8 Sectıon 31125 of the Calıfornıa Corporatıons Code requıres us to gıve you a dısclosure document, ın a form contaınıng the ınformatıon that the commıssıoner may by rule or order requıre, before a solıcıtatıon of a proposed materıal modıfıcatıon of an exıstıng franchıse

9 You must sıgn a general release ıf you renew or transfer your franchıse Calıfornıa Corporatıons Code § 31512 voıds a waıver of your rıghts under the Franchıse Investment Law (Calıfornıa Corporatıons Code §§ 31000 through 31516) Busıness and Professıons Code § 20010 voıds a waıver of your rıghts under the Franchıse Relatıons Act (Busıness and Professıons Code §§ 20000 through 20043

HAWAII ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

[FOR HAWAII FRANCHISES, USE THIS ADDENDUM AS AN ADDITIONAL STATE COVER PAGE AT FRONT OF DOCUMENT]

1 THE GENERAL RELEASE LANGUAGE CONTAINED IN THE FRANCHISE LICENSE AGREEMENT SHALL NOT RELIEVE PDA OR ANY OTHER PERSON, DIRECTLY OR INDIRECTLY, FROM LIABILITY IMPOSED BY THE LAWS CONCERNING FRANCHISING OF THE STATE OF HAWAII

2 THESE FRANCHISES HAVE BEEN/WILL BE FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OF, OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, AND NOT MISLEADING

3 THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE

4 THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE

5 A This proposed registration is effective in the following states

California	Maryland
Florida	Rhode Island
Minnesota	Virginia
Hawaii	South Dakota
Illinois	New York
Washington	Indiana
North Dakota	Wisconsin

B The proposed registration is on file or will shortly be on file in the following states

California	Maryland
Florida	Rhode Island
Minnesota	Virginia
Hawaii	South Dakota
Illinois	New York
Washington	Indiana
North Dakota	Wisconsin

C No state has refused, by order or otherwise, to register these franchises

D No state has revoked or suspended the right to offer these franchises

E The proposed registration of these franchises has not been withdrawn from any state

6 Source of Funds for Establishing Franchises

Property Damage Appraisers, Inc estimates that it costs approximately $3000 to perform its obligations in connection with establishing each franchise These expenses are covered by general operating revenues which are generated primarily from royalties

ILLINOIS ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

1 Item 17 is hereby amended by the addition of the following language to the original language that appears therein

The conditions under which a franchise can be terminated and rights upon non-renewal may be affected by the Illinois Franchise Disclosure Act of 1987, Ill 815 ILCS 705/1 - 44

2 Items 17 v and 17 w are hereby amended to read as follows

The choice of forum or choice of law will be affected by the Illinois Franchise Disclosure Act of 1987, Section 4

3 Section 41 of the Illinois Franchise Disclosure Act states that "[A]ny condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void This section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code "

4 Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum

INDIANA ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

1 Item 3, "Litigation," is hereby amended by the addition of the following language to the original language that appears therein

PDA is not involved in any pending arbitration and has not, during the ten-year period immediately preceding the date of this Disclosure Document, been a party to any arbitration proceeding

2 Item 8, "Restriction on Sources of Products & Service," paragraph 3, pursuant to Indiana Code, Title 23, Article 2, Chapter 2 7, Section 1 (4) and Indiana Code, Title 23, Article 2, Chapter 2 7, Section 2 (6) is hereby amended by the addition of the following language to the original language in the Disclosure Document

Of the approved suppliers to purchase the required automated appraisal software program, PDA has a Site License Agreement with Mitchell International which affords PDA the opportunity to offer you the software at a discounted price

3 Item 11, "Franchisor's Obligations," paragraph 6 under the sub-heading "Post-Opening Assistance" is hereby amended by the addition of the following language to the original language of that appears herein

At our discretion, we may provide certain advertising and promotional materials for use in marketing your business Other than the payment of a "Marketing Fee" used to support nationwide advertising and marketing of the Franchised Business by PDA (see Item 6), there is no other "Advertising Fund" or the like in which you must participate

4 Item 12, "Territory," paragraph 3, pursuant to Indiana Code, Title 23, Article 2, Chapter 2 7, Section 1(10), is hereby amended by the additional of the following language to the original language contained in the Disclosure Document

The Indiana Deceptive Franchise Practices Act, to the extent applicable, will not permit the franchisor to compete unfairly with the franchisee within a reasonable area

5 Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is hereby amended by the addition of the following language to the original language that appears therein

To the extent that the above provisions regarding renewal, termination, and covenants not compete upon termination or expiration of the Franchise Agreement or Development Agreement are inconsistent with the requirements of the Indiana Deceptive Franchise Practices Act, such inconsistent provisions of the Franchise Agreement and the Development Agreement, to the extent applicable, will be superseded by the Act's requirements

6 Item 17 m under the section entitled "Conditions for franchisor approval of transfer," shall be supplemented by the following language

The transferor and any subsidiary or affiliate executes a general release, in a form prescribed by PDA, or any and all claims against PDA and its subsidiaries and affiliates and their respective officers, directors, shareholders, employees, representatives, agents and independent contractors, in their corporate and individual capacities, including, without limitation, claims arising under the Franchise Agreement and any other agreement between Franchisee and PDA or its subsidiaries or affiliates and federal, state, and local laws, rules and ordinances, excluding only such claims as the transferor may have that have arisen under the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act, to the extent applicable

7 Item 17 p under the section entitled "Death or disability of franchisee" shall be supplemented by the following language

Pursuant to the Indiana Code, Titled 23, Article 2, Chapter 2 7, Section 2 (3), PDA will allow your surviving spouse, heirs, or estates the opportunity to participate in the ownership of the franchise for 12 months after your death, provided they maintain all standards and obligations of the franchise

8 Item 17 r, the section entitled, "Non-competition covenants after the franchise is terminated or expires" shall be amended to read as follows

Own, operate, maintain, engage in, participate in or have any interest in any business which is the same or similar to the Franchised Business, including, but not limited to, a property appraisal business or a claims adjusting service which business is located within the Marketing Area, which provides appraisal services to customers located in the Marketing Area or is located or provides such service to customers within 25 miles of the perimeter of the franchisee's location

9 Item 17 s the section entitled "Modification of Agreement" shall be supplemented by the following language which shall be considered an integral part of the Agreement

The Indiana Deceptive Franchise Practices Act, to the extent applicable, provides that substantial modification of the Franchise Agreement by PDA requires the written consent of the Franchisee

10 Item 17 v, the section entitled "Choice of Forum," shall be supplemented by the addition of the following language

Pursuant to Indiana Code, Title 23, Article 2, Chapter 2 7, Section 1 (10) the choice of forum for litigation in any state other than Indiana is prohibited

THE FRANCHISE LICENSE AGREEMENT SECTION 17.E REQUIRES APPLICATION OF THE LAWS OF THE STATE OF TEXAS PURSUANT TO INDIANA CODE, TITLE 23, ARTICLE 2, CHAPTER 2 7, SECTION 1(10) INDIANA LAW WILL CONTROL

MARYLAND ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC.'S FRANCHISE DISCLOSURE DOCUMENT

1 Items 17 u, v, and w of the Disclosure Document are amended to add the following sentence

Any claims brought under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise The limitation on the period of time in which an action must be commenced shall not act to reduce the three year statute of limitations afforded a franchisee for bringing a claim under the Maryland Franchise Registration and Disclosure Law

2 Item 17 v of the Disclosure Document is amended to add the following sentence

A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

3 Item 17 h of the Disclosure Document is amended to add the following sentence

The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U S C Section 101 *et seq*)

4 Item 17 m of the Disclosure Document is amended to add the following sentence

Under COMAR 02 02 08 16L, a general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

MICHIGAN ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

[FOR MICHIGAN FRANCHISES, USE THIS ADDENDUM AS AN ADDITIONAL STATE COVER PAGE AT FRONT OF DOCUMENT]

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU

(a) A prohibition on the right of a franchisee to join an association of franchisees

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act (the Michigan Franchise Act) This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and cure such failure after being given written notice thereof and a reasonable opportunity which in no event need be more than 30 days, to cure such failure

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and franchise business are not subject to compensation This subsection applies only if (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances This section does not require a renewal provision

(f) A provision requiring that arbitration or litigation be conducted outside this state This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause This subdivision does to prevent a franchisor from exercising a right of first refusal to purchase the franchise Good cause shall include, but is not limited to

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor This subdivision does not prohibit a refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c)

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer it obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services

THE FACT THAT THERE IS A NOTICE OF THIS DISCLOSURE ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATIONS OR ENDORSEMENT BY THE ATTORNEY GENERAL

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE MICHIGAN ATTORNEY GENERAL'S OFFICE, CONSUMER PROTECTION DIVISION, ATTENTION FRANCHISE, 670 LAW BUILDING, LANSING, MICHIGAN 48913, 517-373-7117

MINNESOTA ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

1 Item 6, the section entitled "Legal Fees and Related Costs," is deleted in its entirety as is footnote 10

2 Item 13, "Trademarks," shall be supplemented by the following language

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party PDA does not indemnify against the consequences of franchisee's use of PDA's trademark except in accordance with the requirements of the franchise, and, as a condition to indemnification, Franchisee must provide notice to PDA of any such claim immediately and tender the defense of the claim to PDA If PDA accepts the tender of defense, PDA has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim

3 Item 17 b and c shall be supplemented by the following language

Minnesota law provides franchisees with certain rights upon renewal Minnesota Franchise Act, Sec 80C 14, Subd 4 requires, except in certain specified cases, that a franchisee be given written notice of a franchisor's intention not to renew 180 days prior to expiration of the franchise and that the franchisee be given sufficient opportunity to operate the franchise in order to enable the franchisee the opportunity to recover the fair market value of the franchise as a going concern

4 Item 17 e and f is hereby supplemented by the addition of the following paragraph

Minnesota law provides franchisees with certain termination rights Minnesota Franchise Act, Sec 80C 14, Subd 3 requires, except in certain specified cases, that a franchisee be given 90 days written notice of termination (with 60 days to cure)

5 Item 17 m , referring to Section 11 B 1 shall be supplemented to include the following

The transferor and any subsidiary or affiliate executes a general release, in a form prescribed by PDA, of any and all claims against PDA and its subsidiaries and affiliates and their respective officers, directors, shareholders, employees, representatives, agents and independent contractors, in their corporate and individual capacities, including, without limitation, claims arising under the Franchise Agreement and any other agreement between Franchisee and PDA or its subsidiaries or affiliates and federal, state, and local laws, rules and ordinances, excluding only such claims as Franchisee may have that have arisen under the Minnesota Franchise Act or the rules and regulations promulgated thereunder by the Commissioner of Commerce

6 Item 17 u and v shall be deleted and supplemented with the addition of the following language

Minn Stat Section 80C 21 and Minn Rule 2860 4400J prohibits litigation to be conducted outside Minnesota In addition, nothing in the officering circular or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for be the laws of the jurisdiction

WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW THE FRANCHISOR WILL COMPLY WITH MINN STAT SEC 80C 14, SUBDS 3,4, AND 5 WHICH REQUIRE, ACCEPT IN CERTAIN SPECIFIED CASES, THAT A FRANCHISEE WILL BE GIVEN 90 DAYS NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS NOTICE FOR NON-RENEWAL OF THE FRANCHISE AGREEMENT

NEW YORK ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

1 Item 3, Litigation, shall be amended to delete the text "Other than this one action, no litigation is required to be disclosed in this Item " and to replace that text with the following

Other than the above action, neither Franchisor, nor any predecessor, person identified in item 2, or affiliate offering franchises under Franchisor's principal trademark

A Has an administrative, criminal or civil action pending against that person alleging a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations In addition, there are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations

B Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations

C Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent

2 Item 4, Bankruptcy, shall be amended in its entirety to read as follows

Neither franchisor, nor any affiliate, predecessor, officer, or general partner during the 10-year period immediately before the date of the offering circular (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code, (b) obtained a discharge of its debts under the U S Bankruptcy Code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership

3 Item 17 shall be supplemented to include the following

No release language set forth in the Franchise License Agreement will relieve the Licensor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of New York

4 Item 17, section d, is modified such that the summary reads as follows

You may terminate the Agreement, (i) if PDA materially breaches its obligations under the Agreement, upon ninety (90) days prior written notice to PDA of such breach, but only if PDA fails to cure or to commence a cure of the breach within thirty (30) days after receipt of such notice, or (ii) on any other grounds permitted by law

5 Item 17, section j, is modified such that the summary reads as follows

However, no assignment will be made except to an assignee who in good faith and judgement of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement

6 Item 17, section w, is modified such that the summary reads as follows

The forgoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by article 33 of the General Business law of the state of New York

NORTH DAKOTA ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

1 Item 17 b and c under the section entitled "Renewal", which refer you to Section 2 B of the Franchise Agreement and require you to sign a "General Release" are hereby deleted in their entirety and shall have no force or effect in the State of North Dakota

1 Item 17 q and r referring to "Non-Compete Covenants" is hereby amended by the addition of the following language to the original language that appears therein

Covenants not to compete during the term of and upon termination or expiration of a franchise or development agreement are generally unenforceable in North Dakota except in certain instances as provided by law

RHODE ISLAND ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

1 Item 17 v and w are hereby amended to read as follows

Restricting jurisdiction or venue to a form outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act, Section 19-28 1-14

VIRGINIA ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

1 In recognition of the restrictions contained in Section 13 1-564 of the Virginia Retail Franchising Act, this Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows

Additional Disclosure The following statements are added to Item 17 h
Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any grounds for default or termination stated in the Franchise License Agreement do not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable

WASHINGTON ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

1 Item 17, the section entitled "Renewal" is hereby amended by the addition of the following language to the original language that appears therein

To the extent that the renewal provisions of the Franchise Agreement are inconsistent with the requirements of the Washington Franchise Investment Protection Act, Section 19 100 180(2)(i), the renewal provisions are superseded by the Act's requirements and shall have no force or effect

As of the date of this Disclosure Document, the Revised Code of Washington, Section 19 100 180(2)(i) generally provides that it is a violation of this chapter for any person to

> Refuse to renew a franchise without fairly compensating the franchisee for the fair market value, at the time of expiration of the franchise, of the franchisee's inventory, supplies, equipment, and furnishings purchased from the franchisor, and good will, exclusive of personalized materials which have no value to the franchisor, and inventory, supplies, equipment and furnishings not reasonably required in the conduct of the franchise business PROVIDED, That compensation need not be made to a franchisee for good will if (i) the franchisee has been given one year's notice of nonrenewal and (ii) the franchisor agrees in writing not to enforce any covenant which restrains the franchisee from competing with the franchisor PROVIDED FURTHER, That a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such franchisee to the franchisor

2 Item 17 b and w under the sections entitled "Renewal" is hereby amended by the addition of the following language

To the extent that the renewal provisions of the Franchise Agreement requiring the signing of a "General Release" are inconsistent with the requirements of the Washington Franchise Investment Protection Act, Section 19 100 180(2)(i), the renewal provisions are superseded by the Act's requirements and shall have no force or effect

3 Item 17, the section entitled "Termination" is hereby amended by the addition of the following language to the original language that appears therein

To the extent that the termination provisions of the Franchise Agreement, as described herein are inconsistent with the requirements of the Washington Franchise Investment Protection Act, Section 19 100 180(2)(j), the termination provisions are superseded by the Act's requirements and shall have no force or effect

The Revised Code of Washington, Section 19 100 180(2)(j) generally provides that it is a violation of this chapter for any person to

> Terminate a franchise prior to the expiration of its term except for good cause Good cause shall include, without limitation, the failure of the franchisee to comply with lawful material provisions of the franchise or other agreement between the franchisor and the franchisee and to cure such default after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty days, to cure

such default, or if such default cannot reasonably be cured within thirty days, the failure of the franchisee to initiate within thirty days substantial and continuing action to cure such default PROVIDED, That after three willful and material breaches of the same term of the franchise agreement occurring within a twelve-month period, for which the franchisee has been given notice and an opportunity to cure as provided in this subsection, the franchisor may terminate the agreement upon any subsequent willful and material breach of the same term within the twelve-month period without providing notice or opportunity to cure PROVIDED FURTHER, That a franchisor may terminate a franchise without giving prior notice or opportunity to cure a default if the franchisee (i) Is adjudicated a bankrupt or insolvent, (ii) makes an assignment for the benefit of creditors or similar disposition of the assets of the franchise business, (iii) voluntarily abandons the franchise business, or (iv) is convicted of or pleads guilty or no contest to a charge of violating any law relating to the franchise business Upon termination for good cause, the franchisor shall purchase from the franchisee at a fair market value at the time of termination, the franchisee's inventory and supplies, exclusive of (i) personalized materials which have no value to the franchisor, (ii) inventory and supplies not reasonably required in the conduct of the franchise business, and (iii), if the franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from the franchisor or on his express requirement PROVIDED, That a franchisor may offset against amounts owed to a franchisee under this subsection any amounts owed by such franchisee to the franchisor

4 Item 17 k under the section entitled "Transfer" is hereby amended by the addition of the following language

To the extent that the transfer provisions of the Franchise Agreement requiring the signing of a "General Release" are inconsistent with the requirements of the Washington Franchise Investment Protection Act, Section 19 100 180(2)(i), the renewal provision are superseded by the Act's requirements and shall have no force or effect

WISCONSIN ADDENDUM TO PROPERTY DAMAGE APPRAISERS, INC 'S FRANCHISE DISCLOSURE DOCUMENT

1 The Wisconsin Fair Dealership Law may supersede the provisions of the Franchise Agreement described in this Disclosure Document In particular, the provisions described in this Disclosure Document regarding non-renewal and termination may be superseded by the Wisconsin Fair Dealership Law (which, among other things, grants a franchisee the right, in most circumstances, to ninety (90) days' prior written notice of non-renewal or termination and sixty (60) days within which to remedy any claimed deficiencies)

ITEM 23

RECEIPT
(Complete in Duplicate)

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN ENGLISH READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY

IF PROPERTY DAMAGE APPRAISERS, INC OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU **14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO**, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE

IF PROPERTY DAMAGE APPRAISERS, INC DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D C 10580 AND THE STATE AGENCY LISTED IN EXHIBIT D

SELLER INFORMATION OFFERING THIS FRANCHISE **Grady Nance, Property Damage Appraisers, Inc , 6100 Southwest Blvd , Suite 200, Fort Worth, Texas 76109, 800-872-4732, or such other person as listed below (with address and telephone number), or as will be provided to you separately before you sign a franchise agreement**

ISSUANCE DATE April 4, 2017

PROPERTY DAMAGE APPRAISERS, INC AUTHORIZES THE AGENT(S) LISTED IN EXHIBIT E TO RECEIVE SERVICE OF PROCESS FOR YOUR STATE

I have received a Disclosure Document dated April 4, 2017 This Disclosure Document included the following Exhibits

A Franchise License Agreement
B List of Current Franchisees
C Financial Statements
D List of State Administrators
E Agents to Receive Service of Process
F State Addenda to Franchise Disclosure Document

________________________ ____________________________________
Date Prospective Franchisee's Signature

____
Print Name

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F State Addenda to Franchise Disclosure Document

______________________ ______________________________
Date Prospective Franchisee's Signature

____
Print Name