FRANCHISE DISCLOSURE DOCUMENT

Valbridge Property Advisors Franchising System, LLC
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Mount Pleasant, SC 29464
(843) 856-2000 (phone)
(843) 881-7532 (fax)
jbishop@valbridge.com (email)

As a franchisee of Valbridge Property Advisors Franchising System, LLC, you will operate a business that appraises commercial, industrial, and residential real property, closely held businesses, and tangible property, such as furniture and equipment, and provides consulting services relating to those assets and improving the value of them. We may also require you to provide other related products or services during the time you are a franchisee.

The total investment necessary to begin operation of a franchised business ranges from $70,118 to $161,071. This includes $39,368 to $91,071 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mr. Pledger M. Bishop, III, Manager, at ValbridgeFA@valbridge.com, 1250 Fairmont Avenue, Mount Pleasant, South Carolina 29464, telephone number 239-325-8234.

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

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

Issuance date: **April 30, 2026**.

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

Question	Where to Find Information
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Exhibits C and D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Valbridge Property Advisors business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Valbridge Property Advisors franchisee?	Item 20 or Exhibits C and D list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The Franchise Agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.

2. **Mandatory Minimum Payments**: You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

3. **Financial Condition**. The Franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the Franchisor's financial ability to provide services and support to you.

4. **Turnover Rate**. In 2023, a large number of franchised outlets (43 outlets, representing 100% of all outlets) were terminated, not renewed, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

Certain States may require other risks to be highlighted. If so, check the "State Specific Addenda" pages for your state.

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Item 1. **The Franchisor and Any Parents, Predecessors, and Affiliates**

To simplify the language in this disclosure document, "we," "us" and "our" means Valbridge Property Advisors Franchising System, LLC, the franchisor. "You" or "your" means the person or legal entity who is considering the franchise. If you are a legal entity, certain provisions of the Franchise Agreement and its attachments apply to your shareholders, members, partners, officers, or directors. These provisions are noted.

The Franchisor

We are a Florida limited liability company formed on January 24, 2013. We maintain our principal business address at 11602 Lake Underhill Road, Suite 102, Orlando, Florida 32825.

Our parent is Valbridge Property Advisors, Inc., a Florida corporation. It was formed on September 9, 2011, as Cambridge Property Advisors, Inc. The address of our parent is 11602 Lake Underhill Road, Suite 102, Orlando, Florida 32825.

Data Appraise Systems

Data Appraise Systems, LLC, is a Florida limited liability company ("**Data Appraise**") that was formed on July 15, 2014, as VPA Dapp Acquisition, LLC. Data Appraise is wholly owned by our parent.

Data Appraise licenses software and provides services to our franchisee and other firms. The principal business address of Data Appraise Systems, LLC, is 11602 Lake Underhill Road, Suite 102, Orlando, Florida 32825.

Data Appraise has not conducted business in any other line of business and has never offered franchises in any line of business.

Data Solutions

Valbridge Property Advisors Data Solutions, LLC, is a Florida limited liability company ("**Data Solutions**") that was formed on May 5, 2017, and is wholly owned by our parent.

Data Solutions licenses real property data to and from our franchisees. The principal business address of Valbridge Property Advisors Data Solutions, LLC, is 11602 Lake Underhill Road, Suite 102, Orlando, Florida 32825.

Data Solutions has not conducted business in any other line of business and has never offered franchises in any line of business.

Valbridge TUCO Investor

Valbridge TUCO Investor, LLC, is a Florida limited liability company ("**VTI**") that was formed on February 4, 2020, and is wholly owned by our parent.

VTI holds an equity interest in TUCO TEC, LLC, a Colorado limited liability company and licensee of our Parent. TUCO TEC, LLC, provides an automated valuation model under the Valbridge service mark *Valnow*. The principal business address of Valbridge TUCO Investor, LLC, is 11602 Lake Underhill Road, Suite 102, Orlando, Florida 32825.

VTI has not conducted business in any other line of business and has never offered franchises in any line of business.

V-Bridge

V-Bridge, LLC, is a Florida limited liability company ("**V-Bridge**") that was formed on September 20, 2023, and is wholly owned by our parent.

V-Bridge is developing an Internet accessible appraisal report writing platform and data manipulation software that will be compatible with Microsoft Word and Excel. The Franchisor expects that the V-Bridge appraisal report writing platform will replace the Datappraise report writing platform currently used by the franchisees. The principal business address of V-Bridge is 11602 Lake Underhill Road, Suite 102, Orlando, Florida 32825.

V-Bridge has not conducted business in any line of business and has never offered franchises in any line of business.

We have no other affiliates that sell franchises in any line of business or that will provide products or services to you.

Predecessors

The predecessor of our parent is Cambridge Property Advisors, Inc., a Delaware corporation. It was formed on June 2, 2011, was merged into our parent on July 23, 2012, and is no longer in existence. The address of our predecessor was 20 William Street, Ste. 320, Wellesley, MA 02481.

Name

We do business under the name Valbridge Property Advisors Franchising System, LLC, and the trade name *Valbridge Property Advisors*. We do not do business under any other name.

Agents for Service of Process

Our agent for service of process in the State of Florida is Alexander Business Law, PLLC, and our registered office in the State of Florida is 11602 Lake Underhill Road, Suite 102, Orlando, Florida 32825. Corporation Service Company is our agent for service of process in the following states: California, Illinois, Indiana, Maryland, Michigan, Minnesota, North Carolina, North Dakota, South Carolina, Virginia, Washington, and Wisconsin (see Exhibit A, hereto).

Our franchised business

We franchise the right to operate an appraisal practice that engages in the appraisal of commercial, industrial, multi-family and residential real property, businesses and their equity, and business furniture, fixtures, equipment, machinery, and other personal property, appraisal consulting, appraisal reviews, evaluations to develop opinions of value, and providing appraisal related expert testimony.

Franchisees are not permitted to engage in business as a appraisal management company ("AMC"), real estate brokerage, or any other business through their franchised business operations other than those expressly permitted by us. AMC activities means overseeing and administering a network or panel of appraisers to value properties collateralizing mortgage loans or mortgages, where the AMC utilizes criteria determined by its customer or applicable laws, rules, or regulations, such as FIRREA, to determine the qualifications of the appraisers eligible to be a network or panel member. AMC activities may also include conducting appraisal reviews for a customer to ascertain

compliance with applicable laws, rules, or regulations, recruiting, selecting, and retaining appraisers, contracting with licensed and certified appraisers to perform appraisal assignments, managing the process of having an appraisal performed, or reviewing and verifying the work of appraisers. Typically, though not in all cases, if you engage in AMC activities you may be required by law to register with applicable regulatory authorities.

Real estate brokerage activities involve the listing, marketing, and brokering of real estate.

We only grant franchises to a person who has, or to an entity where at least one owner holding not less than ten percent of such entity has, for at least the two past years: (1) been regularly engaged on a full-time basis in the business of appraising property of the type or types that the franchised business will appraise, and (2) holds all licenses necessary to do so.

Our Experience

We began offering Valbridge franchises in 2013. Neither we nor our parent or predecessor have engaged in any other line of business or offered franchises in any other line of business in the past. Neither we, our parent, nor our predecessor operated a business of the type being franchised, except for franchising the franchised business. Our parent engages through subsidiaries in other businesses that are related to the appraisal practice activities, including maintaining and licensing a real property database through Data Solutions, and providing software-as-a-service automated report writing platform through Data Appraise that we require our franchisees to utilize. Neither we, our parent, our sibling entities, nor our predecessor engage, or have engaged, in the appraisal business.

Our managers and the officers and directors of our parent currently operate independently owned businesses that are franchisees of ours and engage in the appraisal business (see Item 2 below). All of these businesses are franchisees of ours.

We also provide licensees to operate an appraisal practice under a trademark license permitting licensees to use certain of our trade and service marks and trade secrets. In such cases our licensees are not bound to most of the requirements and restrictions set forth in the franchise agreement.

The Franchise

You will convert your existing appraisal practice into a Valbridge Property Advisors franchised business for the property type or types that your practice currently appraises. You must operate the Valbridge Property Advisors franchised business according to our standards and specifications, and you must sign our standard Franchise Agreement and attachments (Exhibit B).

Competition

Your customer market will be primarily owners of real property and businesses, banks and other lenders, insurance companies, trusts and estates, and others engaged in the ownership, management, and brokerage of real estate, litigation concerning real estate, and in appraisal management.

The market for rendering appraisals is well-developed and very competitive. You will be competing with many other local, regional, and national independent and franchised

companies that provide similar services. Before signing a Franchise Agreement, you should survey your market to determine the number and quality of competitors.

Laws and Regulations
Many, if not most, states and other governmental entities require appraisers to be licensed. You must be licensed to appraise properties of the type for which you engage in the franchise business in those jurisdictions that require licensure if either your office will be located in that jurisdiction, or you will conduct appraisals there.

You must also be licensed as an appraiser to conduct an appraisal of real property for federally related lending transactions.

Appraisals are generally conducted in accordance with Uniform Standards of Professional Appraisal Practice, also known as "**USPAP**," and other rules and regulations applicable to the property type that is the subject of the appraisal, though there are instances when USPAP is not applicable.

You must comply with all federal, state, and local laws, rules, and regulations in the operation of the franchised business. Types of generally applicable laws include health and sanitation, immigration laws, tax laws, unemployment and workers' compensation laws, workplace safety laws, employment and discrimination laws, disability laws, environmental laws, building codes, zoning codes and the Americans With Disabilities Act. We urge you to consult with a local attorney about state and local laws and regulations as these vary by locality.

Item 2. **Business Experience**

Our Managers.
Pledger M. "Jody" Bishop, III, Manager
Mr. Bishop is a managing member of Atlantic Appraisals, LLC (Valbridge Property Advisors |Charleston), located in Charleston, South Carolina (1990 to present).

Officers of Our Parent
Pledger M. "Jody" Bishop, III, President and Chief Executive Officer
Mr. Bishop is a managing member of Atlantic Appraisals, LLC (Valbridge Property Advisors |Charleston), located in Charleston, South Carolina (1990 to present).

David Brooks, Senior Vice President.
Mr. Brooks is the owner of VBW Metro, LLC, (Valbridge Property Advisors | Baltimore Washington Metro), located in Baltimore, Maryland (2016 to present).

Karlene Perry, Vice President, Finance and Operations.
Ms. Perry is an officer and shareholder of Auble, Jolicoeur & Gentry, Inc., located in Spokane and The Tri-Cities/Columbia Basin, Washington, and Coeur d'Alene, Idaho (2001 to present).

Karl Finkelstein, Vice President, Business Development.
Mr. Finkelstein is the managing member of Atlantic Appraisals, LLC, located in Charleston, South Carolina (1998 to present).

Laura Hulberg, Vice President of Marketing.
Ms. Hulberg is the Senior Managing Director of Hulberg & Associates, Inc., located in San Jose, California (2011 to present).

Tony Lesicka, Vice President of Technology.
Mr. Lesicka was a co-founder of Insight Realty Advisors, Inc., located in St. Paul, Minnesota. Mr. Lesicka has experience in commercial property development and asset management and capital markets funding for real estate. (2013 to present).

Directors of Our Parent

Lawrence J. Colorito (Chairman of the Board of Directors, Director)
Mr. Colorito is a co-founder and managing member of Axial Advisory Group, LLC, located in Chesapeake, Virginia, (2002 to present).

Bruce Jolicoeur
Mr. Jolicoeur is the Senior Managing Director of Auble Jolicoeur & Gentry, Inc. (2013 to present) located in Spokane and The Tri-Cities/Columbia Basin, Washington, and Coeur d'Alene, Idaho.

Norman C. Hulberg
Mr. Hulberg is a shareholder and the president of Hulberg & Associates, located in San Jose, California (1976 to present).

James M. Hartman
Mr. Hartman is a principal of The Oetzel-Hartman Group, LLC (Valbridge Property Advisors I Southern Michigan), located in Okemos, Michigan (1989 to present).

Brett E. Weatherbie
Mr. Weatherbie is a principal and a Senior Managing Director for Valbridge Property Advisors | San Antonio (2004 to present).

Michele Wood
Ms. Wood has been in the commercial valuation profession for over 20 years having served in various roles in offices across Valbridge Property Advisors nationwide.

John E. Hall III
Mr. Hall is the Senior Managing Director (1994 to present) of Real Estate Appraisers, LLC.

John T. Bosworth
Mr. Bosworth is a principal of John Bosworth & Associates, LLC, located in Charlotte, North Carolina (1993 to present).

Jason Roos
Mr. Roos is an accomplished commercial real estate appraiser with nearly two decades of experience in valuation and consulting. Mr. Roos is a co-founder of Shaner Appraisals, Inc., located in Overland Park, Kansas. (2007 to present).

Item 3. **Litigation**

Prior Actions

MJN Enterprises, Inc. v. Valbridge Property Advisors, Inc., Valbridge Property Advisors Franchising System, LLC, Shaner Appraisals, Inc., Shaner Appraisals, LLC, Insight Realty Advisors, LLC, Mitchell Appraisals, Inc., Mitchell Appraisals, LLC, Laird Goldsborough, Joanne Montgomery, Case No. C20232709 (Superior Court of Arizona, Pima County filed June 16, 2023).

Our former franchisee, MJN Enterprises, Inc. ("**MJN**"), filed suit against the Franchisor and the Parent as well as the other defendants, including a current director (Joanne Montgomery) and a former director of the Parent, and certain franchisees, for (1) intentional interference with contract, alleging that we used improper means to interfere with MJN's contracts to sell its Arizona franchise, through improper marketing and improper influence, and (2) breach of fiduciary duty, alleging the defendants owed a fiduciary duty to MJN, to act and make decisions with respect to MJN consistent with their obligation of good faith and fair dealing and free from conflicting interests, which the defendants allegedly breached. MJN sought both compensatory damages of an unspecified amount and punitive damages, together with pre- and post-judgment interest, and attorneys' fees and costs. On February 8, 2024, upon stipulation of MJN, the franchisees, the current director (Mrs. Montgomery), and the former director, the lawsuit was dismissed with prejudice as to those defendants. The lawsuit was voluntarily settled as concerns the Franchisor and the Parent. Under the settlement agreement, the Franchisor and the Parent agreed to pay MJN $70,000 and MJN agreed to provide transfer the capital stock of the Parent to the Parent, cease use of all Valbridge trademarks, and dismiss the action with prejudice. On February 15, 2024, the lawsuit was dismissed with prejudice as to the Franchisor and the Parent. The parties to the Settlement Agreement expressly denied liability.

Government Actions

In the Matter of Determining whether there has been a violation of the Franchise Investment Protection Act of Washington by: Valbridge Property Advisors Franchising System LLC, Order No. S-25-3950-25-SC01 (Washington 2025).

The Securities Administrator for the State of Washington sought to order the Franchisor, and its agents and employees, to cease and desist violating RCW 19.100.020 and RC 19.100.080. The Franchisor entered into a Consent Order on or about October 6, 2025, in settlement of the matters alleged therein.

In the Matter of Valbridge Property Advisors Franchising System LLC, Case No. 2025-0382 (Maryland 2025).

The Securities Division of the Office of the Attorney General of Maryland initiated an investigation into the franchise-related activities of the Franchisor. Before the holding of a hearing, without trial or final adjudication of any issue of fact or law, and with the Franchisor admitting or denying any violation of law, the Franchisor and the Maryland Securities Commissioner reached an agreement to enter into a Consent Order. The Consent Order was entered into on April 28, 2026.

In the Matter of the Commissioner of Financial Protection and Innovation v. Valbridge Property Advisors Franchising System LLC, also known as Valbridge (California 2025).

The Department of Financial Protection and Innovation of the State of California conducted a compliance examination and review and alleged that the Franchisor violated certain Franchise Investment Laws. The Franchisor and the Commissioner of Financial Protection and Innovation entered into a Consent Order on October 22, 2025, to resolve the issues set forth in the Consent Order.

No other litigation information 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**

At the time you sign the Franchise Agreement, you must pay us:

1.) an administrative processing fee of $2,500,

2.) an initial franchise fee of $25,000,

3.) a first-year premium of between $1,000 and $39,000 plus an administrative fee of five percent (5%) of the premium due for the professional liability insurance policy secured by us and covering us and you,

4.) an initial Deductible Reserve Contribution Fee of between $23 and $976 to be used to establish and replenish a deductible reserve that is used by us to pay any deductible becoming due from us under the professional liability insurance policy, and

5.) a first month's real estate database license fee of between $320 and $400 for each appraiser and other appraisal related professional that you employ or engage as a contractor.

At the time you sign the Franchise Agreement, you must pay our affiliates:

1.) an initial technology infrastructure fee for new franchisees of $4,200 for each user of the VPA360 report writing platform, determined as of the effective date of the Franchise Agreement,

2.) a first-year subscription fee of $2,500 per employee appraiser/support staff providing services to your franchised business, plus one free subscription fee for an employee providing services to your franchised business, to the report writing platform, and

3.) a fee of between $5,000 and $15,000 for the conversion of the digital real estate data maintained and utilized by you prior to becoming a franchisee, to a form that can be utilized by the report writing platform and stored on the Valbridge Database.

Administrative Processing Fee

The administrative processing fee of $2,500 is used by us to process your Franchise Agreement, it includes administrative work and legal fees (to our legal counsel) associated with processing your Franchise Agreement. The administrative processing fee is due upon execution of the Franchise Agreement and is fully earned and non-refundable at the time you sign the Franchise Agreement.

Initial Franchise Fee and Initial Technology Infrastructure Fees

The initial franchise fee has ranged from $0 to $25,000 over the past twelve months. We have permitted some new franchisees to delay payment of the initial franchise fee until they have achieved an agreed upon amount of revenues, added an owner, transferred an ownership interest, sold or closed their appraisal practice, or terminated or renewed their franchise agreement.

The initial franchise fee is used by us to meet our initial obligations to you under the Franchise Agreement, including: to pay our expenses incurred in providing you with: (1) digital templates containing the Valbridge Mark, for your use in business correspondence, sales and marketing materials, (2) advice concerning the transition of your present appraisal business into the franchised business, (3) advice and information concerning sources of supply for materials to be used in the operation of the franchised business, (4) instructions and training on how to operate the franchised business, (5) support and enhance the report writing platform, (6) other relevant manuals and written materials we provide for the operation of the franchised business, and (7) a listing of your franchised business and the qualifications of your employees on the website maintained by us. We will also use the balance of the initial fee left after providing the above-described items and information, if any, for general working capital for the operation of our business.

The initial technology infrastructure fee for new franchisees is $4,200 for each user of the VPA360 report writing platform, with the number of users being determined as of the effective date of the Franchise Agreement. The initial technology infrastructure fee is used for the continued development, support, and enhancement of the VPA360 report writing platform.

The initial franchise fee and the initial technology infrastructure fee are due from new franchisees only and are not due from any franchisee who enters the franchise agreement simultaneously with the termination of a license agreement with us or a prior franchise agreement with us. The initial franchise fee and the initial technology infrastructure fee are fully earned and non-refundable when received by the Franchisor or V-Bridge.

Professional liability insurance Premium and Deductible Reserve Contribution Fee

We maintain a professional liability insurance policy covering us and our franchisees for the appraisal and related professional services that are authorized to be performed by our franchisees and licensees in accordance with the franchise agreement or license agreement. The professional liability insurance policy has limits of liability of $5 million per claim and $5 million for the aggregate of all claims, and a deductible of $50,000 on the first claim and $50,000 for each subsequent claim for the policy period.

The current professional liability insurance policy is issued by an insurance company that is not affiliated with us and covers claims reported during the policy period from April 22, 2026, to April 21, 2027, for professional appraisal services rendered from and after the date you commence operations as a franchisee. You may also be covered for professional appraisal services rendered earlier than the date you became a franchisee if that extended period is approved by us and by the provider of the professional liability insurance policy, and you pay any additional premium arising therefrom.

The initial premium is used by us to pay the premiums that become due for this policy. The Deductible Reserve Contribution Fee is used by us to establish and replenish a

reserve to: (1) pay the deductible that is due from us in the event of a claim in which we are a defendant, and (2) loan up to $20,000 each to one or more franchisees in the event of a claim against a franchisee where the franchisee is unable to pay the full amount of the deductible on the policy. Each loan made to a franchisee from the deductible reserve bears interest and must be repaid no later than three years after the making of the loan. The principal amounts of repaid deductible reserve loans are returned to the deductible reserve. The premium and deductible reserve contribution fee for the period from the time you sign the Franchise Agreement until the professional liability insurance policy renewal date are set by us prior to the time you sign the Franchise Agreement in an amount that is based on the anticipated increase in the premium arising from covering your business under the professional liability insurance policy and our estimate of a reasonable reserve based on the policy deductible. The reserve is currently set at four times the amount of the professional liability insurance policy deductible. The premium for the professional liability insurance policy is set by the insurance company issuing the policy and is prorated based on the time left under the current policy at the time you sign your franchise agreement. Your franchised business will be covered under our professional liability insurance policy after you commence operations as a franchisee.

Report Writing Platform Fees and Data Conversion Costs.
Some franchisees who enter the franchise agreement simultaneously with the termination of a license agreement with us or a prior franchise agreement with us are utilizing a report writing platform that we previously required our franchisees to utilize to prepare reports in connection with their franchised appraisal business known as the Datappraise. Datappraise is owned and operated by our affiliate, Data Appraise.

The Franchisor requires our new franchisees to utilize the report writing platform known as “VPA360,” to prepare reports in connection with their franchised appraisal business. VPA360 is owned and operated by our affiliate, V-Bridge. During the term of your franchise, we expect to require all our franchisees to utilize VPA360 to prepare reports in connection with their franchised appraisal business. Once VPA360 is the required report writing platform for all franchisees, the Datappraise will no longer be supported or offered to franchisees.

The Franchisor anticipates that on, and effective as of, August 1, 2026, the report writing platform that the Franchisor requires its franchisees to utilize to prepare reports in connection with their franchised appraisal business will be changed exclusively to VPA360. We anticipate that as of August 1, 2026, we will no longer utilize the Datappraise. Once this change occurs, you will be required to enter the then current form of the V-Bridge Report Writing Platform SaaS Agreement to have access to and utilize the V-Bridge report writing platform.

When the change of the report writing platform occurs, you will be required to: (1) stop using the Datappraise, if applicable, (2) only use VPA360 to prepare appraisal reports in connection with your franchised appraisal business, and (3) pay V-Bridge a per user fee for use of the platform and a license to use related desktop software. The data utilized by the Datappraise platform will be accessible to and usable by the VPA360 report writing platform without further modification. Each franchisee will be required to enter the current form of the VPA360 Report Writing Platform SaaS Agreement to have access to and utilize the VPA360 report writing platform in the conduct of its franchised business.

Upon our utilization of VPA360, you must pay V-Bridge: (1) a first-year fee for the use of VPA360 and a license to use the related desktop software, and (2) the costs to transfer the digital real estate related data utilized by your appraisal practice prior to becoming a franchisee into data that is accessible via VPA360.

If you previously entered into the Cost Reduction Payment Agreement and fulfilled your obligations under that Agreement and the V-Bridge VPA360 report writing platform development has been completed, the actual fee for access to and use of the VPA360 report writing platform and the license to any related desktop software will be $2,500 per employee or contractor engaged by your franchised business (i.e., per “seat”) for the first year it is available. Otherwise, the retail fee for access to and use of the VPA360 report writing platform and the license to any related desktop software will be $4,000 per employee or contractor engaged by your franchised business (i.e., per “seat”) for the first year it is available. The first-year fees are payable in three (3) equal installment payments on August 1, December 1, and April 1 and are fully earned and non-refundable at the time you pay them to V-Bridge. Any unused annual fees paid for the use of Datappraise, will be credited to your first-year fee for the use of VPA360. Following the first-year term of VPA360 and continuing through the term ending in 2030, the annual retail fee will not exceed $5,000 per employee or contractor engaged by your franchised business, and for 2031 and 2032, the annual retail fee will not exceed $5,000 per employee or contractor by your franchised business. If you entered into the Cost Reduction Payment Agreement and fulfilled your obligations under that Agreement, the actual fee will be discounted as provided in the Cost Reduction Payment Agreement (see below), and you will receive one free seat for use by an administrative or management employee.

The cost for the conversion of your real estate related data is based on the structure and amount of data to be converted and is typically billed at an hourly rate by an unaffiliated third-party software development vendor that has been approved by V-Bridge/VPA360. For a new franchisee, we estimate the minimum cost to be no less than $3,750 based on historical examples of converting up to 10,000 records in a common existing database format, and approximately $15,000 for a less common database format of 50,000 records, but the actual cost will be billed on a time and materials basis. It is not possible to determine the exact amount of this fee without information about the type of the database to be converted and the number of records in that database. The cost will be estimated once we have information about your data and the estimated amount is held as a deposit to be applied to those costs. If the costs exceed the estimate, you are responsible to reimburse V-Bridge/VPA360 for those costs. If the costs are less than the estimate, V-Bridge/VPA360 will refund the excess to you.

The Franchisor reserves the right to change the report writing platform upon not less than thirty (30) days written notice to you.

The administrative processing fee, initial franchise fee, initial technology infrastructure fee, first-year premium for the professional liability insurance policy, and the Deductible Reserve Contribution Fee are fully earned and non-refundable at the time you sign the Franchise Agreement.

The first-year subscription fees and the database fee are fully earned and non-refundable at the time you sign the Datappraise Software Services and License Agreement (Exhibit

F to the Franchise Agreement), and the Database Access and License Agreement (Exhibit G to the Franchise Agreement), respectively.

Real Estate Information Database License from CoStar.

We contract with and pay CoStar Group, Inc., an unrelated entity, for access to a nationwide real estate information and transaction related database and a license to use the data downloaded from such database for franchisee appraisal related activities. We make the database and license available to our franchisees and licensees in exchange for a real estate database license fee. The real estate database license fee varies depending on a number of factors, including whether you had an existing contract with CoStar Group, Inc., at the time you become a franchisee. The fee is the greater of the fee that you paid on your existing contract or the amount you would have to pay under our contract. The real estate database license fee payable by franchisees under our contract is $395 per month plus applicable tax for your state for each appraiser and appraisal related employee or contractor employed or engaged (each being referred to as a 'seat'). See Item 6, Note 9 for additional information. The real estate database license fees are payable by you to us each calendar month and are fully earned and non-refundable at the time you pay them to us.

Item 6. **Other Fees**

Fee	**Amount**	**Due Date**	**Remarks** *(See Note 1)*
Base Royalty	$27,500 per year of your franchise.	On or before the 1st day of every month.	See Notes 2 and 5.
Royalty	$0 to unlimited.	On or before the 1st day of every month.	See Notes 3, 4 and 5.
Capital Reserve Assessment	Up to one-half of the then current Base Royalty.	On or before the 1st day of every month.	See Note 6.
Report Writing Platform Fees	When we change the report writing platform to V-Bridge, the annual retail fee will increase to $4,000 for each of your professional and paraprofessional (e.g., appraiser, trainee, analyst, or person with similar duties), management and administrative employees and contractors for the first year of the franchise term, subject to	The fee for access to the V-Bridge report writing platform will be due when it is available for use and payable on or before August 1, December 1, and April 1, of each Subscription Year.	See Note 7. When the report writing platform is changed to V-Bridge, the report writing platform fees will be paid to V-Bridge, our affiliate, and are subject to change. The actual fee will be discounted as provided in the Cost Reduction Payment Agreement, including the right to one free seat for use by a clerical or administrative employee. Notwithstanding the Cost Reduction Payment Agreement, the actual fee is not fixed and will likely decrease during the term of your franchise. However, if you are paying the annual retail fee, the annual retail fee is not fixed and will likely increase during the term of your franchise, the

Fee	Amount	Due Date	Remarks *(See Note 1)*
	reduction in accordance with the Cost Reduction Payment Agreement.		maximum amount of the annual retail fee for the VPA360 report writing platform will not exceed $5,000 per user per year through the term of your franchise, as applicable.
Data Solutions Database Access Fee	$0 to $250.	On or before the first day of each calendar month.	See Note 8. This amount is paid to Valbridge Property Advisors Data Solutions, LLC, our affiliate, and is subject to change. The maximum monthly access fee is $250 per firm (Exhibit G to the Franchise Agreement).
Real Estate Database License	$395 per user per month.	On or before the 1st day of every month.	See Note 9. Payable for each appraiser and appraisal related employee (e.g., trainee, analyst, etc.) that you employ and each contractor that you engage to provide similar services.
Late Report Fee	$250	On or before the first day of the next calendar month.	Payable if you do fail to file a required report more than twenty (20) business days after its due date.
Renewal Fee	$6,000 if the Base Term is 5 years, $5,000 if the Base Term is 6 years, or $4,000 if the Base Term is 7 years.	At the time you enter a renewal Franchise Agreement.	Payable only if we and you elect to enter a new Franchise Agreement at the end of the term of your Franchise Agreement.
Annual Meeting Fee	$2,000 for each franchise year.	On or before January 30 of each calendar year during the term of your franchise.	Provides admission to one franchisee owner for one franchisee meeting per calendar year. See Note 10.
Training Fee	Up to $1,000 per person attending training.	Fifteen (15) days after presentation of invoice.	Payable as tuition or a training fee for each person from your franchised business attending a training or course. In addition, you must pay your related costs including travel, meal, and lodging expenses.
Special Assistance	Our actual cost	Fifteen (15) days after presentation of invoice.	Payable only if you request special assistance from us and we elect to provide it to you.
Insurance Coverage	Our actual cost, plus interest and a five percent (5.0%) administrative fee.	Fifteen (15) days after presentation of invoice	Payable for: (1) the professional liability insurance policy maintained by us and covering the appraisal and related professional services performed by your franchised business, or (2) otherwise, only if you fail to maintain the insurance required to be maintained by you

Fee	Amount	Due Date	Remarks *(See Note 1)*
			under the Franchise Agreement, and we elect to obtain the required insurance for you. See Note 11.
Insurance Deductible Reserve Contribution Fee	$23 to $976	Fifteen (15) days after presentation of invoice	Payable until the reserve account equals or exceeds four times the maximum deductible on the professional liability insurance policy maintained by us and covering the appraisal and related professional services performed by your franchised business. The current deductible on such policy is $50,000 per claim. Payable again if the reserve account balance falls below four times the maximum deductible on such policy. See Notes 11, 12, and 13.
Insurance Deductible Coverage	Our actual cost plus interest	Fifteen (15) days after presentation of invoice	Payable in our discretion if there is a claim against you or your franchised business that is defended or covered under our professional liability insurance policy maintained and we are required to pay the deductible on such policy. See Notes 11, 12, and 13.
Transfer Fee	$5,000 plus our actual costs that exceed $5,000.	$5,000 is due on or before the occurrence of a transfer of your franchised business. Any amount in excess of $5,000 is due upon presentation of our invoice.	Payable if you transfer your franchised business and the transferee becomes a franchisee. See section 18 of the Franchise Agreement.
Liquidated Damages	$2,500 to $5,000	Five (5) business days after the breach.	Payable only if you breach certain of your obligations under the Franchise Agreement. See Note 14.
Review Costs	Our actual cost	Fifteen (15) days after presentation of invoice	Payable only if an inspection reveals an underpayment of Referral Fees of 5% or more.
Deficiencies	Our actual cost	Fifteen (15) days after presentation of invoice	Payable only if you do not satisfy your obligations under the Franchise Agreement and we elect to perform your obligations for you.
Late Payment Fee	Five percent (5%) of the amount due us that is not timely paid.	Twenty (20) days after presentation of invoice.	Payable only if any payment under the Franchise Agreement or any other agreement between us and you is overdue by five days or more for any reason.

Fee	Amount	Due Date	Remarks *(See Note 1)*
Interest on Late Payments	Lesser of 18% per annum, or the maximum rate permitted by law.	Fifteen (15) days after presentation of invoice	Payable only if any payment under the Franchise Agreement or any other agreement between us and you is overdue for any reason.
Bank charges	Our actual costs	Fifteen (15) days after presentation of invoice	Payable only if your check or other method of payment fails to clear your account and we incur non-sufficient funds (NSF) or other bank charge.
Indemnification	Our actual costs and attorneys' fees	Fifteen (15) days after presentation of invoice	Payable only if we are the subject of claims brought by third parties involving your ownership or operation of your franchise.
Enforcement Costs	Our actual costs	Fifteen (15) days after presentation of invoice	Payable only if we incur costs due to your failure to pay when due any monies owed under your Franchise Agreement or submit when due any reports, information or supporting records, or for any failure otherwise to comply with your Franchise Agreement, or if we prevail in any proceeding for enforcement or due to an alleged dispute, breach, default, or misrepresentation.
Administrative Processing Fee	$2,500	On signing of Franchise Agreement	Payable upon execution of the Franchise Agreement. See Note 15.

Notes:

1. Unless otherwise stated, all fees are uniformly imposed by us. All fees are non-refundable.
2. Base Royalty. One twelfth of the Base Royalty is payable to us monthly during each franchise year. The base royalty is subject to a downward adjustment in any year where the franchise term is less than the full year.
3. Royalty. In addition to the Base Royalty, you are obligated to pay us a revenue-based Royalty that is equal to three and a half percent (3.5%) of that portion of your Adjusted Gross Revenue (see note 4 below) that is in excess of $725,000 each calendar year. The threshold amount for measuring revenue-based royalty is subject to a downward adjustment in any year where the franchise term is less than the full year.
4. Gross Revenue and Adjusted Gross Revenue.

   "*Gross Revenue*" means the total gross revenues of the subject person, entity, trust, or association for the applicable period determined in accordance with the Selected Accounting Method if such person, entity, trust, or association is the franchisee, and on a cash basis if another person, entity, trust, or association, and shall include gross revenue from each and every non-financing activity of the franchisee, whether arising from engaging in the franchised business or any other non-financing activity. Gross Revenue consisting of property or services received (for example, bartering or trade outs) shall be the amount that is equal to the fair

market value of the products or services received at the time received by the subject person, entity, trust, or association.

"*Selected Accounting Method*" means the method selected, either cash basis method or accrual method, by the franchisee in the franchise agreement.

"*Adjusted Gross Revenue*" means the result of: (1) the Gross Revenue of the franchisee, *less* (2) the amounts paid or payable by the franchisee for the applicable period in accordance with the Selected Accounting Method to other franchisees and licensees of the Franchisor, as referral fees to the Franchisor, and to any unrelated contractors for fees and costs that do *not* arise from the conduct or any part of the franchised business (e.g., pass through payments to professional engineers, architects, etc.), for or in connection with matters giving rise to the total gross revenues reported for the applicable period, or that arise from the conduct or all or any part of the franchised business utilizing a contractor appraiser where: (a) the appraisal report or other work product that results from the engagement does not bear any trade or service mark or tradename licensed to the franchisee, and is not signed in the name of the franchisee or by any employee, affiliate or direct or indirect owner of the franchisee, *and* (b) the amount paid to the appraiser by the franchisee is seventy five percent (75%) or more of the fee charged by the franchisee for the engagement, plus (3) the Gross Revenue of each direct and indirect owner of a franchisee or his, her, or its affiliates for the applicable period that arise from or in connection with such person engaging in all or any part of the franchised business and where such Gross Revenue was not included in the Gross Revenue of the Franchisee under (1) above.

Gross Revenue and Adjusted Gross Revenue are pro-rated in any year where the franchise term is less than the full year.

5. Payment of Royalty. The Base Royalty plus an estimate of the franchisee's revenue-based Royalty are paid to us monthly throughout each year of the franchise term. That estimate is initially calculated using the franchisee's actual revenues for the prior year.

   We can adjust the estimated revenue-based Royalty on 30 days written notice to you if we reasonably believe that the estimated payments will result in a significant underpayment or overpayment. Adjustments are made on a case-by-case basis.

   You are required to make up any shortfall between the estimated payments of Royalty and the actual calculated amount of the Royalty within 30 days of written notification from us. If your estimated payments of Royalty are greater than the actual calculated amount of the Royalty, we will credit the excess against future Royalties due us, except that, in the case of the last year of the franchise agreement where the franchise agreement is not renewed, we will pay you the excess within sixty (60) days after the end of the franchise term, subject to set-off for any amounts you owe to us.

6. We may establish a Capital Reserve Assessment fee that will be due to us with the payment of Base Royalty if it is payable by all franchisees. However, we may not assess a Capital Reserve Assessment fee before October 1, 2026, or when our reserves are equal to or greater than six months of our operating expenses.

We have the sole right to determine how and when to use Capital Reserve Assessment fees. One twelfth of the Capital Reserve Assessment fee is due monthly during the time it is in effect.

7. Report Writing Platform.

Datappraise

The Datappraise software-as-a-service report writing platform (the *Datappraise*) is a report writing platform and related software that is offered by our affiliate, Data Appraise Systems, LLC. The Datappraise automates assembly of appraisal reports from real estate related data maintained on the Data Solutions Database (see note 9) accessible via the Datappraise. This fee is non-refundable and is paid directly to Data Appraise Systems. We previously required franchisees to purchase and use the Datappraise in connection with the operation of their franchised business. Some franchisees who enter the franchise agreement simultaneously with the termination of a license agreement with us or a prior franchise agreement with us are utilizing the Datappraise. Once VPA360 is the required report writing platform for all franchisees, the Datappraise will no longer be supported or offered to franchisees.

We may change the report writing platform during the term of your franchise. If we change the report writing platform software or online service, we will provide you with at least thirty (30) days' written notice.

V-Bridge and VPA360

The Franchisor expects that, during the term of your franchise, the software-as-a-service report writing platform that is being developed by our affiliate, V-Bridge, and known as "VPA360," will become the required report writing platform. Once VPA360 is the required report writing platform for all franchisees, our previously required report writing platform known as Datappraise, which is owned and operated by our affiliate, Data Appraise, will no longer be supported or offered to franchisees.

Cost Reduction Payment and Retail Fee

Some licensees and franchisees previously entered a Cost Reduction Payment Agreement with our affiliate, V-Bridge. The Cost Reduction Payment was used by V-Bridge to develop the VPA360 report writing platform that will replace the Datappraise report writing platform.

If you entered into the Cost Reduction Payment Agreement and fulfilled your obligations under that Agreement and the V-Bridge VPA360 report writing platform development is completed, the actual fee for access to and use of the VPA360 report writing platform and the license to any related desktop software will be $2,500 per employee or contractor engaged by your franchised business (i.e., per "seat") for the first year it is available.

Otherwise, the retail fee for access to and use of the VPA360 report writing platform and the license to any related desktop software will be $4,000 per employee or contractor engaged by your franchised business (i.e., per "seat") for the first year it is available. You must purchase one subscription for each appraiser,

trainee, analyst, or person with similar duties employed or engaged as a contractor by you, and one subscription for each support person employed by you.

If you entered into the Cost Reduction Payment Agreement and fulfilled your obligations under that Agreement and the V-Bridge VPA360 report writing platform development has been completed, you will receive: (1) one free seat for an administrative or management employee of your franchise, and (2) a discounted annual fee as provided in the Cost Reduction Payment Agreement. The free seat and discounted rate will remain in effect for the length of your franchise agreement.

Once the VPA360 report writing platform is developed and available for use by the franchisees, you will be required to enter the then current form of the VPA360 Report Writing Platform SaaS Agreement to have access to and utilize the VPA360 report writing platform.

8. Data Solutions Database. The Data Solutions database is an online database offered by our affiliate, Valbridge Property Advisors Data Solutions, LLC. The database enables the sharing of data among our franchisees for the preparation of appraisal reports and undertaking other aspects of the franchised business. As of the date of this FDD, Data Solutions does not charge an access fee, but may do so in the future after providing notice to the franchisees. According to the Database Access and License Agreement, this fee may be up to $250 per month per firm during the term of the agreement. This fee is non-refundable and is paid directly to Data Solutions. We require you to purchase and use the Data Solutions database in connection with the operation of your franchised business.

9. Real Estate Database License Fee. The real estate database license fee pays for access and a license to use the data from a nationwide real estate information and transaction related database maintained and made available by CoStar Group, Inc. We contract directly with and pay CoStar for access to the database and the license to use the data for appraisal related activities and make it available to our franchisees and licensee in exchange for the real estate database license fee. The information is provided on a subscription basis, and you are required to enter an agreement with CoStar agreeing to abide by the restrictions of the contract between us and CoStar.

   Your per appraiser and appraisal related employee or contractor (“per seat”) real estate database license fee will be the greater of: (i) the per seat fee you paid as a CoStar customer under a contract between your firm and CoStar in effect at the time you sign your franchise agreement (that will be terminated when you become a franchisee or licensee), if you have one, or (ii) the per seat fee is $395 per seat plus applicable taxes for your state. Your total real estate database license fee will be the per seat fee multiplied by the total number of appraiser and appraisal related employees and contractors you have on staff (with certain very limited exceptions).

   The contract between us and CoStar has a three-year term from May 1, 2026 through April 30, 2029. The above amounts will likely increase after that date.

10. The franchisee is responsible for travel, lodging and other expenses of attending the franchisee meeting.

11. The premium payable for the professional liability insurance policy that covers the appraisal and related professional services performed by our franchisees and licensees is allocated by us to each franchisee based on information from the insurance company providing the insurance and reflects a risk assessment of each franchisee and licensee as conducted by our insurer. The current professional liability insurance policy is issued by an insurance company that is not affiliated with us, and covers claims reported during the policy period from April 22, 2026, to April 21, 2027, for services performed during such period and for the period beginning with the time you commenced your franchised business. This policy has limits of liability of $5 million per claim and $5 million for the aggregate of all claims during the policy period and has a deductible of $50,000 on the first claim and $50,000 for each subsequent claim.

    The insurance company providing the current professional liability insurance policy requires payment of the premium in a lump sum at the renewal date. We have the option to finance that premium with a third-party financing company. If we finance the premium, the interest paid by us is allocated to those franchisees not paying their portion of the premium in a lump sum, based on each such franchisee's portion of the premium financed.

    We charge an administrative fee to cover our costs of securing and administering the professional liability insurance policy and payment of the premium. The premium for the professional liability insurance policy is non-refundable.

12. We currently assess a Deductible Reserve Contribution Fee against each of our franchisees and licensees and use the proceeds to create, maintain and replenish a deductible reserve fund. The deductible reserve fund is used by us in connection with professional liability claims for which we are covered by the professional liability policy arranged by us to: (i) pay the deductible amounts that become due if we are the defendant in any lawsuit arising from such a claim, and (ii) loan up to $20,000 to a franchisee that is a defendant in a professional liability claim to assist such franchisee with paying the deductible due on that policy. The fee is allocated in substantially the same manner as the allocation of the professional liability policy premium. However, we reserve the right to change that allocation based on the history of claims and other business factors. We do not assess the fee during the time when the balance of the deductible reserve fund is at least four times the deductible of the professional liability policy. That deductible can change from year to year. If, in any policy period, the deductibles payable by us exceed the balance of the deductible reserve fund, we may require franchisees and licensees to pay additional Deductible Reserve Contribution Fees.

13. If a professional liability claim is made against your business, you will have to pay the deductible due in connection with that claim yourself and you must reimburse us for any deductible we are required to pay as result of any professional liability claim against you or any of your employees or contractors. If you are in good standing, you are the subject of a claim covered by the professional liability policy, the deductible reserve fund has sufficient funds, and you cannot pay the full amount of the deductible, we will lend you up to $20,000 to pay the balance of the deductible if you make and deliver to us a promissory note for the amount

borrowed. The loan will bear interest at two percentage points above the prime rate in effect on the date you make the note, unless you default on any of your obligations to us, in which case the loan will bear interest at the highest rate permitted by Florida law, currently 18% annual interest. You begin making payments on the loan on the first day of the calendar quarter immediately after you make the note. Those payments will be interest only until we advance a total of $20,000, the claim against you is resolved or the first anniversary of the making of the note, whichever happens first. At that time, the note payments will change so that the principal and interest are repaid in full in eight (8) equal quarterly installments.

14. Liquidated Damages. If you breach certain provisions of the franchise agreement, we can collect liquidated damages from you. Liquidated damages are designed to compensate us for damages that we incur as a result of your breach of the franchise agreement where the actual damages are difficult or impossible to determine.

15. Administrative Processing Fee. The administrative processing fee of $2,500 is used by us to process your Franchise Agreement, it includes administrative work and legal fees (to our legal counsel) associated with processing your Franchise Agreement. The administrative processing fee is due upon execution of the Franchise Agreement and is fully earned and non-refundable at the time you sign the Franchise Agreement.

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
Administrative Processing Fee	$2,500	Lump sum.	On signing of Franchise Agreement	Us. See Note 1.
Initial Franchise Fee	$25,000	Lump sum.	On signing of Franchise Agreement	Us. See Note 2.
Initial Technology Fee	$4,200 per user	Lump sum	On signing of Franchise Agreement	V-Bridge, LLC. See Note 3.
Professional liability insurance Premium.	$1,000 to $39,000	Lump sum	On signing of Franchise Agreement	Us. See Note 4.
Deductible Reserve Contribution Fee	$23 to $976	Lump sum	On signing of Franchise Agreement	Us. See Note 4.
VPA360 Startup Fees and Database Conversion Costs	$6,250 to $19,000	Lump sum	On signing of VPA360 SaaS Software Services and	V-Bridge, LLC. See Note 5.

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
			License Agreement	
Third-Party Real Estate Database License	$395	Lump sum	Monthly	Us. See Note 6.
Leasehold Improvements, Fixtures and Signage	$1,000 to $5,000	Lump sum	As agreed	Third party suppliers. See Notes 7 and 8.
Rent/Lease	$0 to $5,000	As specified	Before signing lease	Approved Lessor. See Note 8.
Utility Deposits	$0 to $500	Lump sum	Before signing lease	Utility departments. See Note 9.
Insurance	$3,000 to $6,000	Annual	Monthly payments towards balance	Approved Insurer. See Note 10.
Furniture and office equipment, including computer system	$5,000 to $10,000	Lump sum	Before opening	Third party suppliers. See Note 11.
Licenses and Permits, Dues and Subscriptions	$250 to $500	Lump sum	As required	Governmental agencies. See Note 12.
Legal Review and Accounting	$1,500 to $3,000	Lump sum	Before beginning business	Attorney. See Note 13.
Travel, Lodging, Meals, Etc. for Initial Training	$2,500 to $5,000	As incurred	As required	Suppliers. See Note 14.
Supplies and Marketing Materials	$2,500 to $5,000	Lump sum	Before opening	Suppliers. See Note 15.
Additional Funds	$15,000 to $30,000	As incurred	During the first 3 months of operation	Third parties. See Note 16.
TOTAL	**$70,118 to $161,071**			See Note 17.

Notes:

1. See Item 5 for a description of the administrative processing fee. The administrative processing fee is not refundable. We do not offer financing of the administrative processing fee.
2. See Item 5 for a description of the initial franchise fee. The initial franchise fee is not refundable. We do not offer financing of the initial franchise fee.
3. See Item 5 for a description of the initial technology infrastructure fee. The initial technology infrastructure fee is not refundable. V-Bridge does not offer financing of the initial technology infrastructure fee.

4. See Item 5 for a description of the Professional Liability Insurance Premium and Deductible Reserve Contribution Fee.

5. This amount is the startup fee for VPA360. The Franchisor expects that, during the term of your franchise, its affiliate, V-Bridge, will develop, and once developed the Franchisor will change the required report writing platform from Datappraise to a writing platform that will be known as "VPA360." Upon our utilization of VPA360, we will require you to secure access to and use VPA360 in connection with the operation of your franchised business. If you entered into the Cost Reduction Payment Agreement and fulfilled your obligations under that Agreement and the V-Bridge VPA360 report writing platform development is completed, the actual fee for access to and use of the VPA360 report writing platform and the license to any related desktop software will be $2,500 per employee or contractor engaged by your franchised business (i.e., per "seat") for the first year it is available. Otherwise, the retail fee for access to and use of the VPA360 report writing platform and the license to any related desktop software will be $4,000 per employee or contractor engaged by your franchised business (i.e., per "seat") for the first year it is available. You must purchase one subscription for each appraiser, trainee, analyst, or person with similar duties employed or engaged as a contractor by you, and one subscription for each support person employed by you. If you entered into the Cost Reduction Payment Agreement and fulfilled your obligations under that Agreement and the V-Bridge VPA360 report writing platform development is completed, you will receive: (1) one free seat for an administrative or management employee of your franchise, and (2) a discounted annual fee as provided in the Cost Reduction Payment Agreement. The free seat and discounted rate will remain in effect for the length of your franchise agreement. The cost for the conversion of your real estate related data is based on the structure and amount of data to be converted and is typically billed at an hourly rate by an unaffiliated third-party software development vendor that has been approved by V-Bridge/VPA360. For new franchisees, we estimate the minimum cost to be no less than $3,750 based on historical examples of converting up to 10,000 records in a common existing database format, and approximately $15,000 for a less common database format of 50,000 records, but the actual cost will be billed on a time and materials basis. It is not possible to determine the exact amount of this fee without information about the type of the database to be converted and the number of records in that database.

6. See Item 5 for a description of the Real Estate Database License. The per seat fee is based on your territory size and assumes you did not have a prior license with CoStar at the time you became a franchisee. The minimum amount of this startup fee is based on a two-appraiser office with no support staff in a mid-size territory. The greater amount of this startup fee is based on a six-appraiser office with two support staff in a large territory. This fee is paid to us and is not refundable. It is not possible to determine the exact amount of this fee without information about whether you had a prior license with CoStar and without the number of your appraiser and appraisal related employees and contractors.

7. This amount will vary depending on whether the fixtures at the current location from which you currently operate your business meet our minimum criteria, rules, and requirements for the operation of the franchised business. You are required to

purchase new signage for your location. Whether or not this amount is refundable will depend on the arrangement you make with your third-party suppliers.

8. We require you to have signage at your office that bears our Mark and that identifies your franchised business as independently owned and operated. We require you to operate the franchised business from an office that qualifies as not less than "Class B" office space and expect that you will lease such space. This amount will only be incurred if the location from which you currently operate your business does not fully meet our minimum criteria, rules, and requirements for the operation of the franchised business and you are required to relocate your operation. Lease costs will vary based on size in square feet to be leased, cost per square foot, location, length of the lease, age of the leased property, local market conditions, size of the site and bargaining power of the developer or property management company. When you sign a lease, the landlord may require you to provide a full or limited personal guarantee, or a letter of credit and/or a security deposit. The low estimate assumes that you are not required to pre-pay any rent or to provide a security deposit. Generally, once rent is paid it is not refundable. However, whether or not the amounts paid by you are refundable will depend on the arrangement you make with your landlord.
9. This amount will only be incurred if the current location from which you operate your business does not fully meet our minimum criteria, rules, and requirements for the operation of the franchised business and you are required to relocate your operation. The estimate shown includes utility charges for the first 3 months of operation of your franchised business and, if applicable, utility deposits. If you are a new customer of your local utilities, you will generally have to pay deposits in connection with services such as electric, telephone, gas, and water. The amount of the deposit will vary depending upon the policies of the local utilities. Generally, utility deposits are refundable if you have timely and fully paid your utility bills. However, whether or not the amounts paid by you are refundable will depend on the arrangements you make with your utility providers.
10. You must obtain and maintain certain required insurance (see Item 5, Item 7, and Item 8 of this Franchise Disclosure Document, and Section 14 of the franchise agreement for more information). Generally, insurance premiums paid in advance are refundable if you terminate your insurance early. However, whether or not the amounts paid by you are refundable will depend on the arrangements you make with your insurance providers.
11. This amount will vary depending on whether the furniture, fixtures, and equipment (including computer equipment) at the location from which you currently operate your business meets our minimum criteria, rules, and requirements for the operation of the franchised business. You must acquire and use computer equipment and software meeting our specifications (see Item 11 for more information). Sellers of furniture, fixtures and equipment may provide refunds if you return the furniture, fixtures, and equipment within a specific period of time after purchase and retain a receipt. However, whether or not your purchases of furniture, fixtures and equipment are refundable will depend on the arrangements you make with those sellers.

12. Local, municipal, county and state regulations vary on what licenses and permits are required to operate a Valbridge Property Appraisers franchised business. Classification of various types of businesses by local governments can cause the cost of licenses to vary. These fees are paid to governmental authorities, when incurred, before beginning business and are usually not refundable.

13. You may decide to hold the franchise in a legal entity and transfer the Franchise Agreement to an entity formed before beginning operations. Regardless of the ownership of the Valbridge Property Appraisers franchised business, you must comply with the fictitious, assumed, or trade name statutes of the state in which the franchised business will be located. These costs may vary depending on each state's laws and the prevailing rate of attorneys' fees. The fees are usually not refundable.

14. You must pay for all out-of-pocket expenses, workers' compensation insurance and all employee compensation along with federal and state taxes for the trainees. We assume no responsibility for your human resource-related liabilities or costs during initial training. You or, if you operate as a corporation or limited liability company, your officers, directors, and managers, must successfully complete the then current online portion of the Training on or within 30 days after the Effective Date, but in any event before beginning operation of your franchised business. You or, if you operate as a corporation or limited liability company, your chief operating officer or manager, shall, at your sole expense, attend the next meeting of the franchisees of Franchisor on or within one (1) year of the Effective Date. The typical costs of training that you might have to bear for in person training are the transportation, lodging, compensation, and meals. The estimate is for items that are non-discretionary in nature. Generally, these costs will vary widely as a function of the distance traveled, accommodations selected, restaurants selected, the distance between the hotel and the training center and the mode of transportation selected and are usually non-refundable.

15. We require you to use marketing materials and supplies that we provide or approve in advance and that use one or more of our Marks. Typically, these costs will involve purchases of marketing materials, such as brochures, business cards and promotional items, as well as letterhead, folders, and other similar supplies. Because your marketing materials and supplies are customized for your business, these are usually not refundable. However, whether or not the amounts paid by you are refundable will depend on the arrangements you make with the provider of these materials and supplies.

16. We recommend that you have access to working capital to cover the excess of expenses over cash flow from the normal expenses that are associated with the day-to-day business operation of the Valbridge Property Appraisers franchised business for the start-up period. This figure does not include any salary or payments to you during the start-up period. You must have sufficient personal resources to cover your personal living expenses during this period.

17. We relied on our managers' and our parent's directors' business experience in the residential and commercial real property appraisal business to develop these cost estimates.

These figures are estimates, and we cannot guarantee that you will not have additional expenses during your initial period of operations.

Item 8. **Restrictions on Sources of Products and Services**

We require you to:

1.) pay for and use in the operation of your franchised business the report writing platform we designate from time to time, which, as of the date of this franchise disclosure document, (i) for franchisees who enter the franchise agreement simultaneously with the termination of a license agreement with us or a prior franchise agreement with us is Datappraise a software-as-a-service report writing platform provided by Data Appraise, our affiliate, but is expected to change within three months to the VPA360 report writing platform provided by V-Bridge, our affiliate, and (ii) for new franchisees is the VPA360 report writing platform provided by V-Bridge, our affiliate.

2.) transfer and license your real estate data to, and license other data from, Data Solutions, our affiliate,

3.) pay us a portion of the premium that is payable by us to a third party insurance company for the following policies that we maintain and that insures us, you, our licensees and our other franchisees: (i) a professional liability insurance policy insuring the appraisal and related professional services performed by you, our other franchisees and our licensees, and (ii) a general liability insurance policy for certain liabilities arising out of the operation of your business and the utilization of your approved office or offices,

4.) pay us an amount to be contributed to a deductible reserve fund that is used by us to: (i) pay the deductible becoming due in the event of a professional liability claim against us, and (ii) make loans to franchisees that are the subject of a professional liability claim,

5.) pay us a portion of the fees payable by us to a third-party database provider for the right to access a real estate information and transactions database and to use the data from that database in and for your appraisals and related professional services, and

6.) purchase those marketing supplies and materials that bear one or more of our trademarks or service marks from a vendor that has been approved by us.

Other than the above, we do not currently require you to purchase or lease goods, services, supplies, fixtures, equipment, inventory, or real estate for your franchised business from us or any approved supplier. There is currently no distribution or purchasing cooperative.

From time to time, we negotiate purchase agreements with suppliers, including price terms for the benefit of franchisees.

We require that appraisal reports provided by you to your clients be in compliance with our formatting requirements, that you use the report writing platform designated by us to generate, appraisal reports for which we provide a template, that you use the Data

Solutions database to store and access the real estate data generated and utilized by you in the conduct of the franchised business, and that you license your data to Data Solutions.

Data Appraise and Data Solutions are wholly owned by our Parent. In 2025, we derived $336.52 in revenue from required purchases of E&O insurance coverage, $235,645.83 in revenue from Data Appraise renewals by licensees, and no other additional revenue from required purchases.

Except for Data Appraise and Data Solutions, our affiliates, none of our managers, or Parent or any of the officers or directors of our Parent own any interest in any supplier from which we require you to purchase or lease goods, services, supplies, fixtures, equipment, inventory, or real estate for your franchised business, and we do not derive revenue or other material consideration from required purchases or leases by franchisees.

The franchisor provides material benefits (including, for example, renewal or granting additional franchises) to a franchisee based on the franchisee's purchase or particular products or services or use of designated or approved suppliers. The franchisor makes referrals of appraisal work only to those of its franchisees that use the Datappraise software-as-a-service and license real estate data to and from Data Solutions, or VPA360.

Purchases from Us or our Affiliates

As of the date of this Franchise Disclosure Document, for any franchisee who enters the franchise agreement simultaneously with the termination of a license agreement with us or a prior franchise agreement with us, we require you to use a software-as-a-service report writing platform known as "*Datappraise*," to license certain software from our affiliate, Data Appraise, and to use the database provided by our affiliate, Data Solutions, to store and access the real estate data generated and utilized by you in the conduct of the franchised business. Datappraise automates assembly of reports and information from data provided by the Data Solutions data using templates and other tools. Utilization of Datappraise provides a common look and feel for the reports of franchisees. Utilization of the Data Solutions database makes substantially all of the data generated by our franchisees and licensees available to you. You are not permitted to utilize an alternative report writing platform or database for managing your real estate related data or automating assembly of reports and information from data. We may require you to use a different report writing platform upon not less than thirty (30) days' written notice to you.

Data Appraise will provide the Datappraise to you directly on terms and at such prices that are not less favorable than those at which Data Appraise offers the Datappraise to third parties that are not franchisees or licensees of ours.

Data Appraise generated gross revenues from licensing software and sales of services to our franchisees and licensees of $338,062.94 (54.11% of its gross revenues) in calendar year 2024, and $244,390.69 (57% of its gross revenues) in calendar year 2025.

Data Solutions will provide the employees and contractors of your franchised business with access to the Data Solutions database at a monthly fee of not more than $250 during

the first year after you sign the Database Access and License Agreement. Data Solutions may increase the fee above $250 per month after the first year.

Data Solutions generated gross revenues from licensing data to our franchisees and licensees of $0 in each of calendar years 2024 and 2025. Data Solutions did not have any gross revenue in calendar years 2024 or 2025.

As of the date of this Franchise Disclosure Document, for any new franchisee, we require you to utilize the report writing platform known as "VPA360," to prepare reports in connection with their franchised appraisal business. VPA360 is owned and operated by our affiliate, V-Bridge. During the term of your franchise, we expect to require all our franchisees to utilize VPA360 to prepare reports in connection with their franchised appraisal business. Once VPA360 is the required report writing platform for all franchisees, the Datappraise will no longer be supported or offered to franchisees. You are not permitted to utilize an alternative report writing platform or database for managing your real estate related data or automating assembly of reports and information from data. We may require you to use a different report writing platform upon not less than thirty (30) days' written notice to you.

V-Bridge did not have any gross revenue in calendar years 2024 or 2025.

Insurance

We maintain a professional liability insurance policy (the "**Professional Liability Policy**") covering the appraisal and related professional services performed by our franchisees and licensees. The Professional Liability Policy is issued by an insurance company (the "**Insurer**") that is not affiliated with us and covers claims reported during the policy period from April 22, 2026, to April 21, 2027. We expect to renew the Professional Liability Policy each year. If renewed, the terms of, and the premium for, the Professional Liability Policy will, in all likelihood, change.

The Professional Liability Policy has limits of liability of $5 million per claim and $5 million for the aggregate of all claims, and a deductible of $50,000 on the first claim and $50,000 for each subsequent claim. The amounts paid by you for your portion of the Professional Liability Policy premium is used by us to pay the premiums that become due on this policy. This amount is set by us annually based on the allocation of the premium by the Insurer among our franchisees and licensees.

The Insurer allocates the premium for the Professional Liability Policy among our franchisees and licensees based on its practices at the time it determines whether or not to issue a policy and the premium for the policy, and we do not have any input to, or effect on, that allocation. The factors utilized by the Insurer to determine the premium allocated to a particular franchisee or licensee include the number of appraisers and their designations and qualifications, the revenue of the franchisee or licensee, the state where each franchisee's or licensee's offices are located, the history of prior claims against the franchisee or licensee, as well as other factors. The portion of the premium for the Professional Liability Policy payable by you can and likely will increase during the term of your franchise.

The amounts paid by you towards the deductible reserve fund are used by us to pay the deductible becoming due in the event of a professional liability claim against us. This

amount is set by us annually based on the balance of the reserve account and the history of claims against us and our franchisees and licensees.

You must obtain and maintain other insurance with the coverage that we require, in addition to any other insurance required by applicable law, at your expense. We may periodically change the amounts of coverage required and require different or additional kinds of insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances, if the changes apply to all businesses. We may also secure insurance coverage for all of our franchisees and licensees and require you to pay a portion of the premium due.

Your insurance must be written by an approved supplier and currently must include at a minimum:

1. a comprehensive general liability policy covering bodily injury and property damage with respect to each Location and products, and completed operations in the amount of not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate, and
2. an automobile liability policy with a combined single limit of not less than one million dollars ($1,000,000), and
3. workman's compensation insurance in an amount not less than one million dollars ($1,000,000) per employee, one million dollars ($1,000,000) per accident and one million dollars ($1,000,000) in the aggregate, and
4. a claims made professional liability insurance policy concerning the rendition of real and personal property appraisal services and appraisal consulting services, with a limit of liability of not less than one million dollars ($1,000,000) per claim and not less than two million dollars ($2,000,000) for all claims in the aggregate, and a deductible of not more than fifty thousand dollars ($50,000) per claim, and
5. an "all risk" property insurance covering each location from which you operate your franchised business and your equipment and supplies, for loss or damage by fire, windstorm, flood, casualty, and theft, for at least eighty percent (80%) of the replacement cost of such property, and
6. such other insurance policies as may be required by the landlord of each location from which you operate your franchised business and by applicable law.
7. We recommend that you carry business interruption insurance for a period of at least 6 months.

Before you open your franchised appraisal business, you must furnish us with a certificate of insurance issued by an approved insurance company showing compliance with the insurance requirements and naming us, our parent and such other persons and entities that we require you to so name (such as, for example certain national customers), each as an additional insured. You must send current certificates of insurance to us annually and at other times we request them.

Specifications and Standards

Appraisal Reports.

We require that appraisal reports provided by you to your clients be in compliance with our formatting requirements, contain certain required limiting conditions, and bear one or more of our Marks.

Equipment and Supplies

The equipment and supplies that must meet our specifications are periodically identified in our manuals. Our specifications may include minimum standards for signs, marketing materials, and report arrangement and appearance. We formulate our specifications based on industry knowledge and on our managers' experience in operating an appraisal practice. (see Item 7 and Item 11 for more information).

Site Selection Criteria

The location of your current business must be within the territory granted to you in the Franchise Agreement and must be in compliance with the criteria, rules and requirements concerning physical locations from which the business can be operated as of the effective date. In accordance with the Franchise Agreement, the location of your franchised business may not be a home office or any location that is not zoned for office use and must qualify as not less than Class B office space. If your current office location is not in compliance with the location criteria, we can require that you relocate your business to a location within the Territory that is in compliance. We will not unreasonably withhold approval of any site that meets our standards (see Item 11 for more information).

Lease of the Site

If you do not own the location site, we require exclusive possession of the location by lease or other means. You must have and maintain exclusive possession by lease or other means of the location where you operate the franchised business, and the lease can terminate no earlier than the termination date of the Franchise Agreement. In the event of relocation of the location site, you must notify us of the prospective new location in writing at least 20 business days prior to executing the lease for the new location, including giving us all relevant information concerning the prospective new location and the lease. You may not move the location of your franchised business outside of the territory granted to you, any new location must meet our requirements for the location of the franchised business. We have 15 business days to reply to you after the notice, to grant or deny the relocation request. We can only deny your request to relocate your franchised business only on a reasonable basis (for example, the new location does not satisfy one or more of the then current criteria, rules and requirements or is not within your territory).

Maintenance, Repairs, Renovation and Upgrading

You must maintain your franchised business in the manner stated in our manuals. You must change your business sign to a sign that complies with the criteria in our manual. You must make repairs and replacements as reasonably required for that purpose, including periodic repairs to equipment, and replacement of obsolete signs. You must abide by our requirements on improvements to your franchised business to achieve the strategic marketing goals of the Valbridge system. You will be responsible for the cost of those improvements, repairs, and maintenance.

Advertising and Promotion

You are responsible for all marketing, advertising, public relations, and promotional activities for your business. You are obligated to undertake marketing, advertising, public relations, and promotional activities for your franchised business in your territory as appropriate to maximize your revenues and as are required by us. You are not permitted to undertake any marketing, advertising, public relations, or promotional activities outside of your territory, except in very limited circumstances.

Except for digital templates containing advertising and promotional materials that we will provide to you and that you may use to have marketing materials printed by third party printers, all other activities are subject to prior written approval by us which we will not unreasonably withhold. Upon submission of any advertising or promotional materials to us, we will examine the content, design, and print quality to determine whether the materials are commensurate with our brand and standards.

Magnitude of Required Purchases or Leases

We estimate that the following purchases and leases of services and products will represent the following percentages of your total purchases and leases of services and products to establish and to operate your franchised business:

Purchases and/or Leases	% to Establish	% to Operate
Pursuant to our specifications.	15% to 25%	12% to 18%

Miscellaneous

As of the date this Franchise Disclosure Document was issued, Valbridge Property Advisors Franchising System, LLC, does not have any purchasing or distribution cooperatives.

Valbridge Property Advisors Franchising System, LLC, does not provide material benefits to franchisees based on the use of designated or approved suppliers as of the date this Franchise Disclosure Document was issued but it may do so in the future.

Item 9. **Franchisee's Obligations**

This table lists your principal obligations under the Franchise Agreement 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 of Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	5, 6, 15	7, 8, 11 and 12
b.	Pre-opening purchases and leases	3, 5, 7, 12, 15	5, 7, 8 and 11
c.	Site development/other pre-opening requirements	2, 3, 5	5, 7, 8 and 11
d.	Initial and ongoing training	7, 8	6, 7, 8 and 11
e.	Opening	2, 7	7, 8 and 11
f.	Fees	5, 12, 13, 15, 20	5, 6 and 7
g.	Compliance with standards and policies and Operations Manual	5, 6, 7, 9, 13, 14, 15, 20	8, 11 and 14

Obligation		Section of Franchise Agreement	Disclosure Document Item
h.	Trademarks and proprietary information	2, 7, 13, 16, 17	13 and 14
i.	Restrictions on products and services offered	2, 5, 7, 17, 21, Exhibit F	8 and 16
j.	Warranty and customer service requirements	7, 13	8
k.	Territorial development and sales quotas.	3, 7	12
l.	Ongoing product and service purchases	7, 14, 15, 21, Exhibits F and G	6 and 8
m.	Maintenance/appearance/remodeling requirements	5, 7	6, 7 and 8
n.	Insurance	15	6, 7 and 8
o.	Advertising	14	6, 7, 8 and 11
p.	Indemnification	27	6 and 8
q.	Owner's participation/management/staffing	7, 8	6 and 15
r.	Records and reports	13	8
s.	Inspections and audits	5, 13	6, 8 and 11
t.	Transfer	19	6 and 17
u.	Renewal	4	6 and 17
v.	Post-termination obligations	20, 21	17
w.	Non-competition covenants	17	17
x.	Dispute resolution	32, 34, 35, 36, 37	6 and 17

Item 10. **Financing**

We do not offer financing, except in limited circumstances. In limited circumstances we have permitted new franchisees to delay paying the initial franchise fee, the initial technology infrastructure fee, and have reduced the royalty.

We do not guarantee any lease or other obligation of our franchisees.

Item 11. **Franchisor's Assistance, Advertising, Computer System, and Training**

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your business, we will provide you with:

1. Access to electronic files containing digital templates of the Marks then available to franchisees, and sales and marketing materials (e.g., letterhead, flyers, pre-numbered invoices, and business cards) as may have been established by Franchisor to be used in the operation of the franchised business (see Section 6 of the Franchise Agreement).
2. Advice concerning the transition of your current appraisal business into a franchised business (see Section 6 of the Franchise Agreement). However, we

do not assist you with establishing prices for services which are provided through your franchised business.

3. Assistance with establishing sources of supply for materials to be used in the operation of your franchised business (see Section 6 of the Franchise Agreement),
4. A copy of the Operations Manual (see Section 6 of the Franchise Agreement) (also see the heading Manuals below),
5. Provide instructions on how to subscribe to, license, or otherwise secure the equipment, supplies, software, and services that we currently require you to use to undertake your business (see Section 6 of the Franchise Agreement),
6. Provide access, at your cost, to a software-as-a-service report writing platform that we currently require you to use to undertake your business,
7. Provide specifications for any equipment we require that may be necessary for you to utilize certain equipment, supplies, software, and services (see Section 6 of the Franchise Agreement), and
8. Training at our next meeting of franchisees concerning the conduct of the franchised business and the Valbridge System and matters relating or pertaining thereto (See Section 8 of the Franchise Agreement and "Training" below in this Item 11).

Except for the training and as otherwise stated above, these obligations of ours will be satisfied at initial training, or within 30 days after initial training.

Post-Opening Assistance

During the operation of your business, we will provide you with:

1. Telephone advice and assistance concerning the operation of your franchised business and the Valbridge System (see Section 6.2(A) of the Franchise Agreement),
2. Details of any alterations, modifications, replacements, or improvements to the Valbridge System and that are required to be made to your franchised business (see Section 6.2(A) of the Franchise Agreement),
3. Directly or via an Affiliate or third-party provider, a report writing platform (at your sole cost),
4. Information relating to meetings, conventions, seminars organized by Franchisor for its franchisees and permit you to attend at your own expense (you are required to attend at least one meeting of the franchisees annually) (see Section 6.2(A) of the Franchise Agreement),
5. Copies of our franchisee newsletter, if, when and for so long as we implement and maintain one (we do not currently have a franchisee newsletter) (see Section 6.2(A) of the Franchise Agreement),

6. Bulletins on sales and service methods, marketing development and techniques and business and operating procedures (see Section 6.2(A) of the Franchise Agreement),

7. Access, at your cost, to a software-as-a-service report writing platform that we currently require you to use to undertake your business, and

8. Access to our website containing information and communications concerning the operation of a franchised business and the Valbridge System (see Section 6.2(A) of the Franchise Agreement).

Advertising Programs

1. Local Advertising. You must actively market or advertise your franchised business at your expense and you must engage in that amount of marketing, advertising, public relations, and promotional activities for your franchised business that is required by the Operations Manual, if any, and reasonably necessary to maximize your gross revenues (see Sections 7, 14.1 and 17.1(C) of the Franchise Agreement). Currently, there is no minimum required amount that you must spend on advertising. We are not required to spend any amount on advertising in your territory.

2. Materials. You may only use materials provided by us or approved by us for your marketing, advertising, public relations, and promotional activities. If you want to use your own materials for your marketing, advertising, public relations and promotional activities, those materials must adhere to the standards and requirements we establish from time to time and be approved by us. If your materials will be printed or manufactured by a vendor or your choosing, that vendor must adhere to the standards and requirements we establish from time to time and be approved by us. To secure such approval, you must provide us with a written description (and samples if available) of the proposed marketing, advertising, public relations or promotional materials and information about your chosen vendor. We will review and assess the description and samples you provide or the vendor on or within fifteen (15) days and respond to you with approval or a specific basis for rejecting same. We do not provide assistance with securing equipment, signs, fixtures, opening inventory or supplies.

3. Internet Advertising. We will include your contact information and qualifications in the listing of franchisees that we maintain on any website owned and operated by us for the franchised business system. You may not utilize any other online advertising or marketing for your franchised business except for online appraisal bidding platforms.

4. Advertising Council. We do not have an advertising council composed of franchisees. Other than our managers that are also franchisees, no franchisees and no council of franchisees advises us on advertising policies.

5. Advertising Cooperatives. Franchisees are not required to participate in any local or regional advertising cooperatives.

6. Advertising Fund. We are not required to create or conduct an advertising fund or to undertake any particular amounts or types of advertising.

Computer System

We require you to have a computer system, Internet access, and an e-mail account for each of your employees and contractors, and to maintain accounts for the report writing platform we designate from time to time and with certain Internet service providers.

If you do not already have a computer, related equipment, and telecommunications capabilities with at least the following specifications, you must procure and install at your location before opening the following equipment, software, and telecommunications capabilities:

1.) Personal computer (Windows compatible) with 8GB RAM and 1TB hard drive, and utilizing the Windows 11 Operating System,

2.) Microsoft Office 2016 version or newer or a Microsoft365 subscription,

3.) QuickBooks Online,

4.) Customer relationship management software (that is approved by us),

5.) Internet web browser software (e.g., Google Chrome or Firefox),

6.) 17" color monitor,

7.) Laser printer,

8.) Scanner, and

9.) High-speed Internet connection.

Except for the descriptions above, we do not specify computer hardware or an Internet connection supplier. We anticipate the cost of purchasing the above-described computer hardware to be between $1,500 and $2,500 per employee or contractor. The high-speed Internet connection will be provided by a utility or cable television provider. We anticipate the cost to be between $100 and $200 monthly.

The customer relationship management software and appraisal information system will be a software-as-a-service solution provided via the Internet and paid for on a monthly or annual basis. Currently, we require you to use a customer relationship management software-as-a-service platform and the monthly cost to you is $20 per employee and contractor.

Important information will be sent to your computer address electronically or accessible by you via the Internet. You must maintain, at your own expense, an e-mail address for each employee and each contractor appraiser with a service provider selected by us with the style [Name]@Valbridge.com, and the capability for each employee and contract appraiser to access his or her e-mail account. The current monthly cost to you for each Valbridge.com e-mail address will be $10. You can elect to purchase a Microsoft Office 365 E1 subscription that will provide you with software you can utilize to access your email (as well as other software described in the Microsoft Office 365 offering) at an additional monthly charge of $14.35 for each user. These e-mail related charges are subject to change and are paid to the selected service provider. You must also maintain the capability to access our website, bulletin board communications pages and document repository application. Reasonable minimum hardware and software standards for these

connections and providers for the e-mail accounts will be set by us and periodically revised as technologies change, and you will have reasonable time to upgrade when those standards change. Standards will include current uniform communications software in use by the Valbridge System, word processing and spreadsheet software that is either the same as that in use at our office or capable of reading and converting files created by our office, and a computer capable of running the software and containing reasonable minimums for memory and data storage and a modem connected via network links to the Valbridge System. You must pay for all normal communications charges from the networks making connection to the Valbridge System, for example, phone bills or bills from an Internet service provider.

As new computer systems, related technologies and software are developed in the future, you may be required to add memory, ports and other accessories, peripheral equipment or additional, new or substitute software to the original computer system you purchased. To ensure full operational efficiency and communications capability between our computers and your computers, you must keep the computer system in good maintenance and repair and install all additions, changes, modifications, substitutions or replacements to your computer hardware, software, telephone and power lines and other computer-related facilities as we direct on those dates and within those times we specify, in our sole discretion, in the Manuals or otherwise on a system-wide basis.

To the extent that compatible equivalent components of hardware or software that perform the same functions exist, we may, but are not required to, approve compatible equivalent hardware components or software.

We are not contractually required to provide you with ongoing hardware or software maintenance, repairs, upgrades, or updates. We estimate the annual costs of optional or required maintenance updates, upgrades, and support contracts to be $400 per employee.

We will have independent access to the information generated by and stored in the Datappraise, the VPA360 platform, any customer relationship management software and any other programs or platforms that we may require or make available to you to use, or that are provided as a software-as-a-service solution.

Manuals

After you sign the Franchise Agreement and shortly before you commence your online training, we will make a copy of our Manuals available to you through the Internet. As of the date of this Franchise Disclosure Document, the Manual contains the following subjects:

Operations Manual – Table of Contents

Section Title	Number of Pages
Introduction	.25
Notices	1.75
Company Background	2
Mission, Vision, and Core Values.	2
Valbridge Corporate Structure and Management	4
Valbridge Franchising Contact Information	1

Franchisee Naming.	1
Professional Advisors & Consulting Support	1
Managing the Business	15
Trade and Service Marks	1
Marketing Requirements	4
Insurance	4
Training Program	1
Franchisee Information	1
Contacts and Offices	1
Franchisee Qualifications	4
Franchise Agreement Term and New Franchise Agreement.	2
Transferring or Selling a Franchisee or Franchisee Equity	1
Expansion and Relocation Requirements	2
Policies	1
Document Control Policy	1
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You must conduct your franchised business in accordance with the Manual in order to maintain uniform standards of operation under the Marks and protect our reputation and goodwill in the Marks. You must treat and maintain the information in the Manual as confidential information and a trade secret. If we provide printed copies of all or any portion of the Manual, each copy must be kept in a secure area within your office at all times. For that portion of the Manual that is accessible online via password, you must keep your password secret and not disclose it to any person other than the Franchisee's affiliates.

You must strictly limit access to the Manual to your employees and contractors who must know the information in it to perform their jobs and duties for your franchised business and who have signed the Employee and Contractor Restrictive Covenant (Exhibit D to the Franchise Agreement). You must immediately report to us the loss of the secrecy of your password or the theft, loss or destruction of all or any part of the Manual. You must not copy, record, or otherwise reproduce the Manual without our prior written consent.

Training

Training Program

Subject	Hours of Training	Training Location[1]	Hours of On-the-Job Training[2]
Mission, Vision, Values, and Criteria	1	See Note 1.	0
Franchisor - franchisee relationship	1		0

Subject	Hours of Training	Training Location[(1)]	Hours of On-the-Job Training[(2)]
Quality standards and confidentiality	1		0
Managing the franchised business, and referrals	1		0
Using the Valbridge Appraisal Management System (V-AMS)	2		0
Using the Datappraise with the Valbridge report templates	4		0
Policies and procedures	1		0
Renewing, transferring, and selling a Valbridge franchised appraisal practice	1		0
Miscellaneous matters	1		0
Total:	13	See Note 1.	0

The person who is appointed by the franchisee to manage and control the franchisee's operations is required to complete the training program to the franchisor's satisfaction within twelve months after the franchise agreement is signed. The franchisee may open and operate its business after the franchise agreement is signed and prior to the time the training is completed.

Note 1. The training program is delivered online via a learning management system on demand and may be delivered live at the annual meeting of our franchisees. The meetings of our franchisees take place one or two times per year, at our option, at various locations throughout the United States, typically in major cities.

Note 2. We do not provide on-the-job training at your location.

Training Personnel

Lawrence J. Colorito is Chairman of the Board of Directors and a Director of our Parent. Mr. Colorito is a co-founder and managing member of Axial Advisory Group, LLC, located in Chesapeake, Virginia, (2002 to present).

David Brooks is a vice president of our Parent. Mr. Brooks is the owner of VBW Metro, LLC, (Valbridge Property Advisors | Baltimore Washington Metro), located in Baltimore, Maryland (2016 to present).

Karl P. Finkelstein is the managing member of Atlantic Appraisals, LLC, located in Charleston, South Carolina (1998 to present).

Jeff Roper is the chief operating officer of Datappraise (2014 to present) and delivers the training for Datappraise and accessing the Data Solutions database.

Attendance and Completion of Training

The franchisee or, in the case of a franchisee that is a corporation, limited liability company, other entity or partnership, each of the franchisee's officers, directors, managers, members and partners who are qualified (in accordance with 7.1(D) of the Franchise Agreement) to manage the franchised business are all required to successfully complete the training at the next annual meeting of the franchisees. Training must be

completed to our satisfaction. Successful completion of training generally requires attendance at, or completing online, not less than eighty percent (80%) of the sessions, completion of exercises and the passing of any tests relating to the training by all of the required attendees.

We do not provide training in the area of conducting appraisals.

The franchisee or, in the case of a franchisee that is a corporation, limited liability company, other entity or partnership, one of the franchisee's officers, directors, managers, members and partners who is qualified (in accordance with 7.1(D) of the Franchise Agreement) to manage the franchised business, is required to attend the next meeting of the franchisees of Franchisor no later than one (1) year after the Franchise Agreement is signed. Attendance of the franchisee meeting by such person is at the sole expense of the franchisee. The typical costs that you might have to bear for attending the franchisee meeting are the transportation, lodging, compensation, and meals. Generally, these costs will vary widely as a function of the distance traveled, accommodations selected, restaurants selected, the distance between the hotel and the training center and the mode of transportation selected and are usually non-refundable. (See Item 7 for additional information.)

We do not currently offer any additional required training or refresher courses.

We may elect to offer additional required training and refresher courses and require you to attend them and pay tuition or a training fee of up to $1,000 for each person from your franchised business attending such training or course. In addition, you must pay your related costs including travel, meal, and lodging expenses.

Site Selection Methods

1. We will assign a territory as described in Item 12 below. If your current office (or any of your offices) does not meet our current criteria, you must select the site within the territory from which you will conduct business.
2. We will supply you with our site selection criteria. We will not unreasonably withhold approval of any site that meets our standards. We will approve or disapprove any proposed site within 15 days after you provide us with the requested information. If we disapprove your selected site, you have 15 days to submit a new site within the territory for our written approval. We do not represent that we have any special expertise in selecting sites. Our approval of a site is intended only to indicate that the proposed site meets our minimum criteria for sites and is not a representation that the franchised business will be profitable or that your sales will attain any predetermined levels.
3. If you do not open your location within thirty (30) day of entering your Franchise Agreement, we have the right to terminate your franchise agreement on written notice to you.

Opening of the Franchised Business

The typical length of time between the signing of the Franchise Agreement and the conversion of your current appraisal practice to a franchised business is one to two months. This will be longer if you are required to relocate your office. The factors that affect this include any time you need to comply with local ordinances and secure any

required permits and third-party authorizations and approvals (such as, for example, a landlord's approval to change signage), to transition your office to the franchised business, purchasing and installing signage, completing training, and other operational issues.

Miscellaneous

Valbridge Property Advisors Franchising System, LLC does not currently provide assistance with equipment, signs, fixtures, opening inventory, or supplies, you must acquire these items at your own cost. We do not specify suppliers or providers of these items, nor do we assist in the delivery or installation of any items procured for the operation of your franchise.

Item 12. **Territory.**

You will not receive an exclusive territory. You may face competition from our other franchisees and licensees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We grant you a franchise to operate the franchised business from one or more approved locations within a specified geographical area including each approved location (the "**Territory**"). We do not grant a minimum territory. We will establish your Territory prior to the time you sign the franchise agreement. Our obligation concerning your Territory is dependent on you being in compliance with your obligations to us and our affiliates.

We will not grant any other person the right to establish any physical location for the operation of the franchised business in your Territory and we will not alter your Territory during the time your franchise agreement is in effect unless you fail to remain in compliance with your obligations to us and our affiliates and vendors.

If the approved site has not already been determined when you sign the Franchise Agreement, you must select the site for the franchised business in your Territory that meets the current criteria, rules, and requirements concerning physical locations from which the franchised business may be operated. Although we may assist you in selecting a site, you are solely responsible for selecting the approved site and negotiating the terms of the lease. You may open one or more other offices within your Territory with our approval. We can deny your request to open another office within your Territory in our sole and absolute discretion.

If you have to relocate any office of your franchised business from the approved site, you must: (1) find a new site that is in compliance with the criteria, rules, and requirements in effect at that time, that is not within 10 miles of the edge of your Territory (though we may waive this requirement in our discretion), and from which you can maximize your franchised business, and (2) notify us at least twenty (20) business days before you sign a lease for your new site and provide us information about the proposed site and lease. We can deny your request to relocate the office to the new site at any time within fifteen (15) business days after you notify us, but only for a reasonable basis, such as, for example, because the proposed site does not satisfy one or more of the then current criteria, rules, and requirements or is not within your Territory.

There is no prohibition on us or any of our other franchisees or licensees from selling any products or performing services within your Territory, and if we or they do so, neither we

nor they are obligated to pay you any amount for these sales. You will not have the right or ability to prevent us or any of our other franchisees or licensees from exercising the franchise rights, using our marks, or engaging in the franchised business in your Territory.

We and our affiliates reserve the right to use other channels of distribution, including the Internet, within your Territory using our principal trademarks, or using trademarks other than those you will use. We are not required to compensate or pay you for soliciting or accepting orders from within your Territory.

You are not restricted from accepting orders from customers outside of your Territory. However, you are restricted from marketing your franchised business outside of your Territory in almost all situations, including the Internet, except where: (1) a customer owing or managing a property in your Territory also owns or manages one or more properties outside of your Territory, (2) you are marketing your franchised business at a statewide, regional, or national trade show, or (3) you are part of a specialty practice area that we designate from time to time. We have not designated any specialty practice areas at this time. We do not have any obligation to prevent any of our other franchisees from marketing inside of your Territory and you should expect that other franchisees will undertake marketing inside your Territory under the conditions described above and that we may engage in any marketing activities inside your Territory.

You do not have any option, right of first refusal, or similar rights to acquire additional franchises.

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will offer.

Item 13. **Trademarks**

Our Parent registered the following principal Mark on the principal register of the United States Patent and Trademark Office as of July 23, 2013, and December 17, 2013:

Valbridge Property Advisors
Registration No. 4,373,557, dated July 23, 2013

Valbridge
PROPERTY ADVISORS,
Registration No. 4,450,839, dated December 17, 2013

Our Parent has filed all affidavits that were required to be filed on or before the date of this FDD to maintain its registration of the above marks.

We do not have any contractual obligation to protect your right to use the above principal service marks or any other trade or service marks we permit you to use in connection with the franchised business (the "**Marks**"), or to protect you against claims of infringement or unfair competition.

Our principal service marks and all of our Marks are owned by our Parent and are licensed to us for use in connection with the franchised business. A copy of that license is provided in Exhibit F.

Under the license agreement between our Parent and us, for the Term, we have an exclusive (for the Market), non-transferrable license to (a) use the Marks for Licensee's Business and to receive the benefit of the goodwill associated with such use for the Term, (b) by written agreement, sublicense and grant to one or more Licensee Contract Parties the right to use any or all of the Marks for the Contract Party Business and to receive the goodwill associated with such utilization for the term of such written agreement, and (c) use, copy, have copied, make derivative works of, have derivative works made, sublicense and grant to one or more Licensee Contract Parties the right to use the Licensor Intangible Properties. Our licensed rights under the license agreement do not include the grant to engage in any other activity except as expressly set forth above. The Marks and the Licensor Intangible Properties are the property solely of our Parent. The license agreement may be renewed annually for a one-year period (each being a "Term" under the license agreement). Our parent may terminate the license agreement on not less than thirty (30) days written to us. Upon a termination of the license agreement for any cause or reason whatsoever, we must immediately cease exercising the licensed rights (and all sublicenses granted by Licensee will immediately terminate). As such, if we lose the right to use the Marks, it will have a significant negative effect on us and on you to secure business.

We sublicense to you the right to use certain of the registered and common law Marks, including the above principal service marks (registration nos. 4,373,557 and 4,450,839), in the operation of the franchised business. If the license between our Parent and us is terminated, your right to use the Marks will terminate and you will have to immediately remove all uses of the Marks from your franchised business.

Neither we or our Parent are aware of any currently effective determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, or any state trademark administrator or court, and any pending infringement, opposition or cancellation proceeding concerning any Marks. Neither we nor our Parent are aware of any superior rights of any third party that may limit a franchisee's use of any Marks.

We grant you the non-exclusive right and obligation to utilize the Marks in connection with the operation of the franchised business. You must use each Mark only in full compliance with our standards and specifications. You must use the Marks as the sole trade identification of your franchised business and must identify your franchised business in the form we require as an independently owned and operated franchised business. You must follow our instructions and comply with all applicable fictitious, trade, and assumed name statutes concerning your use of each Mark. You cannot use a Mark as part of a corporate name, or with modifying words, designs, or symbols, except for those which we license to you. You may not use any Mark in connection with the marketing or sale of any unauthorized product or service, with another trade or service mark unless you secure our prior written approval, which we may refuse for any reason in our sole discretion, or in any other manner that we have not authorized in writing. You may not use any Mark to advertise or notify others of any business activities that you or any other person, entity,

trust, or association engages in or intends to engage in during or after the term of the franchise agreement.

You must notify us immediately when you learn about an infringement of, or challenge to, your use of any of our Marks. We will take the action we think appropriate. We are not required to defend you against a claim that your use of any of our Marks infringes any rights of a third party, or to reimburse you for any liability and reasonable costs you incur or suffer as a result of such a claim. You must modify or discontinue the use of a Mark if we modify or discontinue using it. You must not directly or indirectly contest our right to our trademarks, trade secrets, or business techniques that are part of our business. We may require that you terminate the use of any Mark on written notice. You do not have any right to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using any Mark.

Without our prior written approval, you may not use the Marks as part of any email address, website, domain name or any other electronic media, including use with any prefix, suffix or other modifying words, term designs, or symbols, or in any other manner connected with a website, advertisements on a website, or other similar electronic media. Because your electronic, marketing, sales, and other listings for your business will be associated with our Marks, we will own all rights to such listings, and all goodwill generated from the use of the listings will be to our benefit (see Sections 9 and 15 of the Franchise Agreement).

Upon any claim of infringement, unfair competition, or other challenge to your right to use any proprietary information, or if you become aware of any use of or claims to any proprietary information by persons other than us or our franchisees, you must notify us promptly (within 15 days) in writing (see Section 15.4 of the Franchise Agreement). We are not required to take any action upon such notification. We have the sole right to control all administrative proceedings or litigation involving any Mark. You are required to participate in the defense of any action involving any Mark and must not communicate with anyone except us and our counsel in any infringement, challenge, or claim. Valbridge has the sole right to control any litigation or other proceeding involving any infringement, challenge or claim of any proprietary information. You must sign all instruments and documents, render all assistance, and do all acts that our attorneys consider necessary or advisable in order to protect and maintain our interest in any litigation or proceeding involving the proprietary information or otherwise to protect and maintain our interests in the proprietary information.

We are not obligated to protect your right to use the Marks and are not obligated to protect, defend, or indemnify you in the event a third party makes a claim that the use of any Mark or any of our other proprietary information infringes on the intellectual property or other rights of such third party or constitutes unfair competition.

Item 14. **Patents, Copyrights and Proprietary Information**

You do not receive the right to use any patent or copyright, but you can use the proprietary information in the Operations Manual. We do not own any patent or have any pending patent applications.

We have not registered any copyrights with the United States Copyright Office (Library of Congress), but various marketing, sales, training, management report templates and other materials that we have created are and will be protected under the U.S. copyright law, whether or not we have obtained registrations.

You may use these copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights and the Operations Manual, solely for the purpose of promoting your franchised business.

There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials that are relevant to their use by our franchisees.

There are no agreements currently in effect that significantly limit our right to use or license the use of our copyrighted materials in any manner material to the franchise.

We do not know of any superior rights in or any infringing uses of our copyrighted materials that could materially affect your use of the copyrighted materials.

Proprietary Information

We grant you the right to use our proprietary information that we make available to you only in the manner we authorize and only for the operation of your franchised business. Your rights to use our proprietary information are derived solely from your Franchise Agreement and are limited to the operation of your franchised business under your Franchise Agreement and all applicable standards, specifications, and operating procedures we require during the term. Any unauthorized use of our proprietary information is a breach of your Franchise Agreement and an infringement of our rights. Your use of proprietary information and any goodwill established by your use of such information inures to our exclusive benefit. The Franchise Agreement does not confer any goodwill or other interest in proprietary information to you, other than the right to operate a franchised business in compliance with the Franchise Agreement solely for the term of that agreement.

We have proprietary, copyrighted manuals, including, but not limited to, the Operations Manual, described in Item 11, that include guidelines, standards, and policies for the operation of your business, and other proprietary information. Item 11 describes the manuals and the manner in which you may use them. All proprietary manuals and materials provided to you or accessible by you are for your use during the term of the franchise, and may not be reproduced, copied, loaned to, used by, or shown to any person by you without our permission.

You must have each manager and employee or independent contractor, and each person who undertakes training sign a restrictive covenants agreement in a form we approve (See Exhibit D to the Franchise Agreement) before you grant him or her access to our manuals or any other proprietary information. In that agreement such person must agree to the confidentiality of the proprietary information, agree not to use any information about the system for his or her own benefit without an appropriate license, and agree not to compete in certain respects with franchisor’s business.

Item 15. **Obligation to Participate in the Actual Operation of the Franchised Business**

We strongly believe that the success of your franchised business will depend to a large extent on your personal and continued efforts, supervision, and attention. We do not require that you personally supervise the franchised business, but we do recommend it.

The franchised business must be directly supervised by a manager who has a designation required by us (e.g., MAI, SRA, or ASA) and who has successfully completed our training program within the specified time period after the effective date of the Franchise Agreement, devotes his, her, or its full-time attention to, and has the full authority to manage and control your franchised business, and does not have an interest in or be employed by any appraisal firm other than yours. The manager must sign an Employee and Contractor Restrictive Covenant requiring him or her to maintain confidentiality of our trade secrets and confidential information and preventing him or her from competing against us in certain businesses.

If you are an entity, one or more of the owners having at least twenty five percent (25%) of the ownership must hold a designation required by us (e.g., MAI, SRA, CPA, ASA), and each owner individually holding ten percent (10%) or more of that entity must personally guarantee and agree to be bound by certain of the obligations of the franchisee under the Franchise Agreement (See Exhibit B and E to the Franchise Agreement).

Item 16. **Restrictions on What the Franchisee May Sell**

Your franchised business is authorized to provide, and must at all times provide, appraisal services for commercial real estate. You may elect to provide, appraisal services for other types of properties (e.g., business interests) if you hold the required licenses and any designations that we may require for the particular property type. The appraisal services for commercial real estate include (1) Appraisal, (2) Appraisal Consulting, (3) Appraisal Review, (4) evaluations to develop an opinion of value, (5) providing expert consulting or testimony concerning any Appraisal, Appraisal Consulting or Appraisal Review, (6) conducting real estate market studies and feasibility studies, (7) undertaking such other business activities as may be permitted by Franchisor from time to time, (8) marketing, selling, and offering for sale the products and services described above, including utilizing the Marks, and (9) undertaking such other activities as may be incidental or related thereto.

Your franchised business may not provide any of the following:

1. any services requiring a real estate salesperson or real estate broker license, such as real estate brokerage or providing a broker opinion of value, or
2. real estate property and asset management for third party property owners, or
3. appraisal management services, or
4. the purchase, improvement, sale, leasing, and operation of real estate where the Franchisee is a principal in such activity.

You must refrain from any deviation from our standards and specifications for providing or selling the products and services without our written consent.

Item 17. **Renewal, Termination, Transfer and Dispute Resolution**

This table lists certain important provisions of the Franchise Agreement and its attachments. You should read these provisions in the agreements in Exhibit B in this disclosure document.

THE FRANCHISE RELATIONSHIP

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Term of the franchise	4.1, and Informational Provisions	The term of the Franchise Agreement will be five (5), six (6), or seven (7) years from the date that you sign the Franchise Agreement, as elected in the Informational Provisions of the Franchise Agreement.
b. Renewal or extension of the term	4.2, 4.3, and 4.4	We have the absolute right not to renew a franchise relationship with you at the end of the initial term. If we elect to renew your franchise, then you may elect to enter into a Renewal Franchise Agreement for a term that is then offered by us to renewing and new franchisees, and on terms, conditions and provisions that may then be offered by us to new franchisees.
c. Requirements for you to renew or extend	4.2 and 4.3	You must not be in default of your Franchise Agreement or any of your obligations to us or any of our affiliated entities or vendors or be a party adverse to us or any of our affiliated entities in any mediation, litigation, or arbitration proceeding, and the current Franchise Agreement must have remained in effect through the end of the full amount of the normal term. If you seek to renew your franchise, you must: (1) sign a new Franchise Agreement which may contain terms and conditions materially different than those in your previous Franchise Agreement, such as different fee requirements and territorial rights, (2) pay a renewal fee of $6,000 if the Base Term of your franchisee is 5 years, $5,000 if the Base Term of your franchisee is 6 years, or $4,000 if the Base Term of your franchisee is 7 years (see Item 6 for more information about the renewal fee), and (3) provide a general release to us of all claims you may have against us at such time. In the case of a renewal, we are not obligated to provide any of the initial or other obligations in the agreement appropriate to the establishment of a new franchise.
d. Termination by you	20.5	You may not unilaterally terminate your Franchise Agreement, except: (i) for cause, (ii) as may be permitted by applicable law, or (iii) without cause on the conditions described below if the Base Term of your franchise agreement is more than five years. You may terminate your Franchise Agreement for cause only if you provide us with 90 days' notice of our ongoing breach, our breach started no earlier than 90 days before your notice, and we don't

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		cure such breach within 90 days after your notice. You may terminate your Franchise Agreement without cause if, and only if: (1) the Base Term of your franchise agreement is 6 years or more, (2) you are, and for the entire term of your franchise agreement have been, in compliance with your obligations under the Franchise Agreement, (3) you provide us with not less than 6 full calendar months advanced written notice of your termination of the franchise agreement, (4) on or within 30 days prior to such termination date, you pay us all amounts due and payable under the Franchise Agreement and to our affiliates, and (5) you make and deliver to us the General Release. If you meet these requirements, the franchise agreement will terminate on the next anniversary of the effective date.
e. Termination by us without cause	None	We do not have the right to terminate the Franchise Agreement without cause.
f. Termination by us with cause	20.1, 20.2, Exhibit A, subsection (Y)	We may terminate your Franchise Agreement for cause either immediately after notice to you (for defaults that cannot be cured) or on 30 days' written notice to you (for defaults that can be cured). If we provide written notice to you of a default that can be cured, and it is the first time we provide notice to you for that default, and you cure the default within the 30-day notice period, then no termination will occur. We can also withdraw a termination notice in our discretion. The types of defaults that can be cured by you are described in the definition of "For Cause Basis."
g. "Cause" defined – defaults which can be cured	Exhibit A, subsection (Y), 20.2	You have a limited opportunity to cure the defaults listed in Exhibit A, subsection (Y) of the Franchise Agreement within 30 days after we notify you of the default.
h. "Cause" defined – defaults which cannot be cured	20.1(A) through (L)	You do not have an opportunity to cure any of the defaults listed in Section 20.1(A) through (L) of the agreement.
i. Your obligations on termination, expiration or non-renewal	21	You must immediately cease operating as a franchised business, maintain confidentiality of all our confidential information, pay all amounts you owe to us, remove any indicia of the Valbridge System and all Marks from your office and business operations, return to us all tangible copies of our manuals and proprietary information, and discontinue use of the Marks.
j. Assignment of contract by us	19.7	We may transfer, in whole or in part, our interest in this agreement to any person or entity without your consent.
k. "Transfer" definition	Exhibit A, subsection (III), 19.5	Transfer is interpreted broadly and includes all transactions and arrangements where the net effect is to cause a change of ownership, in whole or in part, of an entity

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		franchisee and includes any transfer of any of the Franchise Rights, the Franchisee's business, or substantially all of the business assets of Franchisee. There is a very limited exemption for transfers: (1) of minority interests in the franchisee entity to employees of the franchisee who purchase such interests in connection with his or her professional employment development or hiring by the franchisee as lateral transfer, and (2) among owners of the franchisee who are original owners or received their interest in the franchisee by virtue of a Franchisor approved transfer under Section 19.3 of the Franchise Agreement.
l. Our approval of transfer by you	19.3	We have the right to approve or disapprove any Transfers in our sole and absolute discretion, except for transfers: (1) of minority interests in the franchisee entity to employees of the franchisee who purchase such interests in connection with his or her professional employment development or hiring by the franchisee as lateral transfer, and (2) among owners of the franchisee who are original owners or received their interest in the franchisee by virtue of a Franchisor approved transfer under Section 19.3 of the Franchise Agreement.
m. Conditions for our approval of transfer	19.3, 33	We will approve a transfer only if we have all the requested information about the proposed transferee as required by the Franchise Agreement, we do not exercise our right of first refusal (if the Transfer provides for a change of control of the franchisee), we are able, in accordance with applicable law, to enter a franchisor-franchisee relationship with the proposed transferee, the proposed transferee is acceptable to us in our sole and absolute discretion as a person or entity with whom we would otherwise have entered a franchisor-franchisee relationship, you are not in default under any agreement with us or any of our affiliates, you have fully satisfied your obligations under the Franchise Agreement for at least the past 60 days, the transferee signs our then-current form of the Franchise Agreement for a term that lasts until the end of your normal Franchise Agreement term, the transferee satisfactorily completes our application procedures and training, and you pay us a transfer fee of $5,000. No transfer to a competitor of ours is permitted under any circumstances.
n. Our right of first refusal to acquire your business	19.3(A)(2) and (D)	If you request permission to make a transfer and the transfer provides for a change of control of the franchisee, then we have the option to purchase your business on the same terms and conditions as are contained in the proposed transfer offer. We can assign our right of first refusal to another person or entity.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
o. Our option to purchase your business	None.	We do not have the right to buy your business unless you propose to transfer it to a third party and the transfer provides for a change of control of the franchisee.
p. Your death or disability	19.3, 19.4,	If, as a result of your death or the death of an equity holder of the franchisee, the franchisee no longer meets the qualifications to own and manage the franchised business (see Section 18.1(C) and (D), and Exhibit A subsection (RR)), the franchisee has one hundred twenty (120) days from such death to complete a transfer pursuant to section 19.3 of the franchise agreement if it hires a qualified manager within ten days of such death to manage the franchised business.
q. Non-competition covenants during the term of the franchise	17.1, 17.2, Exhibit D	You must not: (1) have any unauthorized involvement with any business that competes with us (developing, marketing and selling a national franchised appraisal business) or with appraisal businesses, (2) have any ownership interest or become associated with any business that is similar to our business or the appraisal business, except as may be permitted by us in our sole and absolute discretion, and (3) market your franchised business outside of your territory. You must have your appraisers and your professional and managerial employees and contractors execute a Restrictive Covenant and Intellectual Property Assignment Agreement (Exhibit D to the Franchise Agreement) prior to giving them any information of the franchisor or its affiliates. You are permitted to make modifications to the Restrictive Covenant and Intellectual Property Assignment Agreement to make it enforceable under the law of your state at the direction of any attorney hired by you and on our approval.
r. Non-competition covenants after the franchise is terminated or expires	17.2	For a period of two years after the termination of the franchise agreement, you must not: (1) plan, organize, or undertake any business that: (a) competes with us (developing, marketing and selling a national franchised appraisal business) in the United States or any other country in which we have a franchisee or a licensee of any trade or service mark, (b) utilizes any trade name, trademark, service mark, or trade dress that is substantially similar to or evocative of any Mark, trade name, trademark, service mark, or trade dress utilized by us or an affiliate of ours or licensed by us or an affiliate of ours to any franchisee or licensee, or (2) solicit, render services to, or accept business that competes with or is a replacement for the franchised business from any customer of another franchisee or licensee for whom you've completed work during the franchise term, except for national or regional bank or institutional lenders.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		For a period of one year after the termination of the franchise agreement, you must not enter a franchisee or licensee relationship with any person, entity, trust, or association or his, her, or its affiliate that competes with us in the business of developing, marketing and selling a national franchised appraisal business from, within, or directed in the United States or any other country in which we have a franchisee or a licensee of any trade or service mark, where the franchise or license relationship relates to the franchised business or any activity substantially similar to or a replacement for the franchised business. You must not engage or attempt to employ or engage any of our employees or contractors in your business for the lesser of two years after the termination of the franchise agreement or six months after termination of such employee's or contractor's employment or engagement by us or one of our affiliates.
s. Modification of the agreement	28	You and we must agree on any changes to the Franchise Agreement, but we may change the contents of the operations manual unilaterally. We may modify the Valbridge System, and a court may modify any provision of your Franchise Agreement in accordance with applicable law.
t. Integration/merger clause	28	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises made outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	None.	We do not require dispute resolution by arbitration or mediation.
v. Choice of forum	32	Subject to applicable state law, any litigation or arbitration proceeding will be heard where our principal business address is located at the time of the filing (subject to state law), currently being Orlando, Florida.
w. Choice of law	32	Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), the Franchise Agreement is interpreted under the laws of Florida (subject to applicable state law).
x. Waiver of jury trial	35	Subject to applicable state law, you and we each waive our respective rights to a jury trial.
y. Waiver of punitive damages	34	You must waive your right to claims for indirect, incidental, consequential, special, punitive, or exemplary damages of

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		any kind, including, but not limited to, lost profits, loss of business or other economic damage, or injury to property. In the event of any litigation, mediation, arbitration, or controversy between you and us, we are each limited to the recovery of any actual damages sustained. You must also waive your rights to any proceeding in the nature of a class action against us and our affiliates.
z. Liquidated damages	20.3	We are entitled to collected liquidated damages of either $2,500, or $5,000 for certain breaches of the Franchise Agreement by you. The amount of liquidated damages is dependent on your breach (see Section 20.3). If we collect liquidated damages from you for a breach, we will not terminate the Franchise Agreement for such breach, but we may terminate the Franchise Agreement in the event of a later breach.

Item 18. **Public Figures**

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

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 or franchisor-owned outlets if there is a reasonable basis for the information, and/or if the information is included in this disclosure document. Financial performance information that differs from any included in this Section 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet that you are considering buying, or (2) a franchisor supplements the information provided in this Section 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do 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 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 our management by contacting Pledger M. Bishop, III, jbishop@valbridge.com, 11602 Lake Underhill Road, Suite 102, Orlando, Florida 32825, 843-856-2000, the Federal Trade Commission, and the appropriate state regulatory agency.

Item 20. **Outlets and Franchisee Information**

Table No. 1

System Outlet Summary for Years 2023 to 2025

Outlet Type	Year	Outlets at Start Year	Outlets at End of Year	Net Change
Franchised Units	2023	43	0	-43
	2024	0	10	10
	2025	10	19	9
Licensed Units*	2023	0	43	43
	2024	43	26	-17
	2025	26	14	-12
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	43	0	-43
	2024	43	36	-7
	2025	36	33	-3

* See the note following Table No. 3, below.

TABLE NO. 2

Transfers of Outlets from Franchisees to New Owners

(Other than Franchisor or an Affiliate) For Years 2023 to 2025

State	Year	Number of Transfers
None	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0
	2025	0

TABLE NO. 3
Status of Franchised and Licensed* Outlets for Years 2023 to 2025

State	Year	Franchise Outlets at Start of Year	License Outlets at Start of Year	Franchise Outlets Opened	Terminations	Non-Renewals of Franchise Agreement	Reacquired by Franchisor	Ceased Operations for Other Reasons	Franchise Outlets at End of Year	License Outlets at End of Year
AL	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	1	0	0	0	0	1	0
	2025	1	0	0	0	0	0	0	1	0
AZ	2023	0	0	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0
CA	2023	5	0	0	0	5	0	0	0	5
	2024	0	5	0	1	0	0	0	0	4
	2025	0	4	0	1	0	0	0	0	3
CO	2023	2	0	0	0	2	0	0	0	2
	2024	0	2	1	0	0	0	0	1	1
	2025	1	1	0	1	0	0	0	1	0
CT	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	1	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0
FL	2023	3	0	0	0	3	0	0	0	3
	2024	0	3	1	1	0	0	0	1	1
	2025	1	1	0	0	0	0	0	1	1
GA	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	1	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0
ID	2023	0	0	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0
IL	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	1	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0
IN	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	0	0	0	0	0	0	1
KS	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	0	0	0	0	0	0	1

KY	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	1	0	0	0	0	1	0
LA	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	1	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0
MD	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	0	0	0	0	0	0	1
MA	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	1	0	0	0	0	1	0
	2025	1	0	0	0	0	0	0	1	0
MI	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	1	0	0	0	0	1	0
MN	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	0	0	0	0	0	0	1
MO	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	0	0	0	0	0	0	1
MS	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	1	0	0	0	0	1	0
	2025	1	0	0	0	0	0	0	1	0
NV	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	0	0	0	0	0	0	1
NJ	2023	0	0	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0
NM	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	0	0	0	0	0	0	1
NC	2023	2	0	0	0	2	0	0	0	2
	2024	0	2	0	1	0	0	0	0	1
	2025	0	1	1	0	0	0	0	1	0
ND	2023	0	0	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0
OH	2023	1	0	0	0	1	0	0	0	1

	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	0	1	0	0	0	0	0
OK	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	1	0	0	0	0	1	0
	2025	1	0	0	0	0	0	0	1	0
OR	2023	0	0	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0	0	0
PA	2023	2	0	0	0	2	0	0	0	2
	2024	0	2	2	0	0	0	0	2	0
	2025	2	0	0	0	0	0	0	2	0
SC	2023	2	0	0	0	2	0	0	0	2
	2024	0	2	0	0	0	0	0	0	2
	2025	0	2	2	0	0	0	0	2	0
TN	2023	3	0	0	0	3	0	0	0	3
	2024	0	3	2	0	0	0	0	2	1
	2025	2	1	1	0	0	0	0	3	0
TX	2023	2	0	0	0	2	0	0	0	2
	2024	0	2	0	0	0	0	0	0	2
	2025	0	2	0	0	0	0	0	0	2
UT	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	1	0	0	0	0	1	0
VA	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	1	0	0	0	0	1	0
WA	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	0	0	0	0	0	0	1
WI	2023	1	0	0	0	1	0	0	0	1
	2024	0	1	0	0	0	0	0	0	1
	2025	0	1	1	0	0	0	0	1	0
Total	**2023**	43	0	0	0	43	0	0	0	43
	2024	0	43	10	7	0	0	0	10	26
	2025	10	26	9	3	0	0	0	19	14

* In light of the government actions disclosed in Item 3 (above), this table distinguishes between franchise outlets and license outlets.

TABLE NO. 4
Status of Company-Owned Outlets for Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Re-Acquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Total	**2023**	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

TABLE NO. 5
Projected Openings as of December 31, 2025

STATE	Franchise Agreements Signed but Outlet Not Opened as of December 31, 2025	Projected New Franchised Outlets in 2026 as of December 31, 2025	Projected New Company-Owned Outlets in 2026 as of December 31, 2025
Alabama	0	0	0
Arizona	0	0	0
California	0	2	0
Colorado	0	0	0
Connecticut	0	0	0
Florida	0	1	0
Georgia	0	0	0
Iowa	0	0	0
Idaho	0	0	0
Illinois	0	1	0
Indiana	0	1	0
Kansas	0	1	0
Kentucky	0	0	0
Louisiana	0	0	0
Maryland	0	1	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	1	0
Mississippi	0	0	0
Missouri	0	1	0
Nevada	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
North Carolina	0	1	0
North Dakota	0	1	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	1	0
Pennsylvania	0	0	0
South Carolina	0	1	0
Tennessee	0	0	0
Texas	0	2	0
Utah	0	0	0

Virginia	0	1	0
Washington	0	1	0
Wisconsin	0	0	0
Total	**0**	**17**	0

We were organized in 2013, and first offered franchises in March 2013. We do not operate a franchised business, but our manager and the officers and directors of our parent (see Section 2) own and operate franchised businesses of the type being offered each for more than five years.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. 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.

In 2024, we entered into one agreement with a former franchisee that contained a confidentiality restriction. In that instance, the confidentiality restriction was signed as part of a mutually agreed upon settlement of litigation.

As of December 31, 2025, there were 19 franchisees and twenty-nine former franchisees (this includes former franchisees for the years 2023 through 2025). As of December 31, 2024, there were 10 franchisees and fifty-eight former franchisees (including former franchisees that pre-date 2022). As of December 31, 2023, there were 0 franchisees and fifty-eight former franchisees (including former franchisees that pre-date 2021). See Exhibit C for the identities and contact information for our franchisees and Exhibit D for the identities and contact information for our former franchisees (for the years 2023 through 2025).

If you buy a franchised business, your contact information will be disclosed to other buyers during the time you are a franchisee and after you leave the franchise system.

There are no trademark-specific franchisee associations that we sponsor or that have requested to be included in this disclosure document.

Item 21. Financial Statements

Exhibit E includes our financial statements, including our:

1.) audited financial statements for 2025, including a balance sheet at December 31, 2025, a statement of operations and members equity for the calendar year ending on December 31, 2025, and statement of cash flows for the calendar year ending December 31, 2025,

2.) audited financial statements for 2024, including a balance sheet at December 31, 2024, a statement of operations and members equity for the calendar year ending on December 31, 2024, and statement of cash flows for the calendar year ending December 31, 2024,

3.) audited financial statements for 2023, including a balance sheet at December 31, 2023, a statement of operations and members equity for the calendar year ending on December 31, 2023, and statement of cash flows for the calendar year ending December 31, 2023, and

4.) unaudited and unreviewed financial statements for January through March 31, 2026, including a consolidated balance sheet at March 31, 2026.

Our fiscal year end is December 31.

Item 22. Contracts

Exhibit B includes the Franchise Agreement and all attachments and exhibits to the Franchise Agreement, including: (A) Exhibit A to the Franchise Agreement, the Definitions, (B) Exhibit B to the Franchise Agreement, the Continuing Unconditional Guarantee, (C) Exhibit C to the Franchise Agreement, the General Release, (D) Exhibit D to the Franchise Agreement, the Employee and Contractor Restrictive Covenant, (E) Exhibit E to the Franchise Agreement, the Form of Affiliate Joinder and Adoption Agreement of the Franchise Agreement, (F) Exhibit F to the Franchise Agreement, the Current Report Platform Software-as-a-Service and License Agreement, (G) Exhibit G to the Franchise Agreement, the Current Form of Database Access and License Agreement, and (H) Exhibit H to the Franchise, the executed Cost Reduction Payment Agreement, as applicable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Item 23. Receipt

Exhibit H includes detachable documents acknowledging your receipt of this disclosure document.

NOTICE OF NEGOTIATED SALES

Item 5, Item 6, Item 7, and Item 9 of this Franchise Disclosure Document and the corresponding provisions of the Franchise Agreement have been negotiated with one or more franchisees.

We have entered contracts with one or more new franchisees to permit them to: (1) delay payment of: (a) the initial franchise fee for the earlier of two years or the occurrence of certain events, and (b) royalties until the first of: (i) the franchisee achieves a minimum gross revenue, issues or transfers an interest in the franchisee to another person, or sells the franchise, or (ii) the franchise being terminated or renewed, or (2) limit franchise royalties to five percent of the franchisee's gross revenue, an amount less than the base royalty in the franchise agreement.

The new franchisees with whom we have entered negotiated franchise agreement are related parties (i.e., they have common owners) to other franchisees in our system, and the entry of these franchise agreements were undertaken as part of the expansion of our franchise system through the development of new franchised locations or the purchase of existing businesses that subsequently became franchised locations.

A copy of the negotiated sales terms is available upon written request directed to:

Valbridge Property Advisors Franchising System, LLC
Attn.: Pledger M. Bishop, III, Manager
11602 Underhill Road, Suite 102
Orlando, Florida 32825
843-856-2000 (phone)
JBishop@valbridge.com (email)

CALIFORNIA ADDENDUM

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

California Business and Professions Code Sections 20000 through 20043 establish the rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

California Corporations Code §31512 voids any condition, stipulation, or provision purporting to bind you to waive compliance with any of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids any condition, stipulation, or provision purporting to bind you to waive compliance with any of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043).

The franchise agreement requires binding arbitration and that such arbitration will occur at the offices of the American Arbitration Association nearest our home office, with cost being paid by the party which does not prevail in the arbitration. This provision may not be enforceable under California law. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code § 20040.5, Code of Civil Procedure § 1281, and the Federal Arbitration Act) to any provisions of the franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.)

The franchise agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Item 3: Additional California Disclosure.
None of the persons identified in Item 2 of the Disclosure and none of the franchisor or any Sales Agent of the Franchisor is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a, et. seq., suspending or expelling such person from membership in any such association or exchange.

Item 5: Initial Fees.
Fee Deferral
The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

Notice Required by California Exemption for Internet Advertisements.

Our website URL is: Valbridge.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

[Signatures on the following page. Balance of this page intentionally left blank.]

[Signature page to California Addendum.]

IN WITNESS WHEREOF, the parties hereto have executed and entered this California Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:

Valbridge Property Advisors
Franchising System, LLC

By: _____

Pledger M. Bishop, III, Manager

Franchisee:

Name of Entity (if applicable):

_____

By: _____

Print name:

_____

Title:

_____

ILLINOIS ADDENDUM

The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended consistent with Illinois Law, including the Franchise Disclosure Act of 1987, 815 ILCs 705/1-44. To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended.

Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provides rights to franchisees concerning non-renewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

Paragraph 705/41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly.

IN WITNESS WHEREOF, the parties hereto have executed and entered this Illinois Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:

Valbridge Property Advisors
Franchising System, LLC

By: _____
Pledger M. Bishop, III, Manager

Franchisee:

Name of Entity (if applicable):

_____

By: _____
Print name:

_____
Title:

_____

INDIANA ADDENDUM

Pursuant to IC 23-2-2.7-1, the following shall supersede any provisions to the contrary in the Franchise Disclosure Document and shall apply to all franchises offered and sold in the State of Indiana.

It is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement, or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new

models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subdivision.

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subdivision includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any:

a) advertising campaign or contest,

b) promotional campaign,

c) promotional materials, or

d) display decorations or materials,

at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

Further, IC 23-2-2.5-9(2) of the Indiana Franchise Practices Act requires a franchisor to give you a copy of the Franchise Disclosure Document together with a copy of all proposed contracts relating to the sale of the franchise at the earlier of: (i) at least 10 days prior to signing the franchise agreement, or (ii) at least 10 days prior to franchisor's receipt of any consideration. The Receipt is amended to reflect the 10-day waiting period.

[Signatures on the following page. Balance of this page intentionally left blank.]

[Signature page to Indiana Addendum to Franchise Agreement.]

IN WITNESS WHEREOF, the parties hereto have executed and entered this Indiana Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:

Valbridge Property Advisors
Franchising System, LLC

By: _____

Pledger M. Bishop, III, Manager

Franchisee:

Name of Entity (if applicable):

_____

By: _____

Print name:

_____

Title:

_____

MARYLAND ADDENDUM

The Maryland Franchise Registration and Disclosure Law, COMAR 02.02.08.16(L), and MD Code, Business Regulation §14-226, provide that, as a condition of the sale of a franchise, a franchisor may not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability under the Franchise Registration and Disclosure Law.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Item 17 of the Franchise Disclosure Document is amended by adding: any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

Item 17 of the Franchise Disclosure Document and Section 18 of the Franchise Agreement are amended by adding: any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Section 18 of the Franchise Agreement is amended to provide as follows: Any lawsuit permitted under this Article shall be brought in the federal or state courts located in the State of Maryland.

For franchisees having a franchised business in Maryland or a Territory that includes any part of Maryland, Item 5 of the Franchise Disclosure Document and Section 11.2 of the Franchise Agreement are amended as follows:

> All fees shall be deferred pending satisfaction of all of the Franchisor's pre-opening obligations to the Franchisee.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by

franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Further, MD Code, Business Regulation §14-223 requires a franchisor to give you a copy of the Franchise Agreement and the Franchise Disclosure Document at the earlier of: (i) 14 calendar days prior to signing the franchise agreement, (ii) 14 calendar days prior to payment of any consideration that relates to the franchise relationship, or (iii) a reasonable request by you to receive a copy of the Franchise Agreement and the Franchise Disclosure Document.

MICHIGAN ADDENDUM

NOTICE REQUIRED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

The following statement is required to be provided to the franchisee under the Michigan Franchise Investment Law. By providing this statement, the franchisor does not represent or warrant that any of the following provisions of the law are enforceable. The franchisor reserves the right to contest the enforceability of any of the following provisions.

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 the franchisee. Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(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. 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 to 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 furnishings not reasonably required in the conduct of the 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 not 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 sub franchisor.

(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 provision that grants to a franchisor a right of first 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 prohibit a provision that grants the franchisor the right to 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 its 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 offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to:

Michigan Department of Attorney General
Attn: Franchise Section
525 W. Ottawa Street, G. Mennen Williams Building - 5th Floor
Lansing, Michigan 48913 (517) 335-7567

IN WITNESS WHEREOF, the parties hereto have executed and entered this Michigan Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:

Valbridge Property Advisors
Franchising System, LLC

By: _____

Pledger M. Bishop, III, Manager

Franchisee:

Name of Entity (if applicable):

_____

By: _____

Print name:

_____

Title:

_____

MINNESOTA ADDENDUM

Minnesota Statute 80C. 21 and Minnesota Rule 2860. 4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases)

- that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and
- that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12, Subd. 1(g). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota Rules 2860. 4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statute 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

IN WITNESS WHEREOF, the parties hereto have executed and entered this Minnesota Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:

Valbridge Property Advisors
Franchising System, LLC

By: _____

Pledger M. Bishop, III, Manager

Franchisee:

Name of Entity (if applicable):

_____

By: _____

Print name:

_____

Title:

_____

NORTH DAKOTA ADDENDUM

Pursuant to NDCC Section 51-19-09, the North Dakota Insurance Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota Franchisees and requires that certain provisions contained in franchise documents be amended consistent with North Dakota Law. To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended.

(1) Restrictive Covenants: Franchise Disclosure Documents (FDD) that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

(2) Situs of Arbitration Proceedings. Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

(3) Restrictions on Forum. Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

(4) Liquidated Damages and Termination Penalties. Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

(5) Applicable Laws. Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

(6) Waiver of Trial by Jury. Requiring North Dakota Franchises to consent to a waiver of a trial by jury.

(7) Waiver of Exemplary and Punitive Damages. Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damages.

(8) General Release. Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

(9) Limitation of Claims. Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(10) Enforcement of Agreement. Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

NORTH DAKOTA AMENDMENT
TO VALBRIDGE PROPERTY ADVISORS FRANCHISE AGREEMENT

This North Dakota Amendment to Valbridge Property Advisors Franchise Agreement (the "Amendment") is made and entered as of the date set forth below by and between Valbridge Property Advisors Franchising System, LLC, a Florida limited liability company (the "**Franchisor**") and the franchisee identified in the signature block below (the "**Franchisee**"), as an amendment to the Franchise Agreement of even date herewith (the "**Franchise Agreement**") by and between the Franchisor and the Franchisee.

The parties agree as follows:

1. **Amendment, Controlling Terms and Defined Terms.**

The Franchisee or all or part of the Territory (as that term is defined in the Franchise Agreement) is located in North Dakota. Therefore, in accordance with North Dakota Franchise Investment Law and the regulations promulgated thereunder, the Franchise Agreement is amended and modified as expressly set forth herein. To the extent that any terms of this Amendment conflict with the terms of the Franchise Agreement, the express terms, conditions, and provisions of this Amendment shall prevail. Except as expressly set forth herein, the terms and conditions of the Franchise Agreement shall remain in full force and effect. Capitalized terms used in this Amendment shall have the meaning set forth in the Franchise Agreement.

2. **Restrictive Covenants**.

Sections 17.1 and 17.2 of the Franchise Agreement and each other restrictive covenant applicable to the Franchise Agreement shall be interpreted in accordance with and subject to North Dakota Century Code Section 9-08-06.

3. **Section 4.3(E) of the Franchise Agreement**.

Section 4.3(E) of the Franchise Agreement is hereby deleted.

4. **Section 20.3 of the Franchise Agreement**.

Section 20.3 of the Franchise Agreement is hereby deleted.

5. **Section 32 of the Franchise Agreement**.

Section 32 of the Franchise Agreement is hereby deleted.

6. **Section 34 of the Franchise Agreement.**

The first sentence of Section 34 of the Franchise Agreement is deleted and replaced with the following:

> THE FRANCHISOR AND THE FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES OF ANY KIND, AND AGREE THAT IN THE EVENT OF ANY LITIGATION, MEDIATION, ARBITRATION, OR CONTROVERSY BETWEEN THEM EACH SHALL BE LIMITED AS SET FORTH HEREIN.

7. **Section 35 of the Franchise Agreement**.

Section 35 of the Franchise Agreement is hereby deleted.

8. **Entire Agreement, Waiver, Modification and Captions**.

This Amendment sets forth the entire understanding of the parties concerning the subject matter of this Amendment and incorporates all prior negotiations and understandings. There are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them relating to the subject matter of this Amendment other than those set forth herein. No purported waiver by any party of any default by another party of any term or provision contained herein shall be deemed to be a waiver of such term or provision unless the waiver is in writing and signed by the waiving party. No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein. Except as set forth below, no alteration, amendment, change or addition to this Amendment shall be binding upon any party unless in writing and signed by the party to be charged. The captions and paragraph letters appearing in this Amendment are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Amendment.

9. **Sections of Franchise Agreement Applicable to Amendment.**

The provisions of Sections 29 through 37 of the Franchise Agreement shall be applicable to this Amendment.

10. **Counterparts.**

This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute the same instrument.

11. **Survival.**

The provisions of this Amendment shall survive and continue in full force and effect after the execution and consummation of the transactions contemplated by this Amendment.

[Signatures on the following page. Balance of this page intentionally left blank.]

[Signature page to North Dakota Addendum to Franchise Agreement.]

IN WITNESS WHEREOF, the parties hereto have executed and entered this North Dakota Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:

Valbridge Property Advisors
Franchising System, LLC

By: _____

Pledger M. Bishop, III, Manager

Franchisee:

Name of Entity (if applicable):

_____

By: _____

Print name:

_____

Title:

_____

VIRGINIA ADDENDUM

Item 18 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the following statements are added to Item 17 of the Franchise Disclosure Document.

> "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 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."
>
> "Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given him by any provision contained in the franchise agreement. If any provision of the franchise agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise agreement, that provision may not be enforceable.

IN WITNESS WHEREOF, the parties hereto have executed and entered this Virginia Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:	**Franchisee**:
Valbridge Property Advisors Franchising System, LLC	Name of Entity (if applicable):
By:	By:
Pledger M. Bishop, III, Manager	Print name:
	Title:

WASHINGTON ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENTS,
THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights**. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation**. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release**. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial**. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees**. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee**. The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions**. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing**. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages**. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement**. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification**. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees**. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants**. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements**. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a

franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

16. **Questionnaires and Acknowledgments**. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators**. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers**. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Initial Franchise Fee Deferral**. The franchisor will defer collection of the initial franchisee fee until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business. The initial fee for the purposes of the deferral includes all initial franchise fees described in Item 5 of the Franchise Disclosure Document.

IN WITNESS WHEREOF, the parties hereto have executed and entered this Washington Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:

Valbridge Property Advisors
Franchising System, LLC

By: _____
Pledger M. Bishop, III, Manager

Franchisee:

Name of Entity (if applicable):

_____

By: _____
Print name:

_____
Title:

_____

EXHIBITS TO FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A - AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	California Franchise Division Department of Corporations 2101 Arena Boulevard Sacramento, CA 95834 (866) 275-2677	California Corporations Commissioner OR CSC-Lawyers Incorporating Service 2710 Gateway Oaks Dr., Ste. 150N Sacramento, CA 95833-3505
ILLINOIS	Office of the Attorney General Franchise Division 500 South Second Street Springfield, IL 6276 (217) 782-4465	Illinois Attorney General OR Illinois Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204 OR Corporation Service Company 135 North Pennsylvania Street Suite 1610 Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202 OR CSC-Lawyers Incorporating Service Company 7 St. Paul Street, Suite 820 Baltimore, MD 21202
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau OR CSC-Lawyers Incorporating Service (Company) 2900 West Road, Suite 500 East Lansing, MI 48823
MINNESOTA	Minnesota Department of Commerce 87 7th Place East, Ste. 280 St. Paul, MN 55101 (651) 539-1600	Minnesota Commissioner of Commerce OR Corporation Service Company 2345 Rice Street, Suite 230 Roseville, MN 55113

NORTH CAROLINA	North Carolina Secretary of State P.O. Box 29622 Raleigh, NC 27626-0622 (919) 807-2000	North Carolina Secretary of State
NORTH DAKOTA	Insurance Commissioner North Dakota Insurance & Securities Department 600 East Boulevard Avenue, Dept. 401 Bismark, ND 58505 (701) 328-2910	Corporation Service Company 1709 North 19th Street, Suite 3 Bismark, ND 58501-2121
SOUTH CAROLINA	SC Secretary of State's Office Attn: Business Filings Division 1205 Pendleton Street, Suite 525 Columbia, SC 29201 (803) 734-1728	Corporation Service Company 508 Meeting Street West Columbia, SC 29169
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 E. Main St. Richmond, VA 23219 OR Corporation Service Company 100 Shockoe Slip 2nd Floor Richmond, VA 23219
WASHINGTON	Washington Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760	Director of Washington Financial Institutions OR Corporation Service Company 300 Deschutes Way SW Suite 208 Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8557	Commissioner of Securities of Wisconsin OR CSC-Lawyers Incorporating Service Company 8040 Excelsior Drive, Suite 400 Madison, WI 53717

EXHIBIT B - FRANCHISE AGREEMENT AND STATE SPECIFIC ADDENDA

VALBRIDGE PROPERTY ADVISORS

FRANCHISE AGREEMENT

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Franchise Agreement Signature Page

At and as of the effective date set forth in the Informational Provisions above (the "**Effective Date**"), Valbridge Property Advisors Franchising System, LLC, a Florida limited liability company (the "**Franchisor**"), as franchisor, and the franchisee identified in the signature block below (the "**Franchisee**"), as franchisee, enter this franchise agreement version V20260430.0430, including the **Informational Provisions** the **Royalty and Fee Definitions Matrix**, and Sections 1 through 40 hereof, as may be amended or modified by the state addenda applicable to the Franchisee, if any (collectively being the "**Agreement**"). An administrative processing fee of $2,500 is due with the execution of this Agreement.

Franchisor: Valbridge Property Advisors Franchising System, LLC

By: _____

Pledger M. Bishop, III, Manager

Franchisee:

Name of the Franchisee (if an entity): _____

By: _____

Print name of authorized signer below: _____

Print title of authorized signer below: _____

Informational Provisions
to the Valbridge Property Advisors Franchise Agreement

Franchise Agreement Effective Date: _____, 202___ (the "**Effective Date**").

Base Term means: *(Select ONLY one and initial the correct selection.)*

___ Five (5) years, or

___ Six (6) years, or

___ Seven (7) years).

The Franchisee – General Information.

Franchisee: _____

Type: ☐ Corporation ☐ LLC ☐ Individual ☐ General Partnership ☐ Other

Note: if the Franchisee is a partnership, corporation, limited liability company or other entity, list all of the names of the stockholders, members, or partners below.

State of Formation: _____

Address _____

Franchisee email address for notices: _____

Authorized Franchisee Trade Name (Main Office): _____

Authorized Franchisee Trade Name (Second Office): _____

Authorized Franchisee Trade Name (Third Office): _____

Type of Franchise Agreement. This franchise is (*select one only*):

☐ a new franchisee,

☐ a renewal franchise agreement, or

☐ a continuation franchise after a Transfer (*see Section 19*).

The Franchisee Gross Revenue. The Franchisee's Adjusted Gross Revenues (as defined in the **Royalty and Fee Definitions Matrix** below) for the twelve calendar months prior to the month containing the Effective Date are: $_____ (the "**Trailing AGR**").

Selected Accounting Method. The Franchisee ordinarily keeps its financial books and records in accordance with (select only one) ☐ Cash Basis Method, or ☐ Accrual Method.

Offices. The Franchisee has:

___ (number) of office location(s) ***within*** the Territory described below, and

___ (number) of office location(s) ***outside*** of the Territory.

The following is the information for each Franchisee office location within the Territory:

Primary Office
Location Address: _____

No. of Square Ft. _____

Additional Descript.: _____

Second Office
Location Address: _____

No. of Square Ft. _____

Additional Descript.: _____

Third Office Location Address: _____

No. of Square Ft. _____

Additional Descript.: _____

Territory. The "**Territory**" for purposes of this Franchise Agreement means the geographic area described below:

Name of Territory: _____

Geographic Description (Counties) _____

_____

Franchisee Equity Holders and Related Parties. *Skip this section only if the Franchisee is owned by one individual.*

Identify below:

(1) each Person that directly holds a Franchisee Equity Interest (each being a "**Franchisee L1 Owner**"), and

(2) for any Franchisee L1 Owner that is not a natural person, each Equity Holder of such Franchisee L1 Owner (each being a "**Franchisee L2 Owner**"), and

(3) for the Franchisee L2 Owner that is not a natural person, each Equity Holder of such the Franchisee L2 Owner (each being a "**Franchisee L3 Owner**"), and

(4) for the Franchisee L3 Owner that is not a natural person, each Equity Holder of such the Franchisee L3 Owner (each being a "**Franchisee L4 Owner**"), and

(5) for the Franchisee L4 Owner that is not a natural person, each Equity Holder of such the Franchisee L4 Owner (each being a "**Franchisee L5 Owner**"), and

(6) the "interests" of the Franchisee Equity Holder, the Franchisee L2 Owner, the Franchisee L3 Owner, the Franchisee L4 Owner, and the Franchisee L5 Owner.

Note: The interests of all the Franchisee L1 Owners must each equal 100 percent. Also, the interests of all the Franchisee L2 Owners of each Franchisee L1 Owner that is not a natural person must equal 100 percent of such Franchisee L1 Owner. The same applies for the Franchisee L3 Owners, the Franchisee L4 Owners, and the Franchisee L5 Owners.

	% Interest
Name:	

Equity Interest: □ Franchisee L1 Owner ☐ Franchisee L2 Owner ☐ Franchisee L3 Owner ☐ Franchisee L4 Owner ☐ Franchisee L5 Owner ☐ Other (describe):	
Type: ☐ Individual ☐ Corporation ☐ LLC ☐ General Partnership ☐ Other (describe below):	
Address:	
Designations:	
Name:	
Equity Interest: □ Franchisee L1 Owner ☐ Franchisee L2 Owner ☐ Franchisee L3 Owner ☐ Franchisee L4 Owner ☐ Franchisee L5 Owner ☐ Other (describe):	
Type: ☐ Individual ☐ Corporation ☐ LLC ☐ General Partnership ☐ Other (describe below):	
Address:	
Designations:	
Name:	
Equity Interest: □ Franchisee L1 Owner ☐ Franchisee L2 Owner ☐ Franchisee L3 Owner ☐ Franchisee L4 Owner ☐ Franchisee L5 Owner ☐ Other (describe):	
Type: ☐ Individual ☐ Corporation ☐ LLC ☐ General Partnership ☐ Other (describe below):	
Address:	
Designations:	
Name:	
Equity Interest: □ Franchisee L1 Owner ☐ Franchisee L2 Owner ☐ Franchisee L3 Owner ☐ Franchisee L4 Owner ☐ Franchisee L5 Owner ☐ Other (describe):	
Type: ☐ Individual ☐ Corporation ☐ LLC ☐ General Partnership ☐ Other (describe below):	
Address:	
Designations:	
Name:	
Equity Interest: □ Franchisee L1 Owner ☐ Franchisee L2 Owner ☐ Franchisee L3 Owner ☐ Franchisee L4 Owner ☐ Franchisee L5 Owner ☐ Other (describe):	
Type: ☐ Individual ☐ Corporation ☐ LLC ☐ General Partnership ☐ Other (describe below):	

Address:	
Designations:	
Name:	
Equity Interest: ☐ Franchisee L1 Owner ☐ Franchisee L2 Owner ☐ Franchisee L3 Owner ☐ Franchisee L4 Owner ☐ Franchisee L5 Owner ☐ Other (describe):	
Type: ☐ Individual ☐ Corporation ☐ LLC ☐ General Partnership ☐ Other (describe below):	
Address:	
Designations:	
Name:	
Equity Interest: ☐ Franchisee L1 Owner ☐ Franchisee L2 Owner ☐ Franchisee L3 Owner ☐ Franchisee L4 Owner ☐ Franchisee L5 Owner ☐ Other (describe):	
Type: ☐ Individual ☐ Corporation ☐ LLC ☐ General Partnership ☐ Other (describe below):	
Address:	
Designations:	
Name:	
Equity Interest: ☐ Franchisee L1 Owner ☐ Franchisee L2 Owner ☐ Franchisee L3 Owner ☐ Franchisee L4 Owner ☐ Franchisee L5 Owner ☐ Other (describe):	
Type: ☐ Individual ☐ Corporation ☐ LLC ☐ General Partnership ☐ Other (describe below):	
Address:	
Designations:	
Name:	
Equity Interest: ☐ Franchisee L1 Owner ☐ Franchisee L2 Owner ☐ Franchisee L3 Owner ☐ Franchisee L4 Owner ☐ Franchisee L5 Owner ☐ Other (describe):	
Type: ☐ Individual ☐ Corporation ☐ LLC ☐ General Partnership ☐ Other (describe below):	
Address:	
Designations:	

Each Franchisee L1 Owner, Principal, and manager, officer, and key employee of a Franchisee Equity Holder is required to, and, depending on the Equity Interest, other Franchisee Equity Holders may be required to, execute, and deliver to the Franchisor one or more of the Ancillary Franchise Documents, including the following Exhibits to this Franchise Agreement:

(1) a Continuing Unconditional Guarantee attached hereto as Exhibit B, from each Principal,

(2) an Employee and Contractor Restrictive Covenant attached hereto as Exhibit D, and

(3) an Equity Holder Joinder and Adoption Agreement attached hereto as Exhibit E.

The email address for notices for the Franchisor is Franchising@Valbridge.com.

End of Informational Provisions.

Royalty and Fee Definitions Matrix

The following are the Royalties, Fees, and Definitions applicable to this Franchise Agreement:

(A) The **Administrative Processing Fee** is $2,500.

(B) **Adjusted Gross Revenue** means:

(1) (a) the Gross Revenue of the Franchisee, *less*

(b) amounts paid or payable by the Franchisee for the applicable period in accordance with the Selected Accounting Method:

(i) to Peers,

(ii) as Referral Fees to the Franchisor, and

(iii) to any unrelated contractors:

(X) for fees and costs that do *not* arise from the conduct or any part of the Business (e.g., pass through payments to professional engineers, architects, etc.), for or in connection with matters giving rise to the total gross revenues reported for the applicable period, or

(Y) that arise from the conduct or all or any part of the Business utilizing a contractor appraiser where: (1) the appraisal report or other work product that results from the engagement does not bear any Mark, and is not signed in the name of the Franchisee, or by any employee or Affiliate of a Franchisee, or by any Franchisee Equity Holder, *and* (2) the amount paid to the appraiser by the Franchisee is seventy five percent (75%) or more of the fee charged by the Franchisee for the engagement, plus

(2) the Gross Revenue of each Franchisee Equity Holder or his, her, or its Affiliates for the applicable period that arise from or in connection with such Person engaging in all or any part of the Business and where such Gross Revenue was not included in the Gross Revenue of the Franchisee under (1) above.

For the Franchise Year including the Normal Termination Date, the amounts utilized to determine Adjusted Gross Revenue shall be the amounts for the entire Franchise Year (i.e., including amounts from the Normal Termination Date through December 31 of such year), *provided that*, if the Franchisee fails to comply with its post-termination obligations under this Agreement, including, without limitation, providing reports in accordance with Section 13.3, then the Franchisor may establish an Adjusted Gross Revenue based on historical information and estimated growth and types of business activities of the Franchisee.

For the Franchise Year including the Effective Date, the amounts utilized to determine Adjusted Gross Revenue shall be the amounts for the entire Franchise Year (i.e., including amounts arising from January 1 of such year to the Effective Date).

For clarification:

The only amounts deductible from the Gross Revenue of the Franchisee are only those set forth in (1)(b) above, and no deduction or adjustment is permitted whatsoever for: (a) any other amounts paid to any appraiser, whether or not such appraiser is a contractor of the Franchisee, or (b) revenues generated by business

activities that are outside of the Business and conducted by the Franchisee (e.g., real estate brokerage or management activities) notwithstanding whether any such activities is permitted to be undertaken by the Franchisee pursuant to this Agreement or not, and

With respect to an appraisal report described under (B)(1)(b)(iii)(Y)(1) above, if such report is signed by any employee, officer, manager, or Principal of the Franchisee, then the revenue arising therefrom may not be deducted from the total Gross Revenue of the Franchisee, and

The calculation of Adjusted Gross Revenues is not based on the tax year adopted by the Franchisee but shall be calculated on a calendar year basis.

(C) The **Annual Meeting Fee** is $2,000.

(D) **Base Adjusted Gross Revenue** means $725,000, *provided that*, if the Royalty is prorated in accordance with (K)(i)(b) or (ii) of this Royalty and Fee Definitions Matrix, then the Base Adjusted Gross Revenue shall be prorated in the same manner.

(E) **Base Royalty** means $27,500, *provided that*, if the Royalty is prorated in accordance with (K)(i)(b) or (ii) of this Royalty and Fee Definitions Matrix, then the amount of the Base Royalty shall be prorated in the same manner.

(F) The **Capital-Reserve Assessment** is a fee that: (1) is in addition to the Royalty and other fees and assessments due pursuant to this Agreement, (2) may be assessed by the Franchisor in its sole discretion from time to time in accordance with and subject to the limitations in Section 12.3 of this Agreement in an amount not greater than one-half of the then current Royalty, (3) shall be payable one-twelfth each month on the due date of and based upon then current Monthly Estimated Royalty and subject to true up upon the determination of actual Royalty for each applicable year, and (4) typically be used by the Franchisor for capital expenditures, to develop reserves and for other development related expenses.

(G) **Franchise Year** means: (1) for the first Franchise Year, the period from the Effective Date through day prior to the first anniversary of the Effective Date, (2) for each Franchise Year after the first Franchise Year, the period beginning on the anniversary of the Effective Date and ending on the day prior to the next anniversary of the Effective Date.

(H) **Gross Revenue** means the total gross revenues of the subject Person for the applicable period determined in accordance with the Selected Accounting Method, if such Person is the Franchisee, and on a cash basis if another Person, and shall include gross revenue from each and every non-financing activity of the Franchisee, whether arising from engaging in the Business or any other non-financing activity.

(I) The **Initial Franchise Fee** is $25,000.00.

(J) The **Initial Technology Infrastructure Fee** is $4,200 per user of the VPA360 report writing software platform, determined as of the Effective Date of this Franchise Agreement.

(K) **Royalty** means, for a calendar year, the sum of:

(1) The Base Royalty plus any amounts due in accordance with Section 13.3, plus

(2) the result of 0.035 multiplied by that portion of the Adjusted Gross Revenue for such calendar year that is more than Base Adjusted Gross Revenue,

provided that, when calculating the Royalty for a calendar that includes:

(i) the Effective Date:

(a) where the Franchisee was a franchisee or licensee of the Franchisor or its predecessor on the business day immediately before the Effective Date, the Royalty shall be based on the Adjusted Gross Revenues of the Franchisee for the entire calendar year including the Effective Date, and

(b) where the Franchisee was not a franchisee or licensee of the Franchisor or its predecessor on the business day immediately before the Effective Date, the Royalty shall be prorated so that the actual Royalty due is the above calculated Royalty multiplied by a fraction: (i) the nominator of which is the number of days from the Effective Date of such calendar year through and including December 31 of such calendar year, and (ii) the denominator of which is 365, and

(ii) the Normal Termination Date, the Royalty shall be prorated so that the actual Royalty due is the above calculated Royalty multiplied by a fraction: (a) the nominator of which the number of days from and including January 1 of such calendar year to and including the Normal Termination Date, and (b) the denominator of which is 365.

For avoidance of doubt, the (K)(ii) calculation above shall be based on an annualized Adjusted Gross Revenue of the Franchisee (as reasonably calculated by the Franchisor), rather than the actual Adjusted Gross Revenue for the calendar year up to the Termination Date.

(L) The **Renewal Fee** shall be (1) six thousand and 00/100 Dollars ($6,000.00) if the Base Term is five years, (2) five thousand and 00/100 Dollars ($5,000.00) if the Base Term is six years, or (3) four thousand and 00/100 Dollars ($4,000.00) if the Base Term is seven years.

(M) The **Transfer Fee** is: (1) five thousand and 00/100 Dollars ($5,000.00), plus (2) the expenses incurred or suffered by the Franchisor in connection with the applicable Transfer that are in excess of $5,000.00, which shall include, without limitation, legal and professional advisor fees, filing fees, and related costs.

(N) **Estimated Franchisee Annual Revenues** means the amount that is greater than zero and determined by the following calculation:

(1) for the *first* calendar year including the Effective Date, the Trailing AGR (from the Informational Provisions above), and

(2) for each year after the first calendar year: (a) if the Franchisee provides the Franchisor with a reasonable estimate of the Franchisee's Adjusted Gross Revenue for such the calendar year (in a form reasonably acceptable to the Franchisor, but typically being quarterly profit and loss statements meeting the Section 13 requirements) and timely and fully communicates with and answers questions of the Franchisor concerning such estimate and the basis therefor, the amount reasonable determined by the Franchisor in light of such estimate and information, or (b) in the absence of the foregoing, such amount as the Franchisor determines in its sole discretion.

(O) **Monthly Estimated Royalty** means:

(1) if the Franchisee has made an election and is in full compliance with its obligations pursuant to Section 12.8: (a) if the total Monthly Estimated Royalty paid by the Franchisee for a calendar year is less than the Base Royalty, the greater of: (i) $1/12^{th}$ of the Base Royalty, or (ii) 0.035 multiplied by the Gross Revenue of the

Franchisee for the prior calendar month, and (b) after the total Monthly Estimated Royalty paid by the Franchisee for the calendar year equals or exceeds the Base Royalty, 0.035 multiplied by the Gross Revenue of the Franchisee for the prior calendar month, or

(2) one-twelfth of the Royalty for the applicable calendar year utilizing the Estimated Franchisee Annual Revenues as and for the Adjusted Gross Revenue, *provided that*, if in any year a notice is provided in accordance with Section 12.2(C), then after the notice period, the Monthly Estimated Royalty shall be the amount set forth in such notice.

(P) **Selected Accounting Method** means the Selected Accounting Method set forth in the Informational Provisions above unless the Franchisee has made an election pursuant to Section 12.8, in which case it shall be the cash basis method.

FRANCHISE AGREEMENT

The parties agree as follows:

1. **Definitions**.

The capitalized terms in this Agreement shall have the meanings set forth in the **Informational Provisions**, the **Royalty and Fee Definitions Matrix**, and Exhibit A to this Agreement, which are each incorporated herein by reference, and as may be defined elsewhere in this Agreement.

2. **Grant of Franchise Rights**.

2.1 Generally.

For the Term (as defined in Section 4 below) the Franchisor hereby grants the Franchisee the non-exclusive right to use the following intangible properties solely to undertake and engage in the Business at and from each Location strictly in accordance with this Agreement and the then current Operations Manual (the "**Franchise Rights**"):

(A) The Valbridge System,

(B) The Marks (solely in connection with the operation of the Business),

(C) The Franchisor's accumulated experience, knowledge and know-how relating to the Business as set forth in the Operations Manual and provided to the Franchisee in the Franchisor's other communications, and

(D) Such other intellectual property rights as the Franchisor may make available to the Franchisee in connection with the operation of the Business.

2.2 The Franchisee's Utilization of the Marks.

No later than the Mark Utilization Date and continuing for the balance of the Term of this Agreement, the Franchisee shall:

(A) file such notices, applications, documents, and renewals, place or publish any required public notices, and pay all filing and other fees and costs as may be necessary under the laws applicable to the Franchisee to permit the Franchisee to use the Authorized Franchisee Trade Name as a fictitious name of the Franchisee for each and every instance of the Franchisee undertaking any activity comprising any part of the Business,

(B) *exclusively* utilize the Authorized Franchisee Trade Name and such other Mark or Marks in the form and on the materials as may then be required by the Franchisor to be used by franchisees, in accordance with the Operations Manual and for the Franchisee's Business Identity Purposes, and

(C) cease utilization in all respects and for all purposes of each other trade or fictitious name of the Franchisee and each corporate name of the Franchisee, whether or not utilized in the Franchisee's business prior to the Effective Date, and each other trade or service mark not expressly authorized by the Franchisors, *except solely for* state registration, governmental, and tax filing purposes, and as may be otherwise permitted by this Agreement.

Notwithstanding Sections 2.2(B) or (C), the Franchisor may, in its sole discretion, by prior written authorization for good cause shown, permit the Franchisee to utilize the Franchisee's corporate name with the Authorized Franchisee Trade Name (or a subset thereof) for purposes of government quotation or other quotation process and the undertaking the Business for any contracts awarded through such quotes if: the applicable quotation process or rules limit the number of Persons that are authorized to participate as a result of Peers utilizing their authorized

trade names, the Franchisee is prohibited from participating as a result thereof, and the Franchisee otherwise fully meets the qualifications and requirements to participate in such quotation process and to be awarded contracts to undertake the Business therefrom.

Immediately upon the termination of this Agreement without the entry of a Renewal Franchise Agreement, time being of the essence, the Franchisee shall, or, in accordance with Section 27, the Franchisor may, terminate: (AA) all registrations and authorizations to utilize the Authorized Franchisee Trade Name and the Marks, and (BB) the Franchisee's actual use in all forms of the Authorized Franchisee Trade Name and the Marks (including, for example, by the removal of signs, cessation of use of business cards, etc.).

2.3 The Franchisee's Online Marketing.
After the Mark Utilization Date, the Franchisee shall:

(A) not maintain an Online Presence other than as authorized and approved by the Franchisor,

(B) utilize the web page applicable to the Franchisee's location at the Franchisor maintained website, and the e-mail addresses and e-mail signature required by the Franchisor to be utilized, as the Franchisee's *sole and exclusive* website and e-mail addresses for the Franchisee and its directors, officers, managers, employees, and contractors, and promptly update each from time to time, including upon changes in personnel, locations, or other aspects of the Franchisee's business, and

(C) remove all information and content at each Online Presence other than as described in Section 2.3(A) and (B), and forward each URL controlled by the Franchisee and previously utilized for an Online Presence and all e-mail addresses at such URL to those required to be utilized in accordance with Section 2.3(B).

For clarification, after the Mark Utilization Date the Franchisee may not utilize or have existing any other Online Presence, whether or not existing or utilized prior to the Effective Date, except solely to direct website visitors and Persons sending e-mail communications to the Online Presence required to be utilized in accordance with Section 2.3(B). No component of the Franchisee's Online Presence shall state or imply that the Franchisee engages in the Business outside of the Territory.

2.4 All Non-Express Benefits to the Franchisor.
Notwithstanding the grant of the Franchise Rights in accordance herewith: (A) the Franchisee shall not have any rights, whether express, implied or by estoppel, to any exercise of all or any part of the Franchise Rights or to benefit from the Franchisor Intangible Properties, except during the Term and as expressly set forth and limited herein, (B) all goodwill, benefits and other rights associated with the Franchisor Intangible Properties, including, without limitation, the right to engage in the Business, shall inure solely to, and at all times belong to and be vested in, the Franchisor, and (C) all right title and interest in and to each of the Franchisor Intangible Properties, the Operations Manual, the Valbridge System, and the intellectual property and moral rights therein and pertaining thereto, shall at all times be and remain the property solely of the Franchisor, and the Franchisee waives and relinquishes, and transfers and assigns to the Franchisor, any and all rights the Franchisee may acquire in any and all of the foregoing.

3. **Territory**.

3.1 Generally.
During the Term when the Franchisee is not in material breach of this Agreement, the Franchisee shall have the **exclusive right to maintain an office** of the type described in the Informational Provisions above that at all times complies with the requirements of this Agreement and the

Operations Manual at each Location for the operation of the Business in the Territory, *provided that*, the Franchisee acknowledges that:

(A) THE FRANCHISOR'S SOLE OBLIGATION CONCERNING THE TERRITORY AND THIS SECTION 3 IS TO REFRAIN FROM AFFIRMATIVELY GRANTING ANY OTHER PERSON THE RIGHT TO ESTABLISH ANY PHYSICAL LOCATION FOR THE OPERATION OF THE BUSINESS IN THE TERRITORY USING ANY MARK,

(B) THE FRANCHISOR AND ONE OR MORE OF THE PEERS MAY, AND IN ALL LIKELIHOOD WILL, FROM TIME TO TIME, EXERCISE THE FRANCHISE RIGHTS AND ENGAGE IN THE BUSINESS IN THE TERRITORY, INCLUDING, BUT NOT LIMITED TO, WHERE THE FRANCHISEE REJECTS ANY REFERRAL ASSIGNMENT,

(C) THE FRANCHISEE DOES NOT AND WILL NOT HAVE ANY RIGHT OR ABILITY TO PREVENT THE FRANCHISOR OR ANY PEER FROM EXERCISING THE FRANCHISE RIGHTS AND ENGAGING IN THE BUSINESS IN THE TERRITORY.

3.2 Peer Territory Matters.

Proper operation of the Valbridge System requires a spirit of cooperation and communication among the Franchisee and the Peers. Therefore, to avoid disputes regarding undertaking the Business in another Peer's territory, the Franchisor ***strongly encourages*** (and may from time to time require pursuant to the Operations Manual) the Franchisee to contact and communicate with each Peer in whose territory the Franchisee will engage in the Business before doing so to advise the Peer of the undertaking of the Business, and, where possible, to seek to utilize such Peer to support or provide part of services necessary for such engagement.

Note: Section 17.1 contains restrictions on the Franchisee's ability to engage in certain activities outside of the Territory.

4. **Term**.

4.1 Term.

The term of this Agreement (the "**Term**") shall commence on the Effective Date and continue through the earlier of: (A) the Normal Termination Date, or (B) the date of termination if terminated earlier in accordance herewith.

4.2 **FRANCHISOR'S ABSOLUTE RIGHT OF *NON*-RENEWAL**.

EVEN IF FRANCHISEE MAY ELECT TO ENTER A RENEWAL FRANCHISE AGREEMENT IN ACCORDANCE WITH SECTION 4.3 BELOW AND EVEN IF FRANCHISEE IS IN FULL COMPLIANCE WITH HIS, HER, OR ITS OBLIGATIONS UNDER THIS AGREEMENT, **FRANCHISOR SHALL, NONETHELESS, HAVE THE ABSOLUTE AND UNCONDITIONAL RIGHT, IN ITS SOLE AND ABSOLUTE DISCRETION, FOR ANY REASON OR NO REASON AT ALL, TO ELECT NOT TO RENEW A FRANCHISE RELATIONSHIP WITH FRANCHISEE** AND TO ELECT NOT TO ENTER A RENEWAL FRANCHISE AGREEMENT WITH FRANCHISEE. In the event of the Franchisor's determination not to enter a renewal franchise agreement with the Franchisee, the Franchisee hereby waives and relinquishes any and all rights the Franchisee may have concerning renewal and releases the Franchisor for such non-renewal. To exercise such right, the Franchisor shall provide written notice to the Franchisee no later than fifteen (15) days prior to the Normal Termination Date. The Franchisor shall have no liability

whatsoever for any Obligations of the Franchisee arising in connection with, or as a result of, such non-renewal.

4.3 Renewal Franchise Agreement.

Subject to the Franchisor's absolute right not to renew the franchise relationship with the Franchisee, as set forth in Section 4.2 above, immediately following the Normal Termination Date of a prior franchise agreement or a license agreement between the Franchisee and the Franchisor or its successor, the Franchisee may enter a new franchise agreement with the Franchisor, containing such terms, conditions and provisions as may then be offered by the Franchisor or its successor to new franchisees (each being a "**Renewal Franchise Agreement**"), except as such terms, conditions and provisions may be limited by Section 4.4, to take effect immediately following the Normal Termination Date, if, and only if:

(A) the prior franchise agreement or a license agreement between the Franchisee and the Franchisor did not terminate: (1) prior to the Normal Termination Date for any reason, or (2) as a result of the Franchisee utilizing rights or the type granted by a provision similar to that set forth in Section 20.5(B), and

(B) the Franchisor is then: (1) continuing to offer franchise arrangements in the state in which the Territory is located, and (2) authorized and permitted, in accordance with applicable law, to offer a franchise arrangement: (a) in the state in which the Territory is located, and (b) to the Franchisee,

(C) for the period of time starting with the effective date of the Franchisee's notice and continuing through the last day of the Term, the Franchisee was not and is not: (1) in breach of any of the terms of this Agreement, the operations manual, or any of its other obligations to the Franchisor or any affiliated entity of the Franchisor, including, without limitation, the failure to acquire and properly utilize any Equipment, Supplies, Software, or Services, and (2) a party adverse to the Franchisor or any affiliated entity of the Franchisor in any mediation, litigation or arbitration proceeding, and

(D) the Franchisee takes such actions as may be necessary in the reasonable opinion of the Franchisor to bring its business operations and each Location in compliance with the then current requirements of the Franchisor for the Valbridge System, and

(E) the Franchisee, no later than the execution of the Renewal Franchise Agreement, delivers to the Franchisor an original signed general release, in the form attached hereto as Exhibit C (the "**General Release**"), discharging the Franchisor, its managers, officers and members, and Parent and its shareholders, officers, directors, collectively and individually, from and against all Obligations, whether or not contingent or matured, that arise from, or are in any way related to, this Agreement or the relationship between the Franchisor and the Franchisee, but that are not then at issue in any mediation, arbitration or litigation proceeding.

4.4 Renewal Franchise Agreement Limitations.

The terms of the Renewal Franchise Agreement shall be limited only as follows:

(A) The Franchisee shall not pay any sum expressed to be by way of the Initial Franchise Fee or the Initial Technology Infrastructure Fee but shall instead pay the Administrative Processing Fee and Renewal Fee to cover the costs of closing and processing paperwork of such renewal, and other expenses of the Franchisor relating to such renewal.

(B) The Franchisor shall not be obliged to provide any of the initial or other obligations contained in such Renewal Franchise Agreement which are appropriate to the establishment of a new franchisee.

5. **The Location(s)**.

5.1 Generally.
The Franchisee:

(A) acknowledges that, notwithstanding the grant of rights concerning or relating to the Territory, the grant of the Franchise Rights is *solely at, from, and for each Location*, and

(B) shall exercise the Franchise Rights and engage in the Business *solely at and from* each Location.

Without limiting the foregoing, the Franchisee shall not have or utilize any De Facto Location within or outside of the Territory.

The Franchisee may open one or more additional locations within the Territory only upon the Franchisor's prior written consent and authorization, which shall not to be unreasonably withheld as long as:

(AA) such additional location meets the Franchisor's then current criteria for a primary or additional location, respectively, and

(BB) the Franchisee:

(1) is in full compliance with its obligations under this Agreement and has been for the past ninety (90) days,

(2) has the resources or financial capability to open and operate the additional location for not less than twelve months and provides evidence of same to the Franchisor,

(3) notifies the Franchisor in writing, not less than sixty (60) days in advance of opening the additional location, of the additional location's address, size, facility type, and such other information as the Franchisor may request from time to time, and

(4) fully complies with the requirements of Section 2.2 and 2.3 prior to the opening of such additional location.

Upon the approval of an additional location, the Informational Provisions shall promptly be revised accordingly.

5.2 The Franchisee's Current Location(s).
The Franchisee represents and warrants to the Franchisor that:

(A) The Franchisee does not promote, operate, or suffer any De Facto Location or undertake all of any part of the Business from a De Facto Location outside of the Territory,

(B) notwithstanding any inspection or visit to any Location by any officer, director, or other representative of the Franchisor:

(1) each Location set forth in the Informational Provisions is within the Territory,

(2) the Locations set forth in the Informational Provisions are all of the Locations where the Franchisee, each Affiliate, and each Principal engages in the provision of Appraisal services, including without limitation, all or any part of the Business, and

(3) as of the Effective Date: (a) the pictures provided to the Franchisor of each Location fully and accurately reflect such Location (including as to decorations and content), and (b) each Location fully meets or exceeds the Franchisor's minimum criteria, rules, and requirements for office space/real property from which its franchisees are permitted to exercise the Franchise Rights (in accordance with the Operations Manual),

(C) The Franchisee engaged in the appraisal business at and from each Location prior to the Effective Date and has not been issued any notice of violation from any governmental authority or related entity in relation to the Franchisee's operation or use of such Location, and

(D) The Franchisee has determined each Location was and is acceptable to the Franchisee for the operation of an appraisal business.

The Franchisee acknowledges that:

(AA) at no time will the Franchisor permit the Franchisee to operate from a home office or any location that is not zoned for office use,

(BB) each Location that is the Franchisee's primary office must qualify as not less than Class B office space and meet the criteria, rules, and requirements therefor that are established by the Franchisor from time to time and incorporated into the then current Operations Manual,

(CC) it is relying solely on its own determination that each Location is: (1) acceptable to it for the operation of the Business, and (2) in compliance with the rules and requirements of the Franchisor concerning physical locations from which the Business may be operated as of the Effective Date, and

(DD) it has not and will not undertake any review or analysis of any Location to determine whether the Franchisee will be successful in operating the Business from such Location or whether or not such Location is in compliance with the criteria, rules, and requirements of the Franchisor concerning locations for the operation of the Business.

Notwithstanding anything to the contrary contained herein, neither the Franchisor nor Parent shall be a party to, or in any way guarantee or be responsible for, any obligations, claims, or liabilities arising out of, or in connection with, any Location. If any Location is not, in fact, in compliance with the criteria, rules, and requirements of the Franchisor concerning physical locations from which the Business may be operated as of the Effective Date, then the Franchisee acknowledges that the Franchisor can require the relocation of the Franchisee's business to another compliant location within the Territory. If the Franchisee does not own any Location, the Franchisee shall acquire exclusive possession of such Location by lease or other means and use reasonable efforts to have the lease for such Location terminate no earlier than the Normal Termination Date.

5.3 Relocation Site and Lease.

In the event of a relocation of any Location, the Franchisee shall:

(A) find a new location: (1) that is: (a) in compliance with the then current criteria, rules and requirements of the Franchisor concerning physical locations from which the Business may be operated, and (b) not less than ten (10) miles from any edge of the Territory (except where the Franchisor provides advance written approval in its sole discretion), and (2) from which the Franchisee is capable of maximizing his, her, or its ability to engage in the Business in the Territory, and

(B) provide written notice to the Franchisor of the prospective new location (being a "**Relocation Request Notice**") at least twenty (20) business days prior to executing a lease therefore, setting forth therein all relevant information concerning the prospective new location and the lease therefore and providing thereafter all information concerning the new location and the lease arrangements as may be requested by the Franchisor.

The Franchisor shall have fifteen (15) business days from the effective date of the Relocation Request Notice to reply granting or denying the Relocation Request. The Franchisor shall only deny the Relocation Request Notice on a reasonable basis, and if the Franchisor does not respond to the Relocation Request Notice on or within such period, then the request shall be

deemed granted. Upon the proper relocation, such new location shall thereafter be the "Location" for all purposes and the prior Location shall be removed from the Informational Provisions. The Franchisee acknowledges and agrees that any relocation site or lease approved by the Franchisor shall not be a guaranty, representation, or representation that such relocation site will be successful or that the terms of such lease are reasonable. The Franchisor shall have no liability whatsoever with respect to the selection, approval, or leasing of any new location.

5.4 Inspection.

In order to enable the Franchisor to ascertain whether the Franchisee is complying with its obligations under this Agreement and in order to enable the Franchisor to exercise its rights hereunder, the Franchisor may at any reasonable time enter any Location without the consent of the Franchisee and the Franchisee hereby grants the Franchisor the right and license to do so at any time during the Term.

6. **The Franchisor's Obligations**.

6.1 Initial Obligations.

To assist the Franchisee in converting his, her, or its current appraisal business into a Business, the Franchisor will provide or make available to the Franchisee the following:

(A) digital templates containing the Valbridge Mark, and marketing materials as may have been established by or for the Franchisor for use by franchisees in the operation of the Business,

(B) advice concerning the transition of the Franchisee's current appraisal business into a Business,

(C) assistance with establishing sources of supply for materials to be used in the operation of the Franchisee's Business,

(D) access to: (1) the Operations Manual, and (2) a report writing platform as part of the Equipment, Supplies, Software, and Services, at the Franchisee's cost,

(E) provide the Franchisee with: (1) instructions on how to subscribe to, license, or otherwise secure the Equipment, Supplies, Software, and Services then required by the Franchisor to be used by the Franchisee to undertake the Business, and (2) the specifications for any Franchisee required equipment (e.g., computer system) that may be necessary to utilize the Equipment, Supplies, Software, and Services,

(F) provide the Franchisee with other relevant manuals and written material which the Franchisor in its discretion deems necessary, and

(G) include the Franchisee's contact information and qualifications on the Franchisor's Internet website listing of franchises.

6.2 Continuing Obligations.

During the Term for so long as the Franchisee remains in compliance with his, her, or its obligations to the Franchisor, the Franchisor shall:

(A) provide the Franchisee with: (1) details of any alterations, modifications, replacements or improvements to the Valbridge System and the Business, (2) information relating to meetings, conventions, seminars, and franchise meetings organized by the Franchisor for its franchisees, whether alone or with licensees, and permit the Franchisee to attend at the Franchisee's own expense, (3) copies of the Franchisor's franchisee newsletter, (4) bulletins on sales and service methods, marketing development and techniques, and business and operating procedures, free of charge, (5) access to a website containing information and communications concerning the operation of a Business and the Valbridge

System, and (6) telephone advice and assistance concerning the Business and the Valbridge System,

(B) access to a report writing platform as part of the Equipment, Supplies, Software, and Services, at the Franchisee's cost,

(C) utilize Capital-Reserve Assessments to develop reserves for the Franchisor or its Affiliates or to pay all or any part of the acquisition, leasing, development, enhancement, licensing, or maintenance of tangible or intangible assets, including, without limitation, furniture, fixtures, and equipment, intellectual properties, technological assets, advertising, marketing, business development, and sales related assets, materials of, by, or for the Franchisor, its Affiliates, or any of its franchisees or licensees, services provided to or for the benefit of the Franchisor, its Affiliates, or any of the Franchisor's franchisee or licensees for, in connection with, concerning, or relating to any of the foregoing, including, without limitation, training, maintenance, support, and commissions, debt service, and debt, financing, and credit facility related costs and expenses (including, without limitation, interest, points, and fees) and payments of the Franchisor or its Affiliates arising from, as a result of, or in connection financing any of the foregoing, or ancillary expenses of the Franchisor or its Affiliates relating to any of the foregoing, including, without limitation, professional expenses.

No Franchisee shall have any interest or property right in or to all or any part of the Capital-Reserve Assessments or the results from the utilization thereof. The Franchisor may, at its sole option, elect to incentivize early payment of all or any part of the Capital-Reserve Assessments through cash and early payment discounts and other incentives it elects to implement from time to time.

6.3 Delegation of Obligations.
The Franchisor may subcontract or delegate the performance of any or all of its obligations hereunder to such third parties as it deems advisable.

6.4 No Implied Duties.
The Franchisee acknowledges and agrees that, except for the Franchisor's duties expressly set forth herein, the Franchisor shall not have any other duty or obligations to the Franchisee or any Franchisee Equity Holder, including, without limitation, any implied duty of good faith.

6.5 NO WARRANTIES OR REPRESENTATIONS BY FRANCHISOR.
THE FRANCHISEE'S UTILIZATION OF THE VALBRIDGE SYSTEM AND THE FRANCHISEE'S ELECTION TO ENGAGE IN THE BUSINESS IN ACCORDANCE HEREWITH IS BASED SOLELY ON THE FRANCHISEE'S AND ITS EQUITY HOLDERS AND ITS AND THEIR AFFILIATES' AND PROFESSIONAL ADVISORS' DUE DILIGENCE AND DETERMINATION THAT IT IS IN THE FRANCHISEE'S BEST INTERESTS. **THE FRANCHISOR HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED**, INCLUDING, BUT NOT LIMITED TO: (A) NO WARRANTY OF MERCHANTABILITY, (B) NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (C) NO WARRANTY CONCERNING INTELLECTUAL PROPERTY OWNERSHIP OR INFRINGEMENT, (D) NO WARRANTY OR CLAIMS THAT FRANCHISEE WILL BE ABLE TO UTILIZE THE VALBRIDGE SYSTEM.

6.6 No Waiver, No Disclaimer.
No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other

person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. **The Franchisee's Obligations, Representations and Warranties**.

7.1 Generally.

The Franchisee understands and acknowledges the importance of maintaining the Franchisor's standards and of operating the Business in strict conformity therewith to maintain the common brand, identity, reputation and goodwill of the Valbridge System and to protect the Franchisor, the Franchisee, the Franchisor's other franchisees and licensees, the other constituents of the Valbridge System, relationships among franchisees, licensees, and their individual and collective customers, and the demand for the products and services sold, supplied, or provided through or in connection with the Business or in accordance with the Valbridge System. Therefore, the Franchisee shall use the Franchisee's best efforts at the Franchisee's sole expense to timely and fully undertake and complete the following:

(A) exercise the Franchise Rights in connection with the Franchisee's operation of the Business only at and from each Location,

(B) acquire, install, and replace as reasonably necessary, and diligently, consistently, and fully utilize all Equipment, Supplies, Software, and Services from the vendors and providers approved, authorized, or engaged by the Franchisor,

(C) attend, at the Franchisee's sole cost and expense, not less than one franchisee meeting each year (such meetings to be held at such times and locations as the Franchisor may determine),

(D) employ and utilize a natural person who holds an MAI, or the SRA designation granted by the appraisal institute (or such other Operational Qualification as may be accepted by the Franchisor in writing) (such person being the "**Franchisee Manager**") to manage and control the Franchisee's operation of the Business, where such person:

(1) devotes his, her, or its full-time attention to, and has the full authority to manage and control in all respects, the Franchisee's operation of the Business, and

(2) has attended and successfully completed the Franchisor's manager training,

provided that, if the Franchisee Manager's employment is terminated, then, on or within ten (10) business days after such termination and for a period of up to 120 days thereafter, the Franchisee may employ as its Franchisee Manager another natural person who holds one or more of the Operational Qualifications, meets the 7.1(D)(1) and (2) requirements, and is reasonably acceptable to the Franchisor and the Franchisee shall cause such person or his, her, or its replacement to attend and successfully completed the Franchisor's manager training as soon as practicable thereafter,

(E) manage and operate the Business: (1) utilizing with customers the contractual provisions and limiting terms and conditions required or specified by the Franchisor from time to time after written notice thereof, and (2) strictly in accordance with the Valbridge System and the Operations Manual, including, without limitation complying with such additions, modifications, replacements, and amendments that may, from time to time, be made by the Franchisor, a reasonable time (in light of such addition, modification, replacement, or amendment) after notice thereof from the Franchisor,

(F) refrain from: (1) having any Mark or part thereof or any word or symbol deceptively similar thereto, a part of the name of the Franchisee, except only as may be expressly permitted hereby (and in such case only for so long as permitted hereby), or (2) utilizing any Mark

with any other symbols, tradenames, or trade, or service marks of any nature owned or utilized by any other Person (whether such Person is owned by the Franchisor or any Franchisee Equity Holder or their individual or collective Affiliates or not) unless such utilization is first approved in writing by the Franchisor and then only to the extent so approved,

(G) operate the Business only under the name or names specified and expressly permitted by the Franchisor and only utilizing the Mark or Marks in the manner required by the Franchisor without any accompanying words, symbols, or tradenames, trade, or service marks of any nature unless first approved in writing by the Franchisor,

(H) permit only properly licensed and qualified employees and contractors to render appraisal and consulting services,

(I) cause each Franchisee L1 Owner, the Franchisee Manager, each other employee, and each contractor engaged by the Franchisee during the Term to provide services concerning or relating to the Franchisee's conduct of the Business (other than general clerical or administrative staff who do not have access to the properties or assets of the Franchisor or its Affiliates), and any other Person (including, without limitation, Franchisee Equity Holders) having access to any properties or assets of the Franchisor or its Affiliates (including, without limitation, VPA360, the Datappraise SaaS or other practice management or Report Writing Platform offered by the Franchisor or its Affiliates, the Valbridge Intranet, and the Valbridge Database), to execute and deliver to the Franchisee the Employee and Contractor Restrictive Covenant in the form attached hereto as Exhibit D (the "**Employee and Contractor Restrictive Covenant**"), *provided that*, the Franchisee may revise the Employee and Contractor Restrictive Covenant, *if, and only if*: (1) the Franchisee's attorney reasonably determines that the Employee and Contractor Restrictive Covenant violates or is unenforceable under the law of the Franchisee's jurisdiction, (2) the Franchisee provides the Franchisor with a letter from such attorney stating, in reasonable detail, a reasonable legal basis for such determination (though such letter shall not create any duty or obligation on the part of the Franchisee's attorney to the Franchisor), and (3) the revised Employee and Contractor Restrictive Covenant is in accordance with the Franchisee's attorney's professional advice and reasonably acceptable to the Franchisor (in such case, the revised Employee and Contractor Restrictive Covenant shall be the Employee and Contractor Restrictive Covenant for purposes of this Agreement),

(J) for and in connection with operation of the Business, subscribe to, with one seat or subscription purchased for each Principal and each of the Franchisee's employees and contractors, no matter his, her, or its duties for the Franchisee (unless such employee or contractor is expressly exempt from such requirement in accordance with the Operations Manual), enter the current forms of the software services, license, and access agreements therefor, pay the fees and costs for, and utilize regularly and consistently in accordance with applicable compliance documents and policies, each of: (1) the Report Writing Platform, (2) the Templates, (3) the Valbridge Database, and (4) VPA360, the Valbridge *appraisal management software-as-a-service platform*,

(K) acquire, hold, and maintain such designations, licenses, permits, and authorizations as are necessary for the Franchisee to engage in the Business and utilize the Valbridge System within the Territory and at such other locations as the Franchisee actually engages in the Business and utilizes the Valbridge System, from time to time,

(L) render appraisals: (1) only in accordance with: (a) where required, the Uniform Standards of Professional Appraisal Practice then in effect, (b) the laws, rules and regulations

applicable to the Territory and such other jurisdictions where the Franchisee engages in the Business from time to time during the Term, (c) the Operations Manual, and (d) such other non-conflicting rules, standards or requirements as may be adopted or required by the Franchisor from time to time, and (2) utilizing the Report Writing Platform, the Valbridge Database, the Templates and such other templates, forms or report, structures, methodologies, software, and date required by the Franchisor to be utilized in connection therewith from time to time,

(M) comply with all laws, ordinances, regulations, and requirements of local, state, and federal governmental authorities and pay any and all city, county, state, and federal sales and use taxes, excise taxes, occupation taxes, license fees and other taxes, assessments and levies arising out of or in connection with all or any part of this Agreement and pay vendors, landlords and other creditors of the Business on a timely basis,

(N) hold the Franchisee out as an independent operator of the franchised Business by:

(1) displaying at each Location one or more signs, in such form as may be designated or approved by the Franchisor, from time to time, or, in the absence thereof, bearing the words "*Independently Owned and Operated by*" followed by the Franchisee's name, or other words similar thereto and acceptable to the Franchisor,

(2) setting forth the words "*Independently Owned and Operated by*" followed by the Franchisee's name, or other words similar thereto that are acceptable to the Franchisor, in each of the Franchisee's proposals, engagement agreements, reports and invoices, and such other documents as the Franchisor may designate from time to time, so as to be reasonably visible to the recipient or user thereof (with respect to the report, reasonably visible shall include setting forth such language in the limiting terms and conditions), *provided that*: (a) if, and only if, there is an express requirement or an express limitation of the applicable licensing jurisdiction prohibiting the foregoing, then, after notice by the Franchisee to the Franchisor of such limitation, the Franchisee shall use such words or expressions permitted by the applicable jurisdiction that are acceptable to the Franchisor to accomplish the same purpose as the above wording, and (b) the Franchisee shall not be required to undertake the foregoing for any proposal or engagement agreement supplied by a third party to franchisee (for example, in the case of an engagement agreement provided to the Franchisee by a Person in connection with AMC Services), and

(3) specifically and conspicuously stating in each engagement agreement (which may be via limiting terms and conditions that are incorporated into and provided to the customer contemporaneously with the engagement agreement) and in each report that neither the Franchisor nor the Parent is a party to the engagement agreement and that neither is providing all or any part of the services to such customer, or any warranty, representation or guaranty concerning the matters set forth in the Franchisee's appraisal report.

(O) prominently display on and in each Location advertising signs in the nature, form, color, number, location, and size and containing such wording and materials as the Franchisor may direct in writing, including those containing the Authorized Franchisee Trade Name, and refrain from displaying therein or thereon any sign or advertisement which sets forth a name of the Franchisee that is other than the Authorized Franchisee Trade Name, or that the Franchisor has not pre-approved in writing,

(P) answer the telephone at each Location and each telephone used by the employees or contractors of the Franchisee in the conduct of the Business with the Authorized Franchisee Trade Name or such other phrase(s) or statements that are required by the Operations Manual, and refrain from answering the telephone with any other name or phrase without the prior written consent of the Franchisor,

(Q) continuously (during normal business hours and days) and diligently carry on, conduct, and operate the Business at each Location in accordance with this Agreement unless prohibited from so doing by an act of God or conditions beyond the Franchisee's control, and at all times exercise the Franchisee's best efforts, skills, and diligence to conduct, operate and promote the Business in accordance with the Valbridge System, the Operations Manual and this Agreement,

(R) fully supervise employees and contractors to ensure compliance with the Valbridge System, the Operations Manual and this Agreement, and the utilization of the Report Writing Platform, the Franchisor provided worksheets, the Valbridge Database, the Templates, and VPA360,

(S) maintain the interior and exterior of each Location in a good state of repair and decoration, and in a clean, orderly, and sanitary condition,

(T) refrain from marketing, selling, or providing any product or service that: (1) is not part of the Business utilizing, or in proximity to, any Mark, including, without limitation, an AMC Service, or a brokerage related service, (2) does not conform with the standards associated with the Mark, or (3) the Franchisor has not approved of in advance and in writing,

(U) refrain from promoting, establishing, operating, suffering, or utilizing, or permitting any Person to promote, establish, operate, or utilize, any De Facto Location, and immediately close and cease promoting, utilizing, directly or indirectly, any De Facto Location,

(V) comply with the requirements that the Franchisor establishes and instructions that the Franchisor provides, from time to time, concerning any of: (1) national accounts or customers, (2) methods, standards, processes, and quality of work product arrangements concerning the Business (subject to any greater requirements of licensing or regulatory bodies), and (3) the Valbridge System and the Operations Manual,

(W) diligently (as determined in light of the applicable inquiry or request) respond to inquiries and requests for information and quotes regarding pricing, timing, and other matters applicable to the delivery of one or more of the Services that are requested by the Franchisor or another franchisee or licensee of the Franchisor or a request for quotation received from another Person,

(X) replace, with replacements that meet the Franchisor's then current requirements, all Equipment, Supplies, Software, and Services that become obsolete, inoperable, or not compliant with the then current version of the Operations Manual,

(Y) use best efforts to maintain the highest quality standards in all matters connected with the Business and the Valbridge Systems, to increase the revenues of the Business at each Location, and to enhance the goodwill associated with and value of the Marks,

(Z) concerning each Work Product Complaint:

(1) upon receipt of such Work Product Complaint, immediately provide written notice (setting forth therein all information known or that can be reasonably secured by the Franchisee of, about or in connection with the Work Product Complaint) to each of: (a) the Franchisor, (b) the chairperson of the Franchisor designated committee

or task force that the Franchisor establishes to undertake efforts concerning a Work Product Complaint (e.g., the quality assurance committee, or franchisee training committee, etc.), and (c) if required by an insurance policy applicable to the Work Product Complaint, to the applicable insurer,

(2) fully cooperate with the Franchisor and its insurers concerning and during the time each Work Product Complaint is not fully resolved, including, but not limited to: (a) promptly responding to all the Franchisor and the Franchisor designated committees and task force inquiries, (b) providing the Franchisor with true, correct and complete copies of all information, materials, data, notes, work product and reports used or produced in connection therewith, or relating thereto, and (c) providing access to the Franchisee's employees and contractors undertaking all or any part of, the Services at issue in a Work Product Complaint, and directing each to fully cooperate with all the Franchisor and the Franchisor designated committees and task force inquiries,

(3) take such corrective actions as may be reasonably required by the Franchisor to ameliorate or correct a Work Product Complaint whether or not the Franchisee believes the Work Product Complaint is warranted or justified, and

(4) The Franchisee authorizes and approves of the communication and delivery and provision of information, materials, data, notes, work product, reports, notes, and records by and among each of the Franchisor and its designated committees and task forces and each insurer that provides insurance coverage that is or may be applicable to the claims,

(AA) refrain from taking any action which may bring the Valbridge System into disrepute, or which may damage the interests of the Franchisor or the Valbridge System,

(BB) take such actions as may be reasonably required to preserve and protect the interests of the Franchisor or the Valbridge System,

(CC) secure such telecommunications utilities services and equipment so as to be able to access the Internet, and

(DD) use the e-mail addresses provided by the Franchisor for the Franchisee's sole and exclusive business e-mail address and pay to the Franchisor or its designated vendors the annual hosting and maintenance fees for such e-mail addresses.

7.2 Franchisee Representations and Warranties.

The Franchisee and each Principal represent and warrant to the Franchisor that:

(A) the Franchisee, one of the Franchisee Equity Holders, or its Franchisee Manager, holds, and for at least the prior two years has held, all licenses, permits and other authorizations necessary to engage in the Business in the Territory, and has for such period consistently and regularly rendered Appraisals for non-residential real property,

(B) there are no pending disciplinary or regulatory complaints, investigations or actions concerning or relating to any of the Franchisee, any Franchisee Equity Holder, or the Franchisee Manager that could, if resolved against the respondent result in the loss or suspension of any license, permit, authorization, right or qualification to engage in any part of the Business,

(C) neither the Franchisee, any Franchisee Equity Holder, nor the Franchisee Manager has had any license, permit, authorization, right or qualification to engage in any part of the Business revoked, suspended, or sanctioned prior to the Effective Date, and

(D) all of the information of, about, or provided by the Franchisee, Franchisee Equity Holder, and the Franchisee Manager whether in any application, documentation, or this Agreement (including the Informational Provisions) is true, correct, and complete in all respects.

8. **Referral Assignments**.

(A) Generally. The Franchisor and Peers may, from time to time, refer one or more Referral Assignments to the Franchisee or notify the Franchisee of prospective Referral Assignments. The Franchisee shall not be obligated to accept any Referral Assignment from the Franchisor or any Peer but shall be obligated respond to each notice of the Franchisor or any Peer concerning a Referral Assignment or prospective Referral Assignment on or within eight (8) business hours of receipt thereof. None of the Franchisor or any Peer shall be obligated to make any Referral Assignment or Referral Assignments to the Franchisee. The Franchisee and a referring Peer or the Franchisor in the case of a referral from the Franchisor may establish between them a referral fee or other fee that is payable for a Referral Assignment from such Peer or the Franchisor, which may include the Franchisor or the Peer collecting an amount for the Referral Assignment that is less than the amount paid to the Franchisee.

(B) Referral Assignment Notice and Acceptance. If, at any time, the Franchisor or any Peer desires to refer a Referral Assignment to the Franchisee or to request that the Franchisee provide information about the Franchisee's willingness or terms to perform a prospective Referral Assignment, the Franchisor or the Peer shall provide the Franchisee with a notice about the Referral Assignment or prospective Referral Assignment (the "**Referral Assignment Notice**") which will include, to the extent possible or applicable:

(1) the scope of the Referral Assignment, including, to the extent known, property type, location, and other information, due date, and the fee payable to the Franchisee for completion of the Referral Assignment,

(2) a request that the Franchisee provide a proposed fee, time to complete, or other information to secure a proposed Referral Assignment,

(3) the referral fee or the method of calculating same.

The Referral Assignment Notice may contain such other information as the Franchisor or Peer may reasonably elect to include. For the good of the Valbridge system and to protect the goodwill of the Marks, the Franchisee shall, in good faith, provide a bona fide written response (which may be provided via email) to each Referral Assignment Notice (the "**Referral Response**") **on or within one business day** (which response may include a rejection of a proposed Referral Assignment without additional information). If the Franchisee refuses or fails to timely or properly reply to the Referral Assignment Notice, the Franchisee shall be deemed to have rejected the proposed or actual Referral Assignment. If the Franchisee is willing to undertake such Referral Assignment, he, she, or it shall also provide a quote for the fee therefor within a reasonable time (typically a few business days) to enable the Peer or the Franchisor to secure such Referral Assignment. The Franchisee shall have accepted a Referral Assignment if the Franchisee properly and timely replies in writing or via email to the Referral Assignment Notice accepting same, timely provides a quote therefor, and such Referral Assignment is awarded by the customer in accordance therewith.

(C) Performance of Referral Assignment. Timely and proper performance of each Referral Assignment accepted by the Franchisee is essential to maintaining and enhancing the goodwill of the franchise system and the Marks. Therefore, if the Franchisee accepts a

Referral Assignment or coordinates one or more Referral Assignments as a Peer, the Franchisee shall use its best efforts to timely and fully perform, or coordinate, each Referral Assignment that is the subject of the Franchisee's Referral Response, on the terms and conditions (including timing) set forth in its Referral Response, this Agreement, the Operations Manual, and applicable standards. The Franchisee shall timely and fully pay all fees and amounts due Peers that arise pursuant to or in connection with each Peer-to-Peer Assignment.

(D) Referral Assignment Assistance. If the Franchisee does not accept a Referral Assignment or rejects a prospective Referral Assignment and such Referral Assignment is secured by the Franchisor or a Peer: (A) the Franchisee shall reasonably assist and cooperate with the franchisee or licensee and its employee or contractor undertaking the Referral Assignment, including by providing local reports and information, and (B) the franchisee or licensee undertaking the Referral Assignment shall reimburse the Franchisee for its reasonable costs incurred in providing such assistance and cooperation.

9. **Training**.

9.1 Generally.

Except where the Franchisor and the Franchisee were parties to a franchise agreement that terminated on the day prior to the Effective Date: (A) the Franchisor will provide initial training concerning the conduct of the Business, the Valbridge System and matters relating or pertinent thereto (the "**Training**"), to the Franchisee Manager and each of the Franchisee Equity Holders who are natural persons at the next meeting of the other franchisees of the Franchisor (which generally occurs on an annual basis), and (B) the Franchisee shall cause the Franchisee Manager and each of the Franchisee Equity Holders who are natural persons, at the Franchisee's sole expense, to: (1) successfully complete the then current online portion of the Training on or within 30 days after the Effective Date, and (2) attend the next meeting of the franchisees of the Franchisor on or within one year of the Effective Date. Successful completion of Training shall require attendance at not less than eighty percent (80%) of the sessions (including the online sessions), completion of exercises and the passing of any tests relating to the Training by all of the required attendees.

9.2 Franchisee Manager Training.

The Franchisee shall notify the Franchisor in writing of the appointment and each replacement of the Franchisee Manager and, subject to the Franchisee securing an executed Employee and Contractor Restrictive Covenant in the form attached hereto as Exhibit D from the Franchisee Manager in accordance with Section 7.1(H), shall cause such the Franchisee Manager to successfully complete the then current online portion of the Training on or within 30 days after hire and any other training required by the Franchisor. The Franchisor will provide the Training to such the Franchisee Manager, at the Franchisee's expense.

9.3 Staff Training.

The Franchisee shall establish, timely and regularly undertake, and maintain a training program for its staff in accordance with the requirements contained in the Operations Manual.

9.4 Additional Training.

The Franchisor shall have the right, on not less than sixty (60) days written notice to the Franchisee, to require any Franchisee Manager or Franchisee Equity Holder to attend additional training courses if: (A) the Franchisor considers attendance at such courses to be advisable, or (B) the Franchisor has developed new techniques, methodologies or systems relating to the Valbridge System. The Franchisee Manager and Franchisee Equity Holder attending such additional training shall thereafter train the Franchisee's other Franchisee Equity Holders, employees, and contractors on the subject matter thereof on or within thirty (30) days after

attendance. The Franchisor may charge tuition or a training fee for training classes of up to $1,000, and the Franchisee shall pay all costs of attendance (e.g., travel, lodging and meal expenses).

10. **Licensure, Actions Against the Franchisee, and Violations of Law**.

10.1 Licensing.

During the Term: (A) the Franchisee and an individual natural person Franchise L1 Owner or the Franchise Manager shall be and remain licensed and in good standing in the jurisdictions of each Location as may be necessary or, in the sole opinion of the Franchisor, advisable, to engage in the Business (provided that, if such jurisdiction does not require appraisers to be licensed, then such person shall maintain such license(s) as may be required to engage in the Business for federally-related transactions and such license(s) shall be subject to the provisions of this Section 10), and (B) each Franchisee Equity Holder that is an individual shall maintain in good standing and be eligible to use each Operational Qualification applicable to him or her.

10.2 License Related Notifications.

The Franchisee shall immediately notify the Franchisor, in writing, in the event of any claim, proceeding, or action, whether threatened or commenced in any way, that:

(A) alleges (whether or not such allegation is true): (1) any professional error or omission or negligence by the Franchisee or any of the Franchisee's employees or contractors, (2) the Franchisee's infringement of any intellectual property rights of any other Person, (3) any facts or circumstances which, if proven true, would be covered by the Franchisor Arranged Policy or that are subject to a defense obligation of an insurer providing a Franchisor Arranged Policy,

(B) would, if proven, render the Franchisee or the Franchisee Manager unable to: (1) engage in or undertake the management of the Business, or (2) continue to maintain the applicable an Operational Qualification held prior to such claim, proceeding, or action, or

(C) be reasonably expected to negatively impact the goodwill or reputation of the Franchisee, the Franchisor or any Mark, including, without limitation, any claim, proceeding or action against the Franchisee, the Franchisee Manager, a Franchisee Equity Holder, or any of the Franchisee's other professional employees or contractors that alleges: (1) the violation of ethical, professional or other rules of conduct applicable to all or any part of the Business, (2) fraud, or (3) the commission of a crime of moral turpitude, or a felony.

Such notice shall contain a full description of the claim, proceeding or action, and fully identify the claimant and all circumstances of and information known about the claim, proceeding or action. The Franchisee shall, and shall cause each of its Franchisee Managers, the Franchisee Equity Holders, and other professional employees and contractors to fully respond to the Franchisor's inquiries concerning each claim or action, and provide to the Franchisor all documents, data, communications, and other information relating in any way thereto or that may be requested by the Franchisor. The Franchisee authorizes and directs all agents, insurers and other Persons involved in the Franchisor Arranged Policy to communicate with the Franchisor all matters, circumstances and information arising from, in connection with, or that are in any way related to, each claim, proceeding or action against any of the Franchisee, the Franchisee Manager, a Franchisee Equity Holder, or any of the Franchisee's other professional employees and contractors that in any way relate to or involve the Franchisee's business or operations. If not subject to defense pursuant to a Franchisor Arranged Policy, the Franchisee shall diligently and expeditiously defend any such claim, proceeding or action.

11. **Improvements to the Valbridge System**.

11.1 The Franchisor Improvements.

The Franchisor shall endeavor to create and develop new and improved methods of conducting the Business in accordance with the Valbridge System but shall have no obligation to do so.

11.2 The Franchisee Improvements.

The Franchisee acknowledges and agrees that, but for the access to the Valbridge System and the Operations Manual through the grant of the Franchise Rights, it would not have access to either the Valbridge System or the Operations Manual. Therefore, the Franchisee: (A) shall promptly notify the Franchisor in writing of all improvements, additions, modifications and innovations that the Franchisee or any of the Franchisee's employees, officers or directors reasonably believes would be materially beneficial or advisable to make to any of the Valbridge System, the Operations Manual and each Mark (each being an "**Improvement**"), and (B) does hereby irrevocably grant, assign, transfer and set over unto the Franchisor, its successors and assigns, to have and to hold, all and singular, to their own use forever, all of the right, title and interest of any kind, nature or description held by the Franchisee or its employees, officers and directors, in and to each Improvement and the intellectual property contained therein, such assignment being made without additional consideration other than the grant of the Franchise Rights.

11.3 Modification of the Valbridge System.

If any of such improvements, additions, modifications, or innovations are determined to be useful, in the Franchisor's sole discretion, such improvements, additions, modifications or innovations shall be made available to the Franchisee, including, through changes to the Operations Manual.

12. **Fees and Royalties**.

In consideration of the grant of the Franchise Rights and the Franchisor's other obligations herein, the Franchisee shall timely pay the Franchisor the fees, royalties, assessments, and other amounts becoming due from time to time in accordance with this Agreement, all without set off or adjustment.

12.1 Initial Fees.

Except as set forth in Section 4.4(A), contemporaneously with the execution of this Agreement, the Franchisee shall pay the Franchisor the Initial Franchise Fee and the Administrative Processing Fee and shall pay V-Bridge, LLC, the Initial Technology Infrastructure Fee. The Initial Franchise Fee, the Administrative Processing Fee, and the Initial Technology Infrastructure Fee shall be deemed fully earned and shall be non-refundable when received by the Franchisor or V-Bridge.

12.2 Royalties, Estimated Royalties, Annual True-Up, and Reviews and Adjustments.

(A) Royalty Generally. In addition to the Initial Franchise Fee and the other amounts payable by the Franchisee hereunder, the Franchisee shall pay the Royalty for each calendar year to the Franchisor in accordance with Section 12.2(D).

(B) Estimated Royalty Payments. Except where a Franchisee has made the election pursuant to, and is in full compliance with its obligations under, Section 12.8, on or before the first day of each calendar month during the Term, the Franchisee shall pay the Franchisor the Monthly Estimated Royalty.

(C) Review and Adjustment of Estimated Royalty Payments. In addition to the annual true-up pursuant to Section 12.2(D), the Franchisor may conduct and, subject to the Franchisee timely and fully providing the reports and financial statements due pursuant to this Agreement, the Franchisee may by written notice to the Franchisor request up to one time

per calendar year that the Franchisor conduct, a review of the Monthly Estimated Royalty amount based on the information reasonably available (including the Franchisee's actual year-to-date and projected annual Adjusted Gross Revenue and estimated royalty payments made to date) to the Franchisor, to, reasonably and in good faith, determine whether the Monthly Estimated Royalty payments made and to be made by the Franchisee during such calendar year are likely to result in a material underpayment or material overpayment of the actual Royalty for such calendar year. Thereafter, the Franchisor may on not less than ten (10) business days written notice to the Franchisee increase or decrease the subsequent Monthly Estimated Royalty with the goal of having the payments of Monthly Estimated Royalty be as close as reasonably possible to the anticipated Royalty due the Franchisor for such calendar year. At and after the end of such notice period, the Monthly Estimated Royalty shall mean the amount set forth in such notice. The basis upon which an adjustment to the Monthly Estimated Royalty shall be made will include seasonality of revenue and historical and other factors reasonably utilized by the Franchisor, some of which may apply only to the Franchisee.

(D) Annual Reporting and True-Up Payment. On or before February 15th of each year and within 45 days after the Termination Date, the Franchisee shall:

(1) calculate the Adjusted Gross Revenue, the Royalty, and, if applicable, the Capital-Reserve Assessment that are due to the Franchisor for the prior calendar year,

(2) provide the Franchisor with the Section 13.2 reports for the applicable calendar year, and

(3) if the Royalty plus Capital Reserve Assessment is greater than the Monthly Estimated Royalty actually paid, pay the Franchisor the difference between:

(a) the Royalty plus Capital Reserve Assessment due for the prior calendar year, and

(b) the Monthly Estimated Royalty actually paid by the Franchisee and, if this is a renewal franchise agreement or a franchise agreement following a license agreement between the Franchisor and the Franchisee and the Effective Date is other than January 1, of the year of the Effective Date, pursuant to the provision corresponding to Section 12.2(B) of the prior franchise agreement or license agreement during the period from January 1 of the year including the Effective Date through the day prior to the Effective Date.

The Franchisor may review the Section 13.2 reports, including the Financial Statements, and the Franchisee shall fully and promptly cooperate with such review. If the Franchisor's review shows an underreporting of Gross Revenue of the Franchisee or any Franchisee Equity Holder or their individual or collective Affiliates, Adjusted Gross Revenue, Royalty, or Capital-Reserve Assessment, or an overreporting of Estimated Royalty Payments, the Franchisee shall pay the amount due the Franchisor, in full, on or within thirty (30) days of the Franchisor's invoice therefor, provided that if the reported amount varies more than three percent (3%) of the actual amount, the Franchisee shall pay the Franchisor's cost to review the Section 13.2 reports, including, if applicable third-party fees and costs.

(E) Annual True-Up Payments. If the Monthly Estimated Royalty actually paid by the Franchisee in a calendar year exceeds the Royalty and Capital-Reserve Assessment, and the Franchisee has: (1) either: (a) made an election pursuant to Section 12.8 and in compliance therewith, or (b) timely and fully made all of its payments of Estimated Monthly Royalty (including any adjustment made in accordance with Section 12.2(C)) for such

calendar year, and (2) timely and fully provided true, correct, and complete Section 13.2 reports (and the amounts therein are not at variance by than three percent (3%) of the actual amount), then the Franchisee may elect by written notice to the Franchisor to have the excess either be: (i) applied to amounts due or thereafter becoming from the Franchisee to the Franchisor, or (ii) paid in a lump sum to the Franchisee. By way of clarification, if all of the conditions set forth above are not fully and timely satisfied, the lump sum option shall not be available to the Franchisee and the amounts due the Franchisee, shall be setoff against amounts due or thereafter becoming due from the Franchisee to the Franchisor.

12.3 Capital-Reserve Assessment.

The Franchisor may assess the Capital-Reserve Assessment on not less than thirty (30) days prior written notice to the Franchisee, *provided that*, *notwithstanding the foregoing*, no Capital-Reserve Assessment may be assessed by the Franchisor: (A) until on or after October 1, 2026, and (B) at any time when the Franchisor's cash and cash equivalent reserves in excess of working capital is greater than six months of the Franchisor's normal operating expenses as of the date of the determination thereof.

12.4 Annual Meeting Fee.

On or before the January 30 of each calendar year during the Term, the Franchisee shall pay the Annual Meeting Fee to the Franchisor, and upon payment thereof, the Franchisee shall be entitled to have one Franchisee Equity Holder (who is a natural person) attend one franchisee meeting during such calendar year without cost for admission (but the Franchisee shall be solely responsible for travel, lodging and meal expenses not included in the fee normally assessed for such meeting). The Annual Meeting Fee is non-refundable and the failure of a Franchisee Equity Holder to attend one franchisee meeting during such calendar year shall not carry forward or permit a Franchisee Equity Holder to attend a franchisee meeting in any other calendar year.

12.5 Pass Through Costs for the Franchisor Maintained Equipment, Supplies, Software, and Services.

The Franchisor may engage with one or more providers of Equipment, Supplies, Software or Services to provide the applicable Equipment, Supplies, Software or Services to the Franchisor (for provision to one or more of the franchisees), or to the Franchisee or one or more other franchisees or licensees of the Franchisor. As of the Effective Date, the Franchisor engages with providers of professional liability insurance, general liability insurance, real estate data, as well as other providers of Equipment, Supplies, Software or Services to the Franchisor's franchisees and licensees. In each such event, the Franchisee shall pay the Franchisor the amounts payable by the Franchisor for each Equipment, Supplies, Software or Services in the amount reasonably allocated to the Franchisee (which may, the Franchisor's option, be based on the Franchisee's utilization thereof, costs to provide to the Franchisee, number of employees and contractors, claims history, revenue, etc.) plus a reasonable services to cover the Franchisor's costs of administering each such arrangement, upon the Franchisor's presentation of an invoice therefor.

12.6 Payment of Amounts Due the Franchisor.

All amounts due and payable to the Franchisor do not include sales, use or other taxes, except for taxes on the net income of the Franchisor, and the Franchisee shall pay all such taxes and fees at the time payment of the underlying amounts is made. Payments:

(A) shall be received by the Franchisor at the address set forth above (or such other address as the Franchisor may notify the Franchisee of in writing) on the due date, and

(B) received by the Franchisor more than five (5) business days after the due date shall be subject to a late fee of five percent (5%) of the amount due, which the parties agree reflects a reasonable estimate of the Franchisor's costs for such late payment.

All amounts due and not timely paid shall bear interest from the date due until paid at the lesser of one and one-half percent (1.5%) per month or the highest rate permitted by applicable law, *provided that*, if the Franchisee has made an election pursuant to, and is in full compliance with its obligations under Section 12.8, then this Section 12.6(B) shall not be applicable. The Franchisee acknowledges and agrees that the Franchisee has no right to withhold payment of any amounts due the Franchisor, including, without limitation, based on the Franchisee's dissatisfaction with the Franchisor's performance of its obligations under this Agreement and that if the Franchisee is so dissatisfied, the Franchisee is required pursue other remedies at law which may be available.

12.7 All Payments by ACH or e-Check.

All amounts due the Franchisor shall be paid by automated clearing house (ACH) or electronic funds transfer and may be offset against amounts due from the Franchisor or any of its Affiliates to the Franchisee or any of his, her, or its Affiliates. The Franchisor shall provide the Franchisee with that information necessary for the Franchisee to make such payments. No amount may be paid by check without the prior written approval in each instance of the Franchisor. In the absence of the Franchisor's prior written approval, any payment made by check shall incur a processing fee of $150 to offset the Franchisor's costs associated with processing payments made by check.

12.8 Automatic Reporting and Payment Program.

To receive the benefit of having the Monthly Estimated Royalty be based on the Franchisee's *actual* monthly Gross Revenue collected, the Franchisee may, by written notice to the Franchisor, elect to participate in the VPA Automatic Reporting and Payment Program described in this Section 12.8. Once a Franchisee makes an election to participate in the VPA Automatic Reporting and Payment Program, such election shall be irrevocable. On or within thirty (30) days after the Franchisee's election the Franchisee shall:

(A) provide the Franchisor with and cooperate with and assist the Franchisor to have: (a) electronic access via the means reasonably established by the Franchisor from time to time, to the Franchisee's accounting system and financial records to enable the Franchisor to determine the Franchisee's actual Gross Revenue for each calendar month, and (b) the right and ability to initiate ACH payments of Monthly Estimated Royalties from the Franchisee's normal business operating account (the "Franchisee Account"),

(B) timely and accurately record the Franchisee's Gross Revenue for each calendar month so that it is complete and accurate in all respects no later than the first business day of the following calendar month, and

(C) maintain a balance in the Franchisee Account that is sufficient to timely and fully pay the Monthly Estimated Royalty and each Capital-Reserve Assessment then in effect.

After the Franchisee has completed both of the foregoing, the Franchisor shall, on or after the third business day of each calendar month review the Franchisee's actual Gross Revenue for the prior calendar month and based on such Gross Revenue, initiate an ACH or other electronic payment in the amount of the Monthly Estimated Royalty. Completion of such payment to the Franchisor shall satisfy the Franchisee's obligation to pay Monthly Estimated Royalty hereunder.

12.9 Grant of Security Interest.

To secure the Franchisee's payment of amounts becoming due hereunder and the Franchisee's performance of his, her, or its obligations pursuant to this Agreement and the exhibits hereto, the Franchisee hereby grants Franchisor a first security interest in the Collateral. Such security interest shall continue from the Effective Date through a reasonable time after the termination of this Agreement and the full and final payment of all amounts due the Franchisor. The Franchisor may, at its sole option and from time to time, file (without the signature of an authorized

representative of the Franchisee where permitted by law) such financing, continuation statements and amendments as reasonably determined by the Franchisor to perfect the Security Interest in the Collateral. Upon the request of the Franchisor, the Franchisee shall promptly execute all documents which are reasonably necessary to perfect the Security Interest and pay the filing fees and associated costs and expenses incurred or suffered by the Franchisor in connection with the perfection or continuation of the perfection of the Security Interest in such jurisdictions as may be reasonably selected by the Franchisor, and the preparation, transmittal and filing of documents in connection therewith. The Franchisee shall not file any termination statements or other documents to terminate, limit, or amend the financing statement filed by the Franchisor, or cause, suffer, or permit any other Person to do so for or on behalf of the Franchisee.

13. **Record Keeping, Reports and Reviews**.

The provisions of this Section 13 shall be applicable during the Term and for twelve months thereafter.

13.1 Record Keeping.

The Franchisee shall keep and maintain for not less than six (6) years after the termination of this Agreement all of the following (collectively being the "**Franchisee Records**"):

(A) sufficient true, correct, and complete records to enable the Franchisor, or a qualified third party engaged by the Franchisor, to determine information about each referral, the amount and all sources of the Franchisee's Gross Revenue, Adjusted Gross Revenue, referral appraisals, the reports required to be filed by the Franchisee with the Franchisor, from time to time, and the Franchisee's compliance with this Agreement (the "**Review Variables**"),

(B) customer engagement files (using the number system required by the Franchisor), appraisal reports, reviews, work sheets, working papers, and other documents, records, data and information and work products prepared or utilized in connection with the delivery or any part of the Business for each of the Franchisee's customers (collectively being "**Work Product Documents and Information**") during the Term and during the term of each prior franchise agreement or license agreement between the Franchisee and any of the Franchisor or its predecessor, successors or assigns, and

(C) financial statements (the "**Franchisee Financial Statements**") fully and accurately reflecting the gross income, expenses, financial transactions and results of the operations and financing activities of the Franchisee, including, without limitations, deductions from the Franchisee's Gross Revenue to determined Adjusted Gross Revenue, all prepared and maintained utilizing reasonable normal business processes and in accordance with the Selected Accounting Method, including, without limitation: (1) the Franchisee's Gross Revenue on a monthly basis for each calendar month if the Franchisee has made an election pursuant to Section 12.8, (2) profit and loss statements on a quarterly and annual basis, and (3) balance sheets at the last day of each calendar quarter and the last day of each calendar year.

The Franchisee shall keep and maintain the Franchisee Records and provide all reports in such format, using a job numbering system and the Franchisor designated chart of accounts, and using accounting software (e.g., QuickBooks) that is selected by the Franchisor, from time to time. The Franchisee shall be notified not less than sixty (60) days in advance of any change to the foregoing.

13.2 Reports.

The Franchisee shall promptly and fully provide the Franchisor with such reports and information that may be requested by the Franchisor, from time to time, including, but not limited to:

(A) an annual census (the "**Franchisee Census**") of all employees, contractors and service providers rendering services to or for the benefit of the Franchisee by name, age, sex, title, duties description, engagement status, compensation, the Franchisee offered benefits utilized, and such other parameters reasonably requested by the Franchisor, and

(B) information concerning or relating to any aspect or undertaking of the Business by or for the Franchisee, including, without limitation, Work Product Documents and Information, and employee benefit offerings, utilization, and waivers, and

(C) the Franchisee's Gross Revenue for the prior eleven months and reasonably anticipated Gross Revenue for the current month on or before December 1 of each calendar year,

(D) the Franchisee Financial Statements on or before the 30th day after the end of: (1) the first, second and third calendar quarters of each year (such statements being year-to-date through the end of each quarter for the profit and loss statement and at and as of the last day of the calendar quarter for the balance sheet), and (2) each calendar year, including, the calendar year that includes the Termination Date (such statements being at the end of each calendar year for the balance sheet and for the calendar year for the profit and loss statement), and

(E) on or within 30 days after the end of each calendar year and at such other time or times as may be requested by the Franchisor, a statement of the Franchisee's Gross Revenue together with a line-by-line calculation of the Franchisee's Adjusted Gross Revenue for the applicable period (including all information about each deduction or setoff applied to the Franchisee's Gross Revenue to arrive at the Adjusted Gross Revenue, all of which shall be in accordance with the definition of Adjusted Gross Revenue in the **Royalty and Fee Definitions Matrix**), and, if requested by the Franchisor at any time, all backup information concerning the matters set forth therein.

The Franchisee shall update the Franchisee Census promptly throughout each year the information therein changes.

The Franchisor may request, and upon such request the Franchisee shall promptly and fully provide: (AA) all Work Product Documents and Information concerning any one or more appraisals undertaken by the Franchisee or other engagements of the Franchisee (whether or not any such appraisal or engagement is the subject of a Work Product Complaint), (BB) information and updates concerning any information or report to be provided by the Franchisee pursuant to this Agreement, and (CC) reports regarding, and information related to, any purpose that is reasonably related to the Business, the Valbridge System, this Agreement, and the Franchisee's compliance therewith, the goodwill of the Valbridge System or any Mark, or the Franchisor's or the Franchisee's business or operations, including, without limitation, for quality assurance reviews. A report or the provision of information may be required of the Franchisee alone (i.e., there is no requirement that to be valid a report or information must be requested of all of the Franchisors' franchisees and licensees).

13.3 Report Filing.

If the Franchisee fails to properly file a report or financial statement or to provide any information on or within thirty (30) days after the due date thereof, then, the Franchisee shall pay the Franchisor a late fee of $500, which the Franchisee and the Franchisor agree reflects a reasonable estimate of the Franchisor's costs for such late reporting. The late fee due pursuant to this Section 13.3 shall be payable with the next payment of Estimated Monthly Royalty.

13.4 Review of the Franchisee Records.

The Franchisor, may at any time during the term, for two years thereafter, and at any time during the pendency of a claim, allegation, or proceeding arising from or in connection with this

Agreement or the Franchisee's conduct (whether or not the Franchisee disputes such claim), conduct, or have conducted, one or more reviews to analyze and determine the Review Variables and the accuracy of the Franchisee Financial Statements and reports by inspecting, copying, and analyzing the Franchisee Records (each being a "**Review**"). To initiate a Review, the Franchisor shall give the Franchisee at least five (5) business days' written notice stating the date and time of the Review, which shall be during normal business hours. A Review may be conducted, at the Franchisor's option, through the copying of the Franchisee Records and the delivery of such copies to the Franchisor's location. The Franchisee shall fully cooperate with the Review and provide such personnel as may be required to timely undertake and complete each Review.

13.5 Expenses of Review.

The Franchisor shall pay all expenses of each Review, except where a Review shows the Franchisee's underpayment of amounts due the Franchisor of five percent (5%) or more or a material inconsistency in any of the Franchisee Financial Statements or the Franchisee's Records, in which case the Franchisee shall pay all of the costs and expenses of such Review on or within fifteen (15) days of the Franchisor's invoice therefor. If, in the reasonable determination of the Franchisor, there are any outstanding amounts due the Franchisor, the Franchisee shall pay such amounts to the Franchisor on or within fifteen (15) days of the Franchisor's invoice, therefore. If the Franchisee has overpaid amounts to the Franchisor, the Franchisee may deduct such overpayment from the amounts next due and payable to the Franchisor hereunder or refund such overpayment to the Franchisee, at the Franchisor's option.

14. **Promotional Activities, Marketing and Advertising**.

14.1 Generally.

The Franchisee: (A) acknowledges that the Franchisor will not provide all or any specific amount of its business through the Franchisor's marketing activities and has not promised, guaranteed or implied it will do so, (B) shall, subject to the restrictions set forth in Section 17.1(C), diligently undertake: (1) the Required Local Promotional Activities, and (2) such other marketing, advertising, public relations and promotional activities for the Business in the Territory as it reasonably deems appropriate to maximize its revenues.

14.2 Requirements.

The Franchisee shall comply with the marketing, advertising, public relations and promotional activities criteria and guidelines established by the Franchisor from time to time. Such criteria and guidelines will generally be set forth in the Operations Manual and may include, without limitation, branding signage, promotional materials, e-mail signature information, limiting terms and conditions, use of Templates and worksheets, and report structures. The Franchisor may, from time to time, provide samples of certain advertising materials that the Franchisee may duplicate and use subject to the Franchisee ensuring its compliance with all applicable laws and regulations.

14.3 Approvals.

All materials and advertisements bearing any Mark must adhere to the standards and requirements established, from time to time, by the Franchisor and be of the highest quality so as to maintain and enhance the value of the Marks. Except for the Franchisor provided materials, all marketing, advertising, public relations, and promotional activities conducted by the Franchisee, and all materials bearing any Mark that are to be utilized by the Franchisee, shall be subject to the prior written approval of the Franchisor. To secure such approval the Franchisee shall provide the Franchisor with a written description (and samples if available) of the proposed marketing, advertising, public relations or promotional materials or activities the Franchisee seeks to use or engage in. The Franchisor shall review and assess the description and samples and respond to the Franchisee with an approval or rejection of same.

14.4 Franchisor Marketing.

The Franchisor shall, based on available funding and personnel, endeavor to undertake marketing, advertising, public relations and promotional activities for the Franchisor and the Valbridge System using one or more of the Marks. Such marketing activities shall be determined and undertaken in the manner determined by the Franchisor in its sole discretion.

15. **Insurance**.

15.1 Generally.

Except where there is a Franchisor Arranged Policy in place for the particular insurance coverage, the Franchisee shall, at the Franchisee's sole cost and expense, obtain and maintain such policies of insurance: (A) concerning the Business as set forth below in Section 15.2 or as may hereafter be required pursuant to the Operations Manual, and (B) in such amounts as are determined by, and from such insurers as may be reasonably acceptable to the Franchisor from time to time throughout the Term, including, but not limited to, those set forth herein. The Franchisor, Parent, and such other Persons as may be selected by the Franchisor shall be named as additional insureds on each such insurance policy and each shall be deemed a primary policy in the event of a loss or claim. The Franchisee shall provide copies of each such insurance policy to the Franchisor on or within fifteen (15) days after the Effective Date and, from time to time, at the Franchisor's request. Each such insurance policy shall provide for advance written notice to the Franchisor before the cancellation thereof. The Franchisee shall provide: (AA) written evidence to the Franchisor of the renewal of each such insurance policy not later than fifteen (15) days before the cancellation date of such policy, and (B) written notice to the Franchisor immediately upon the cancellation or termination of any such insurance policy. In the event the Franchisee fails to secure or renew any policy or provide notice thereof to the Franchisor as required herein, the Franchisor may (but shall not be obligated to) secure and pay for such policy, in good faith, and the premium thereof shall be treated as an additional amount due hereunder and be due fifteen (15) days after presentation of the Franchisor's invoice therefor.

15.2 Policies.

Except where there is a Franchisor Arranged Policy in place for the particular insurance coverage or if otherwise set forth in the Operations Manual, during the Term and for two years thereafter, the Franchisee shall maintain at least the following insurance policies:

(A) a comprehensive general liability policy covering bodily injury and property damage with respect to each Location and products, and completed operations in the amount of not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) in the aggregate, and

(B) an automobile liability policy with a combined single limit of not less than one million dollars ($1,000,000), and

(C) workman's compensation insurance in an amount not less than one million dollars ($1,000,000) per employee, one million dollars ($1,000,000) per accident and one million dollars ($1,000,000) in the aggregate,

(D) a claims made errors and omissions concerning the rendition of real and personal property appraisal services and appraisal consulting services, with a limit of liability of not less than One Million Dollars ($1,000,000) per claim, not less than Two Million Dollars ($2,000,000) for all claims in the aggregate, and a deductible of not more than Twenty-Five Thousand Dollars ($25,000.00) per claim,

(E) an "all risk" property insurance on each Location, and the Franchisee's equipment and supplies, for loss or damage by fire, windstorm, flood, casualty, and theft, for at least eighty percent of the replacement cost of such property,

(F) all insurance required by the landlord of each Location and applicable law (limits may vary according to geographical location), and

(G) such other policies that the Franchisor may require (e.g., cyber security insurance).

The Franchisor may increase, decrease, or otherwise change any of the policy limits, deductibles, or coverage related matters pursuant to the Operations Manual. Unless the Franchisee obtains a written waiver from the Franchisor, any loss or damage must be repaired, restored, or rebuilt within 90 days of the date of the loss or damage.

15.3 Franchisor Secured Policies and Deductible Fund.

The Franchisor may elect, from time to time on not less than thirty (30) days advance written notice to the Franchisee, to secure, renew, amend, or replace or, if previously secured, to replace, amend, or terminate, insurance coverage covering the Franchisor, the Franchisee or the Peers, or all of them, for such claims, matters and occurrences, in such policy amounts and with such deductibles and other terms and conditions as the Franchisor may, in its sole discretion, elect (each being a "**Franchisor Arranged Policy**"), provided that, no notice shall be required for any Franchisor Arranged Policy in effect at the Effective Date. Without limiting the foregoing, the Franchisor may secure a Franchisor Arranged Policy for coverage not required by Section 15.2 and with coverage equal to, or more or less than, that required by Section 15.2. If and for so long as there is a Franchisor Arranged Policy, the Franchisee shall:

(A) fully and promptly cooperate with the Franchisor in its efforts to secure, renew, amend, or replace each and every such the Franchisor Arranged Policy, including, without limitation, providing, on or within fifteen (15) days of the Franchisor's request, all documentation and true and complete information requested by the Franchisor that is in the possession, under the control, or accessible by, the Franchisee or its, his, or her employees, officers, directors, shareholders, managers, members, contractors, or agents,

(B) pay the Franchisor, from time to time, on or within fifteen (15) days of the Franchisor's invoice therefor, an allocated portion of:

(1) the premium due for the Franchisor Arranged Policy, such allocation being determined by: (a) the insurer or agent of the insurer of the applicable the Franchisor Arranged Policy, in its sole discretion, or (b) if not so established, by the Franchisor in its discretion, and

(2) the deductible arising from time to time as a result of, or in connection with, any claim covered by any Franchisor Arranged Policy if: (a) such claim arises, in whole or in part, from any action or inaction of the Franchisee or its, his, or her employees, officers, directors, shareholders, managers, members, contractors, or agents, whether alone or together with others, and (b) an amount becomes payable as a deductible or for any other reason in connection with or relating to on such the Franchisor Arranged Policy, whether or not the Franchisee is determined to be liable or at fault as concerns such claim (e.g., defense costs), and

(3) a reserve fund to be utilized, at the Franchisor's sole discretion, to pay, or to cover the deductible becoming due from time to time under a Franchisor Arranged Policy, with the allocation of such reserve fund be determined in substantially the same manner as for the premium allocation above, and

(C) not be required in accordance with Section 15.2 or permitted to secure a policy covering the same risks as such the Franchisor Arrangement Policy.

The existence of the reserve fund and the Franchisee's payments thereto shall not relieve the Franchisee from its obligation to pay any deductible becoming due from time to time under a

Franchisor Arranged Policy, including, without limitation, in connection with any claim arising from or in connection with the Franchisee's business activities.

15.4 Limitations.
Notwithstanding any provision of this Section 15 to the contrary, the Franchisor shall not be permitted to require the Franchisee to purchase, or to establish a Franchisor Arranged Policy that the Franchisee is obligated to participate in that concerns or relates to, a health insurance or a 401K, IRA or other retirement plan.

16. **Trademarks**.

16.1 Generally.
The Franchisee acknowledges and agrees that the Franchised Rights only permit the Franchisee to utilize the Marks in connection with the operation of the Business and only in a form and manner approved by the Franchisor, including, without limitation, as specified in accordance with Section 2.2 and the Operations Manual. The Franchisee shall not: (A) apply for registration as proprietor of any trade or service mark: (1) utilized in connection with the Business or any or part of thereof, including without limitation, the Authorized Franchisee Trade Name except as permitted by Section 2.2(A), or (2) which would conflict with the Marks, (B) take any action which may result in harm to any Mark or put any registrations or applications to register at risk, (C) refuse to take any commercially reasonable action that is, in the sole opinion of the Franchisor, necessary or advisable to protect the Marks, and (D) utilize a Mark with a trademark, service mark, trade name or other symbol of another Person, except upon the prior written approval of the Franchisor, which may be withheld, conditioned, or delayed in the Franchisor's sole and absolute discretion. The Franchisee shall include in each utilization of a Mark an inscription as is usual or proper for indicating that such Mark is registered or claimed as a service or trademark (e.g., ® or ℠ as may be appropriate depending on the Mark).

16.2 The Franchisee Name.
The Franchisee shall: (A) comply with the Franchisor's instructions concerning filing and maintaining the requisite fictitious, trade, or assumed name registrations that include all or any part of a Mark, and (B) not utilize all or any portion of a Mark in the Franchisee's entity name or, except as required by Section 2.2(A), business name.

16.3 Infringement by the Franchisee.
The Franchisee acknowledges that any utilization of any of the Franchisor Intangible Properties beyond the authority granted by this Agreement is an infringement of the Franchisor's intellectual property rights and a material breach of this Agreement. Without limiting the general nature of the foregoing, infringement of the Franchisor's intellectual property rights includes utilization of any Mark or via any means made available to the Franchisee to advertise or notify others of any business activities the Franchisee or any of its Affiliates engages in or intends to engage in after the Term.

16.4 Infringement by Third Parties.
In the event of any claim of infringement, unfair competition, or other challenge to the Franchisee's right to use any Mark, or in the event the Franchisee becomes aware of any use of, or claim to, any Mark by any Person other than the Franchisor or its franchisees or licensees, the Franchisee shall promptly notify the Franchisor in writing and provide all details about such infringement, challenge or claim that are known to the Franchisee. The Franchisee shall not communicate with anyone except the Franchisor and its counsel in connection with any such infringement, challenge or claim except upon compulsion based on legal process and after reasonable advance notice to the Franchisor. The Franchisor shall determine, in its sole and absolute discretion, whether or not to take any action in connection with any such infringement, challenge or claim, and shall have

the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. The Franchisee shall promptly sign all instruments and documents, render any assistance, and do any acts that the Franchisor's attorneys deem necessary or advisable in order to protect and maintain the Franchisor's interest in any litigation or proceeding related to any Mark or to otherwise to protect and maintain the Franchisor's interests in the Marks.

16.5 Modification and Cessation of Use of any Mark.

The Franchisor may, by written notice, require the Franchisee to cease or change the use of any Mark, including any Mark on printed or tangible marketing materials owned by the Franchisee, if, in the sole determination of the Franchisor, it becomes necessary or advisable to modify or discontinue use of any Marks or to use one or more additional or substitute trade names or trade or service marks for any reason. The Franchisor may only exercise the foregoing right: (A) once per twelve-month period, or (B) more frequently where undertaken: (1) in response to claim of infringement, unfair competition or other challenge concerning or relating to any Mark, in whole or in part, or (2) the Franchisor's determination that another Person may have superior rights concerning any Mark, in whole or in part.

17. **Restrictive Covenants**.

17.1 Term Restrictions.

During the Term of this Agreement (but not after the termination of this Agreement), neither the Franchisee nor any Franchisee Equity Holder shall:

(A) plan, organize or undertake any business activity which directly or indirectly competes with, engages in, or carries on, in whole or in part, within, from or into the Territory: (1) the Business or any business activity substantially similar to the Business, except only to undertake and operate the franchised Business in accordance with this Agreement utilizing the Valbridge System, the Operations Manual, and the Marks, or (2) the Valbridge Business

(B) directly or indirectly, including through any Affiliate:

(1) hold an Equity Interest in, become a director, manager, officer, fiduciary, or trustee of, or otherwise be associated with or engaged or employed by, any Person or his, her, or its Affiliate who is: (a) engaged in the Business, in whole or in part, or any business activity substantially similar to the Business, except if such Person is, and only for so long as such Person is, a franchisee or licensee of the Franchisor, or (b) a Valbridge Competitor, except that the foregoing shall not be violated by the Franchisee's or its Affiliates holding up to a five percent (5%) equity interest in any publicly traded Person that is a Valbridge Competitor, or

(2) become a director, manager, or officer of, or otherwise be associated with or engaged or employed by, a Valbridge Competitor or his, her or its Affiliate,

(3) solicit, render services to, or accept business from any Valbridge Competitor, *except* on an occasional and irregular basis, or

(C) undertake, or cause to be undertaken, whether directly or indirectly, any Outside Territory Marketing,

provided that, the Franchisor may, in its sole and absolute discretion, by written authorization in advance thereof, permit the Franchisee to engage in a specific activity for a limited time that would, in the absence of such authorization, violate the terms and conditions of this Section 17.1. In the event the Franchisee desires to secure such prior authorization, the Franchisee shall provide the Franchisor with written notice of the specific activity and the other Persons related

thereto. Any authorization granted in accordance herewith shall terminate and expire upon: (AA) the earlier to occur of: (1) one hundred eighty days, (2) the completion of the activity so permitted, or (3) the Franchisee no longer diligently engaging in such activity on a regular and consistent basis, or (BB) the time specified in the written authorization, if set forth therein. The Franchisee shall have no right, and hereby waives and relinquishes any such right otherwise granted to the Franchisee other than by the Franchisor in accordance with this Section 17.1, to require the Franchisor to permit the Franchisee to engage in any activity that would, in the absence of the Franchisor's authorization, violate the terms and conditions of this Section 17.1, merely because such activity was approved in the past or for any other Peer.

17.2 Term and Post-Term Restrictions.

(A) During the Term of this Agreement and for two (2) years after the termination of this Agreement, neither the Franchisee nor any Franchisee Equity Holder shall:

(1) plan, organize, or undertake the Valbridge Business in the Restricted Territory, or

(2) solicit, render services to, or accept any business that competes with or is a replacement in whole or in part for the Business from any Person (and each of his, her, or its Affiliates) that, at any time during the two (2) year period immediately preceding the Determination Date, a Peer referred to the Franchisee for the purpose of engaging in the Business and for whom the Franchisee directly or indirectly provided services relating to the Business (each being a "**Peer Referred Customer**"), provided that the foregoing shall not apply to the rendition of services to a Peer Referred Customer as a result of a referral by a Peer during the Term, or

(3) plan, organize, or undertake the Business using any trade name, trademark, service mark, or trade dress that is substantially similar to or evocative of any Mark or of any trade name, trademark, service mark, or trade dress utilized, in whole or in part, by a Valbridge Party or that is licensed by a Valbridge Party to its customers, franchisees, or licensees at any time during the Term.

(B) During the Term of this Agreement and for a period of one year after the termination or expiration of this Agreement, neither the Franchisee nor any Franchisee Equity Holder shall enter a franchisee or licensee relationship with any Person that is, or whose Affiliate is, a Valbridge Competitor where the franchise or license relationship: (1) concerns or relates to the Business or any activity substantially similar to or a replacement for the Business, or (2) is or will be undertaken from or within or directed in the Territory.

(C) During the Term of this Agreement and for a period which lasts until the earlier two (2) years after the termination of this Agreement or six months after termination of a Valbridge Party's employee's or contractor's employment or engagement with any Valbridge Party, neither the Franchisee nor any Franchisee Equity Holder shall solicit or induce, or attempt to solicit or induce (directly or indirectly through any Person), for employment or engagement any employee or contractor of a Valbridge Party.

Notwithstanding anything to the contrary in this Section 17.2(A), the Franchisee shall not be restricted from engaging in a Local or Statewide Practice after the termination of this Agreement and no national or regional bank or institutional lender shall constitute a Peer Referred Customer.

17.3 Confidentiality.

The Franchisee shall use the same standard of care as it uses to protect its own confidential information, which in no event shall be less than a reasonable degree of care, to safeguard the Confidential Information from use, unauthorized access, or disclosure other than as permitted

hereby. For the Term and after the expiration or termination of this Agreement, whatever the reason, neither the Franchisee nor any Franchisee Equity Holder shall:

(A) disclose any Confidential Information or except as expressly below in this Section 17.3, directly or indirectly, suffer or permit any Person to have access to Confidential Information,

(B) allow or suffer any Person to whom the Franchisee or any Franchisee Equity Holder provided access, or who had access as a result of any action or inaction by the Franchisee or any Franchisee Equity Holder, whether intentional or negligent, to Confidential Information to disclose or use such Confidential Information, and

(C) make any use, commercial or otherwise, of any Confidential Information, except solely for exercising the Franchise Rights during the Term to engage in the Business in accordance with the Valbridge System at and from each Location.

Notwithstanding the provisions of this Section 17.3(A), the Franchisee shall be permitted to disclose Confidential Information to those, *and only those*, of its employees and contractors who:

(AA) have executed the Employee and Contractor Restrictive Covenant attached hereto as Exhibit D, where a copy of such executed Employee and Contractor Restrictive Covenant was delivered to the Franchisor prior to such disclosure, *and*

(BB) reasonably require access to the particular Confidential Information being disclosed in order to permit him or her to fulfill his, her, or its duties to the Franchisee.

If the Franchisee becomes legally compelled to disclose any Confidential Information, the Franchisee shall:

(AAA) provide prompt written notice to the Franchisor so that the Franchisor may seek a protective order or other appropriate remedy, or waive its right to do so, and

(BBB) disclose only the portion of the Confidential Information that it is legally required to furnish, and

(CCC) if the protective order or other remedy is not obtained, or the Franchisor waives compliance with this Section 17.3, the Franchisee shall use reasonable efforts to ensure that confidential treatment will be afforded to the Confidential Information.

17.4 Restrictive Covenants Scope.

The parties acknowledge that the provisions of this Section are necessary and reasonable to protect the legitimate business interests of the Franchisor and any violation of the provisions of this Section will result in irreparable injury to the Franchisor, the exact amount of which will be difficult to ascertain, and that the remedies at law for any such violation would not be reasonable or adequate compensation to the Franchisor for such violation. Accordingly, the Franchisee agrees that if the provisions of this Section are violated, in addition to any other remedy, which may be available in equity or at law, the Franchisor shall be entitled to specific performance and injunctive relief, without the necessity of proving actual damages.

17.5 Tolling of Restriction Period.

In the event of a breach of one or more of the provisions of this Section 17, the running of the Restriction Period shall, as concerns the breaching Person, be tolled during the continuation of such each such breach and recommence only upon such breaching Person’s full and complete compliance with the provisions of this Section 17.

17.6 Judicial Modification.

In the event a court of competent jurisdiction holds one or more of the provisions of the restrictive covenants invalid as to length of time or geographic scope, then this Section 17 shall be amended to reflect a reasonable length of time or reasonable geographic scope.

18. **Entity Franchisee Related Matters**.

18.1 Entity Franchisee Related Representations, Warranties and Covenants.

In the event that the Franchisee is not an individual natural person, then the Franchisee and each Franchisee Equity Holder, jointly and severally, represent and warrant to the Franchisor and to the Parent that, at as of the Effective Date, the following are true, correct, and complete in all respects, and covenant with the Franchisor and the Parent to continuously during the Term of this Agreement maintain and cause each of the following to be and remain true, correct, and complete in all respects:

(A) all information set forth in the Informational Provisions and each other document provided to the Franchisor is and shall at all times be and remain true, correct, and complete in all respects, including, without limitation, the identity, title, position, Operational Qualifications, if any, and Equity Interests of Franchisee Equity Holder,

(B) the Franchisee managing body and the Franchisee Equity Holders have unanimously approved and consented to the entry and adoption of this Agreement by the Franchisee,

(C) the Franchisee Equity Holders holding: (1) one or more of the Operational Qualifications own, directly or indirectly, at least a majority of the Franchisee Equity Interests, and at least one of those Franchisee Equity Holders holds not less than ten percent (10%) of the Franchisee Equity Interests, and (2) the MAI designation own, directly or indirectly, at least twenty five percent (25%) of the Franchisee Equity Interests,

(D) no Franchisee Equity Holder is a Prohibited Equity Holder,

(E) to the knowledge of the Franchisee and each of its officers, directors, and managers, each Person identified in the Informational Provisions as a Franchisee Equity Holder or that is otherwise required to execute and deliver any Ancillary Franchise Document: (1) is competent to contract, and (2) has the full power and authority to execute and deliver such Ancillary Franchise Document, and to perform his, her, or its obligations thereunder,

(F) there is no Person who is not identified in the Informational Provisions that holds any Franchisee Equity Interest,

(G) the Franchisee is the entity type set forth in the Informational Provisions and is duly organized and in good standing in the jurisdiction set forth in the Informational Provisions above,

(H) the Franchisee has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder,

(I) this Agreement constitutes the valid and legally binding obligation of the Franchisee, enforceable in accordance with its terms and conditions,

(J) the Franchisee is not obligated or required to give any notice to, make any filing with, or obtain any authorization, consent, or approval of, any Person other than the Franchisee's managing body or the Franchisee Equity Holders to enter this Agreement, and

(K) the execution and the delivery of this Agreement will not, immediately or with the passage of time: (1) violate any statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Franchisee is subject, or (2) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license,

instrument, or other arrangement to which the Franchisee or any Franchisee Equity Holder is a party or by which any of them is bound or to which any of their individual or collective material assets is subject.

Notwithstanding the provisions of this Section 18.1(C) to the contrary, if the Franchisee and the Franchisor were parties to a franchise agreement or license agreement that terminated immediately prior to the Effective Date and the representation and warranty in Section 18.1(C), is not true, correct, and complete as of the Effective Date, then, the Franchisee shall not be obligated to be in compliance with the representation and warranty in Section 18.1(C) unless and until there is a direct or indirect issuance, redemption, or Transfer of twenty five percent (25%) or more of the Franchisee Equity Interests, whether individually or in the aggregate, on or after the Effective Date.

The Franchisee and each Franchisee Equity Holder jointly and severally, covenant and agree to:

(AA) fully comply with the provisions of Section 19 prior the occurrence of any Transfer whatsoever, and

(BB) upon the occurrence of any Transfer whatsoever, provide a true, correct, and complete written update of the information set forth the Informational Provisions signed by the chief executive officer, general partner, or manager of the Franchisee and by each Franchisee Equity Holder.

Upon the occurrence of, and at and as of the date of, any Transfer, the Franchisee and each Franchisee Equity Holder, jointly and severally, remake the representations and warranties set forth in this Section 18.1.

18.2 Equity Holder Agreements.

The Franchisee and each Franchisee Equity Holder, jointly and severally, covenant and agree to cause:

(A) the Franchisee to remain in compliance with the Franchisee's representations and warranties set forth in Section 18.1, including, without limitation, 18.1(C), and to promptly notify the Franchisor of each noncompliance therewith,

(B) each Person that is required to execute and deliver any Ancillary Franchise Document to execute such Ancillary Franchise Document no later than the Effective Date and the effective date of each Transfer or other change in the status of any Franchisee Equity Holder, and

(C) to provide written notification to the Franchisor not less than forty-five (45) days in advance of any Transfer or other change in the status of any Franchisee Equity Holder.

18.3 Legend on Entity the Franchisee Equity Certificates.

If the Franchisee is not a natural person, then, upon the execution of this Agreement and upon each occurrence of a Transfer, the Franchisee shall cause the Franchisee Equity Holder to surrender, and the Franchisee Equity Holder shall surrender, to the Franchisee all certificates evidencing a Franchisee Equity Interest and the Franchisee shall cause the following legend to be affixed thereon:

> THE INTEREST REPRESENTED BY THIS CERTIFICATE IS SUBJECT IN THE CASE OF ANY ENCUMBRANCE, SALE, OR OTHER TRANSFER WHATSOEVER TO CERTAIN RIGHTS OF THIRD PARTIES SET FORTH IN THAT CERTAIN FRANCHISE AGREEMENT BY AND AMONG THE ISSUING ENTITY, ITS EQUITY HOLDERS, AND VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC, A FLORIDA LIMITED LIABILITY COMPANY.

After this legend has been placed on the certificates evidencing the equity interests in and all other securities of the Franchisee, such certificates shall be returned to the respective Equity Holder. Such certificates may also bear additional legends applicable to agreements by and among the Equity Holders of the Franchisee and the Franchisee. All certificates for a Franchisee Equity Interest issued on or after the Effective Date shall bear the foregoing legend and be subject to the restrictive provisions of this Agreement.

19. **Franchise Transfers**.

To protect and enhance the reputation, skill, and capabilities of the Valbridge franchise system, its trade and service marks and rights, and the benefits flowing to the Franchisor and the Peers, the Franchisor carefully selects and vets its franchisees and their owners and interested parties. Therefore, when a franchisee elects to undertake a Transfer of, or to issue or grant another Person, any Franchisee Equity Interest, Valbridge must have and maintain the right to ensure that such other Person meets or exceeds the reputation, skill, capabilities and financial wherewithal that Valbridge requires from its franchisees, that the Transfer arrangements are not likely to limit or restrict, whether as a result of terms of financial arrangements, the ability of such other Person or of the Franchisee after the transfer to meet their individual or collective obligations under this Agreement, and that such other Person will be likely, for the above and other reasons, to successfully participate in the Valbridge system. To protect those interests and accomplish those goals, this Section 19 restricts the ability of the Franchisee to undertake a Transfer and grants the Franchisor significant discretion to determine if a proposed transferee is acceptable to the Franchisor.

19.1 Franchise Transfers Generally.

Notwithstanding any contrary provision of this Agreement, **no Transfer of all or any part of the Franchise Rights, a Franchisee Equity Interest, or of the Franchisee's business** (whether through the sale of substantially all of the assets of the Franchisee or the transfer of any equity, rights, or other interests in the Franchisee) **shall be undertaken, directly or indirectly, in whole or in part, unless**:

(A) Franchisee is in full compliance with the Franchisee's obligations to the Franchisor and there has been no material breach of this Agreement in the past ninety (90) days,

(B) Franchisor is permitted, in accordance with applicable law, to offer and enter the then current form of Franchise Agreement offered by the Franchisor to the proposed Transferee without undertaking additional filings or legal compliance, and

(C) the Transfer is made strictly in accordance with all of the terms and conditions of this Agreement.

19.2 Effect of Improper Transfer.

Any Transfer or attempted Transfer, whether voluntary or involuntary or by operation of law, which is not permitted by or made in accordance with the terms of this Agreement shall be void *ab initio*, ineffective and a material breach of this Agreement, and shall not bind the Franchisor or otherwise give the Transferee any rights under this Agreement or in or to any of the Franchise Rights. If, notwithstanding the foregoing, a Transfer not permitted by this Agreement or made in accordance with the terms of this Agreement is held by a court of competent jurisdiction to be effective, then the Franchisor may terminate this Agreement in accordance with Section 20.1(I).

19.3 Conditions Concerning Direct and Indirect the Franchisee Transfers.

The Franchisee shall not make or suffer any Transfer, except in accordance with this Section 19.3, or as may be permitted by Sections 19.4, 19.5, or 19.6.

(A) In the event of a proposed *direct or indirect* Transfer (the "**Proposed Transfer**") of a Franchisee (being the "**Selling Franchisee**") or by any one or more of the Franchisee

Equity Holders (each a "**Transferring Franchisee Equity Holder**"), the following shall be applicable:

(1) The Selling Franchisee or Transferring the Franchisee Equity Holders shall give the Franchisor not less than forty-five (45) days advance written notice (the "**Franchise Proposed Transfer Notice**") of the Proposed Transfer:

(a) stating therein that: (1) the Selling Franchisee has, or the Transferring Franchisee Equity Holders have, made or received a good faith bona fide arms-length specific and detailed offer (the "**Offer**") from one or more Persons (each a "**Proposed Transferee**") who is not an Affiliate of any Franchisee Equity Holder, and (2) the Selling Franchisee intends, or the Transferring Franchisee Equity Holders intend, to accept and consummate such Offer subject to the rights of the Franchisor set forth in this Section,

(b) including a full and complete description of the terms and conditions of the Offer,

(c) including from each Proposed Transferee a statement: (i) that he, she, or it has the financial resources and wherewithal to close and consummate the Proposed Transfer, and is not a Prohibited Equity Holder, and (ii) in the case of a Proposed Transferee that is not a natural Person, the information required by the Informational Provisions as and if such the Proposed Transferee was a Franchisee Equity Holder (each Person required to be identified in accordance herewith being a "**Proposed Transferee Equity Holder**"), and

(d) *if the Proposed Transfer would constitute a Change in Control Transaction*, an offer stating that the Selling Franchisee offers to make such Transfer to the Franchisor at the price and upon the terms and conditions as are set forth in the Offer (the "**Right of First Refusal**"), and

(2) Contemporaneously with the provision of the Franchise Proposed Transfer Notice, the Selling Franchisee or the Transferring Franchisee Equity Holders shall:

(a) provide true, correct, and complete copies of each of the following: (i) the Offer, (ii) the Franchisor's franchisee application completed by the Proposed Transferee and, if applicable, each Proposed Transferee Equity Holder, (iii) the Prospective Transferee's financial statements, and statements of net worth and work history for each Proposed Transferee Equity Holder, and (iv) such other information (documentary and otherwise) as the Franchisor may request, and

(b) pay the Franchisor the minimum Transfer Fee.

The minimum Transfer Fee shall be non-refundable and fully earned when received by the Franchisor. A Franchise Proposed Transfer Notice for a Proposed Transfer that would violate this Agreement, that fails to make the required statements, that fails to timely and fully provide all of the information required by this Section 19.3, or that fails to include the Transfer Fee shall be void and of no force or effect. For purposes of this Section 19.3, an Offer shall be deemed specific and detailed if, and only if, it fully and completely described the Franchise Proposed Transfer Notice, contains all of the terms and conditions of the Proposed Transfer, and is in such form (including exhibits, schedules and ancillary contracts) that, when signed, will constitute a binding written agreement between the Selling Franchisee and the Proposed Transferee. The Selling Franchisee, the Proposed

Transferee, and each Proposed Transferee Equity Holder shall immediately respond to information and documentation requests of the Franchisor and shall be fully available to meet with the Franchisor's management and employees and answer their questions. The Proposed Transferee and each Proposed Transferee Equity Holder shall fulfill such requirements as may be established, from time to time, by the Franchisor for prospective new franchisees, including, without limitation, attendance at meetings or other events.

(B) On or within forty-five (45) days after effective date of the Franchise Proposed Transfer Notice (the "**Proposed Franchisee Evaluation Period**"), the Franchisor shall, in its sole and absolute discretion, determine if each Proposed Transferee is acceptable to become a franchisee or a direct or indirect Equity Holder of a franchisee of the Franchisor. If the Franchisor determines each Proposed Transferee is:

(1) acceptable to become a franchisee or a direct or indirect Equity Holder of a franchisee of the Franchisor, then the Franchisor shall offer such Proposed Transferee the opportunity to become a franchisee or a direct or indirect Equity Holder of a franchisee of the Franchisor in accordance with applicable law, and on the terms set forth in the then current franchise agreement offered by the Franchisor, excluding only payment of the initial franchise fee, and

(2) not acceptable to become a franchisee or a direct or indirect Equity Holder of a franchisee of the Franchisor, then the Franchisor:

(a) shall provide written notice to the Franchisee stating such determination, and

(b) *if the Proposed Transfer would have constituted a Change in Control Transaction*, may elect by written notice to the Franchisee on within sixty (60) days after the Franchise Proposed Transfer Notice to exercise the Right of First Refusal and complete the Proposed Transfer on the terms and conditions set forth in the Offer.

The Franchisor may assign its Right of First Refusal to another Person.

(C) The Selling Franchisee or Transferring Franchisee Equity Holders, as the case may be, shall be permitted to make the Proposed Transfer to the Proposed Transferee or Proposed Transferees *if, and only if*:

(1) the Franchisor has determined each Proposed Transferee is acceptable to become a franchisee or a direct or indirect Equity Holder of a franchisee of the Franchisor,

(2) the Selling Franchisee and Transferring Franchisee Equity Holders have fully and timely complied with all of their individual and collective obligations to the Franchisor, whether arising under this Agreement or otherwise, including, without limitation, paying the balance of Transfer Fees on or within thirty (30) days after the Franchisor's provides it invoice therefor, and providing the Franchisor with fully executed Releases, and

(3) the Transfer occurs:

(a) on, and only on, the terms and conditions as stated in the Offer, except for immaterial changes to the terms and conditions, to each Proposed Transferee,

(b) after: (i) the Franchisor has provided all required disclosure documents and all cooling off and periods when the Franchisor is prevented from entering a franchise agreement or any Franchise Ancillary Documents with all Proposed Transferees have elapsed (in accordance with applicable law),

(ii) each Proposed Transferee has entered a new franchise agreement with the Franchisor containing the terms and conditions then offered by the Franchisor and having a term ending on the Normal Termination Date of this Agreement, or has provided all Franchise Ancillary Documents, and (iii) the Proposed Transferees have completed all training and other pre-requisites established by the Franchisor from time to time, and

(c) on or within sixty (60) days after the expiration of the Proposed Franchisee Evaluation Period.

(D) If the Transfer constitutes a Change in Control Transaction and the Franchisor timely elects to exercise the Right of First Refusal, then the Selling Franchisee shall, at the date and time selected by the Franchisor or its assignee, but not longer than sixty (60) days after the expiration of the Proposed Franchisee Evaluation Period: (1) make the Proposed Transfer to the Franchisor on the terms and conditions set forth in the Offer if the Transfer is of an Equity Interest in the Franchisee or substantially all of the assets of the Franchisee, or (2) make a Transfer to the Franchisor or its assignee of an Equity Interest in the Franchisee or of substantially all of the assets of the Franchisee that is substantially equivalent (based on the terms and conditions as set forth in the Offer) to the Proposed Transfer, if the Transfer is not of an Equity Interest in the Franchisee and not substantially all of the assets of the Franchisee, *provided that*, the Right of First Refusal shall not grant the Franchisor the right to acquire any assets of or securities issued by any Franchisee Equity Holder.

19.4 Death or Incompetence of Franchisee Equity Holder.

If the Franchisee is in breach of Section 18.2(A) solely as a result of the death or incompetence of one or more of the Franchisee Equity Holders, then the Franchisee shall not be in breach of this Agreement as a result thereof for a period of one hundred twenty (120) days after the date of death or the determination of incompetency giving rise to such breach if: (A) the Franchisee promptly complies with its obligations under Section 7.1(D), and (B) there is a Transfer as concerns the Franchisee in accordance with Section 19.3 and, as a result of such Transfer, the Franchisee thereafter becomes compliant with the provisions of Section 18.2(A). The Franchisee shall provide the Franchisor with all information requested by the Franchisor from time to time regarding the Franchisee's consideration of Transfers and compliance with this Section 19.4. The Franchisor may, in its discretion, extend the above-referenced term by written notice to the Franchisee.

19.5 Transfers to the Franchisee Employees Becoming Equity Holders.

The provisions of Section 19.3 shall not apply to any Transfer of an Equity Interest of any single Transfer of the Franchisee Equity Interests that meets each and every condition of this Section 19.5, including:

(A) the Transfer is: (1) of not more than ten percent (10.0%) of the Franchisee Equity Interests, (2) to single natural Person, and (3) such Person: (a) is, and for at least the prior twelve (12) calendar months has been, a bona fide professional or managerial employee of such entity the Franchisee, or (b) is a bona fide lateral transfer professional employee of the Franchisee,

(B) the *primary and material purpose* of the Transfer is to make such Person an Equity Holder of the Franchisee based on his, her, or its skills, experience, and acumen as a professional, and as a means to retain such Person as an employee of the Franchisee,

(C) the Franchisee provides not less than forty five (45) days advance written notice to the Franchisor of such Transfer, including, therein, the name of the Transferee, the particulars of the basis for such Transfer and the information described in Section 19.3(A)(3), and

(D) If the Transferee becomes a Principal as a result of the Transfer, he or she complies with the provisions of Section 18.2.

The maximum aggregate the Franchisee Equity Interests that may be subject to Transfers pursuant to this Section 19.5 (including during the Term and the term of all prior franchise agreements and license agreements between the Franchisor and the Franchisee) is forty five percent (45.0%) of the Franchisee Equity Interests, as measured on the effective date of the first franchise agreement between the Franchisee (or its predecessor) and the Franchisor. For clarification, if a proposed Transfer does not meet each and every requirement of this Section 19.5, then the provisions of Section 19.3 shall be applicable.

19.6 Transfers to Current Principals.

The provisions of Section 19.3 shall not apply to a Transfer of the Franchisee Equity Interests by one Principal to another Principal *if, and only if:*

(A) the Transferee Principal did not become a Principal by virtue of a Transfer that was exempt from, or not undertaken in accordance with, the provisions of Section 19.3, and

(B) the Transfer will not cause the Franchisee to be in violation of this Agreement, including, without limitations, Sections 18.1(C) or (D).

The Franchisee shall provide not less than forty-five (45) days *advance* written notice to the Franchisor of a proposed Transfer pursuant to this Section 19.6, including, therein the name of the Transferor and Transferee, the particulars regarding the Transfer, including, without limitation, the Equity Interest being Transferred and the anticipated closing date of the Transfer, a fully revised Informational Provisions document showing the revised equity arrangements, and a fully executed copy of each Ancillary Franchise Document required to be made and deliver, or executed by the Transferee.

19.7 Transfers by the Franchisor.

Nothing herein shall be deemed to limit or restrict the Franchisor's right to undertake a Transfer, in whole or in part, of its interest in this Agreement or any equity or other interest in the Franchisor. Upon any Transfer by the Franchisor, the Franchisee shall release the Franchisor from any obligations hereunder thereafter and shall look solely to the Franchisor's assignee(s) or successor(s) and, thereafter, all benefits shall inure to the benefit of such assignee(s) or successor(s).

20. **Termination and Other Remedies**.

20.1 Termination Without Opportunity to Cure.

The Franchisor may terminate this Agreement by written notice to the Franchisee without any opportunity to cure upon the occurrence of any of the following:

(A) the Franchisee: becomes insolvent, is adjudicated bankrupt, files a voluntary petition, suffers the filing of an involuntary petition in bankruptcy against the Franchisee and such petition is not dismissed within thirty (30) days, seeks protection from creditors under any other arrangements or laws similar thereto, makes an assignment for the benefit of creditors, or suffers the appointment of a receiver to take charge of the Franchisee's affairs, business operations or property,

(B) the Franchisee fails to: (1) commence operating the Business in accordance with the Valbridge System on or within thirty (30) days of the Effective Date, (2) use the Marks on or before the Mark Utilization Date, or (3) operate the Business for a period of twenty (20) or more consecutive business days, unless such cessation arises as a result of the effects of act of god, flood or fire or the Franchisor has given its prior written consent,

(C) in the Franchisee's franchise application or supporting information, documentation, or statements or in the representations of the Franchisee and its Equity Holders herein, the Franchisee or any Equity Holder made any false or misleading statements or failed to state any material fact reasonably necessary to make any statement made therein not false or misleading,

(D) the Franchisee permits a tax lien or judgment against the Franchisee to remain unsatisfied for sixty (60) days or more, excluding any judgment that is the subject of an ongoing active appeal for less than one (1) year,

(E) the Franchisee knowingly provides the Franchisor with any report or the Franchisee Records that are false, inaccurate, or materially incomplete,

(F) the Franchisee fails to attend the initial training on or within one hundred twenty (120) days of the day of this Agreement or fails to attend any other training on or within ninety (90) days of the required date thereof,

(G) the Franchisee breaches Section 15,

(H) the Franchisee receives: (1) three (3) or more notices of default from the Franchisor during the Term, whether or not such defaults related to the same breach or were cured, or (2) two (2) or more notices of default from the Franchisor for the same breach, whether or not the first was cured,

(I) the occurrence or proposed undertaking of a Transfer, other than in accordance with Section 19,

(J) the Franchisee infringes any of the Franchisor Intangible Properties, excluding only the inadvertent innocent misuse of a Mark where such misuse was not the subject of prior notice by the Franchisor,

(K) a claim, proceeding or action referenced in Section 10.2(C) is resolved against the Franchisee, or

(L) the Franchisee is in breach of its obligations under Section 17.

20.2 Termination After Limited Opportunity to Cure.

The Franchisor may terminate this Agreement on thirty (30) days written notice to the Franchisee setting forth the basis for such termination upon the occurrence of a For Cause Basis, *provided that*, no termination shall occur if within such notice period the Franchisee cures the basis of the termination and such basis was not previously the subject of a termination notice to the Franchisee, or the Franchisor, in its sole and absolute discretion withdraws the termination notice.

20.3 Liquidated Damages.

The Franchisee and the Franchisor agree that the damages suffered by the Franchisor in the event of the Franchisee's breach of any section of this Agreement set forth below are not readily ascertainable and that the Liquidated Damages set forth below for each such breach represent the parties reasonable best estimate of the damages that might be expected to arise and be suffered by the Franchisor as a result thereof. Therefore, upon each occurrence of a breach by the Franchisee of any section of this Agreement set forth below, the Franchisee shall pay the Franchisor the Liquidated Damages applicable to such section. Liquidated Damages shall be due and payable for each breach on or within five (5) business days of the Franchisor's knowledge occurrence of the applicable breach and demand therefor.

Agreement Section	**Liquidated Damages**
2.2, 5.3, 7.1(C), (F), (S) and (CC), 9.1, 9.2, 10.2 and 14.2.	$2,500.00

2.3, 5.2(A), 7.1(A), (B), (D), (E), (G) through (R), (T) through (BB), and (DD), 10.1 and 18.2.	$5,000.00

By way of clarification, breaches that are subject to this Section 20.3 are of a nature and type that involve non-compliance with aspects of the Valbridge System that the parties agree will likely negatively affect Valbridge System goodwill, including its ability to be viewed and to act as a unified nationwide organization, such as, for example, concerning utilization of Marks, training, quality standards, responsiveness, use of tools and processes to create uniform work and reporting structures, and matters requiring franchisees and licensees to perform to standards necessary to secure engagements from national accounts. The payment of liquidated damages pursuant to this Section 20.3 shall not limit the Franchisor's ability to terminate this Agreement in accordance with Sections 20.1 or 20.2 for any subsequent breach of the same or a different provision of this Agreement.

20.4 Other Non-Termination Remedies.

If the Franchisee breaches of this Agreement, including, without limitation, the failure or repeated failure to timely pay amounts due the Franchisor, adhere to branding, naming or Mark utilization standards, or use Equipment, Supplies, Software or Services, then, as an alternative to terminating this Agreement based on this Section 20, the Franchisor may, in its sole and absolute discretion, the Franchisor may elect by written notice to the Franchisee to:

(A) suspend all or part of the services, rights or benefits provided to the Franchisee pursuant to this Agreement or based on the Franchisee's status as a franchisee of the Franchisor, including, but not limited to, the Franchisee's ability to participate in and be awarded referral assignments, the provision of e-mail services and access, or the ability to utilize the website to display information about the Franchisee,

(B) reduce or otherwise change the Territory in the Franchisor's sole and absolute discretion, or

(C) terminate the Franchisee's exclusive right to maintain one or more Locations in the Territory.

The above non-termination remedies may be exercised collectively or individually and at any time and from time to time, need not have any relationship to the For Cause Basis, and shall be in addition to any other remedies available to the Franchisor under applicable law. An election made under this Section 20.4 shall not prevent or limit the Franchisee's ability to later elect pursuant to Section 20.2 to terminate this Agreement, whether or not for a continuing, the same, or any subsequent condition, occurrence, or non-occurrence.

20.5 **LIMITED RIGHT OF TERMINATION BY THE FRANCHISEE**.

THE FRANCHISEE MAY TERMINATE THIS AGREEMENT ONLY UPON STRICT COMPLIANCE WITH THE PROVISIONS OF THIS SECTION 20.5. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 20.5, THE FRANCHISEE SHALL NOT HAVE ANY RIGHT TO TERMINATE THIS AGREEMENT.

(A) Termination for Cause. The Franchisee may, on or within ninety (90) days after the commencement of the Franchisor's material breach of this Agreement and during the continuation of such material breach, terminate this Agreement by providing not less than ninety (90) days advance written notice to the Franchisor that sets forth the Franchisor's alleged material breach in reasonable detail, *provided that*, if the Franchisor substantially cures such for cause basis, then no termination shall occur.

(B) Termination without Cause. The Franchisee may, at its option and on not less than six (6) full calendar months advance written notice to the Franchisor provided on or after the

fourth anniversary of the Effective Date, terminate this Agreement at the next anniversary of the Effective Date (and upon full compliance herewith such date shall become the Normal Termination Date), *if, and only if*:

(1) the Base Term is six years or more,

(2) the Franchisee is and for the Term has been in compliance with its obligations to each of the Franchisor and its Affiliates, and each provider of Equipment, Supplies, Software, and Services, and

(3) on or within thirty (30) days prior to such termination date, the Franchisee pays the Franchisor:

(a) all amounts due and payable by the Franchisee to the Franchisor through such termination (to the extent then known or knowable), plus

(b) the result of:

(i) the net present value of the Royalties (based on the Adjusted Gross Revenue of the Franchisee for the trailing twelve months prior to such termination date) and all other fees, costs, assessments (including, any Capital-Reserve Assessment and for Equipment, Supplies, Software and Services, subject to reduction as set forth below), and other amounts then payable by the Franchisee from such termination date through the original Normal Termination Date, at the prime rate offered by the Franchisor's bank on the 45th day prior to prior to such termination date,

(ii) multiplied by (A) seventy-five percent (75.0%) if such termination date is the 5th anniversary of the Effective Date, or (B) fifty percent (50.0%) if such termination date is the 6th anniversary of the Effective Date, and

(4) the Franchisee makes and delivers to the Franchisor the General Release.

The amounts used for Equipment, Supplies, Software, and Services in this Section 20.5(B)(3)(i) shall not include any Equipment, Supplies, Software, or Services that the Franchisor can terminate without cost or penalty.

21. **Effect of Termination**.

21.1 Generally.

Upon the termination or expiration of this Agreement for whatever reason or basis, all rights of the Franchisee under this Agreement shall cease, and the Franchisee shall: (A) no longer exercise any of the Franchise Rights or engage in the Business, (B) immediately return to the Franchisor, at the Franchisee's expense, the Operations Manual and all other items that were loaned to the Franchisee by the Franchisor, and (C) immediately pay to the Franchisor all amounts due to the Franchisor without set off or deduction.

21.2 Marks, Materials and Trade Dress.

Without limiting the general nature of Section 21.1, upon the termination or expiration of this Agreement for whatever reason or basis, the Franchisee shall immediately:

(A) discontinue use of each Mark, and all signs, cards, notices, other display or advertising materials and each component of the Franchisee's Online Presence (including, without limitation, e-mail addresses and signatures) containing or otherwise indicative of any of a Mark, or the Franchisor, or any association with the Franchisor, or the Business,

(B) make or cause to be made such changes in signs, cards, notices and other display or advertising materials, buildings and structures as the Franchisor shall direct so as effectively to distinguish each Location from its former public image and marketing image including but not by way of limitation a change in the colors used at such Location,

(C) cancel each fictitious name registration of the Franchisee that contains the Franchisee Authorized Trade Name or any Mark or any word or symbol that is evocative of, or likely to create confusion with, the Franchisee Authorized Trade Name or any Mark,

(D) if the Franchisee is an entity and utilizes all or any portion of a Mark in its name, then the Franchisee shall immediately: change its name and remove all Marks, portions of Marks and words and symbols that are in any way evocative of, or likely to create confusion with, any Mark (as determined in the sole and absolute discretion of the Franchisor), and file such amendments, notices, documents, instruments and agreements and pay such filing fees as the Franchisor may require, in its sole and absolute discretion, to accomplish the foregoing,

(E) join with the Franchisor in canceling or terminating any permitted use of the Marks, and

(F) cease the use of all material of whatever nature where the copyright therein is owned by or licensed to the Franchisor or where the continued use thereof would in any way infringe any of the Franchisor Intangible Properties, including, without limitation, the undertaking of appraisal and consulting services utilizing the trade secrets, methods and systems implemented, from time to time as part of the Valbridge System.

If, within thirty (30) days of such direction, the Franchisee fails or omits to make or cause to be made any change required by this Section 21.2, then the Franchisee grants the Franchisor the right, license, power, and authority, without the consent of the Franchisee, save this right, license, and consent, which the Franchisee gives irrevocably and unconditionally, and without incurring any liability or having any obligation to the Franchisee or any Franchisee Equity Holder, to enter upon each Location and to file such documents, instruments and notices as the Franchisee deems in its sole discretion to be appropriate, to make or cause to be made any such change at the expense of the Franchisee which expense the Franchisee shall pay on demand.

21.3 Option to Purchase Materials.

Upon the termination or expiration of this Agreement for whatever reason or basis: (A) the Franchisor shall have the option (the "**Materials Option**"), but not the obligation, to purchase all or any part of the supplies, materials, equipment or other tangible assets containing or bearing any Mark or any word of symbol that is evocative of, or likely to create confusion with, any Mark (the "**Materials Option Goods**"), including, without limitation, signs, advertising materials, supplies, inventory, equipment, furnishings, fixtures, or other items at a price equal to the lesser of the Franchisee's cost or the fair market value, and (B) the Franchisee shall promptly provide the Franchisor with a list (the "**Goods List**") of all items in the Franchisee's possession or under its control that constitute Materials Options Goods and the Franchisee's estimate of the cost and the fair market value of each such item. The Franchisor may exercise the Materials Option by written notice provided on or within 45 days after the Franchisee's provision of the Goods List setting forth therein the Materials Options Goods that the Franchisor will purchase and the purchase price of each item thereof. If the parties cannot agree on fair market value within a reasonable time, an independent appraiser shall be designated by the Franchisor whose costs shall be borne equally by the parties, and his, her, or its determination shall be final and binding. The fair market value of tangible assets shall be determined without reference to goodwill, going concern value, or other intangible assets. If the Franchisor elects to exercise Materials Option, it shall have the right to set off against the purchase price for the Materials Options Goods, all amounts due from the Franchisee under this Agreement, and the cost of the appraisal, if any, against any payment to the Franchisee. Should the Franchisee fail or refuse to execute and

deliver the necessary documents to transfer free and clear title of the Materials Options Goods the Franchisor elects to purchase to the Franchisor, or its nominee, the Franchisor shall be entitled to apply to any court of competent jurisdiction for a mandatory injunction to compel the Franchisee to comply with the provisions of this Section 21.3, it being understood that the Materials Options Goods are unique given the potential impact on the goodwill associated with the Marks.

22. **Independent Contractor**.

The relationship between the parties is that of independent contractors. Neither this Agreement nor the provision of any advice, information or assistance at any time shall serve to create a fiduciary relationship or relationship of principal and agent between the Franchisee and the Franchisor. Except as may be expressly permitted by the Franchisor in writing, from time to time, the Franchisee shall not under any circumstances: (A) act, or hold itself out, as agent or representative of the Franchisor, or (B) incur any liability or create any obligation whatsoever in the name of the Franchisor. The Franchisee shall take such affirmative action as may be requested by the Franchisor from time to time (in addition to any actions expressly required by this Agreement) to indicate that the Franchisee is an independent contractor, and that no Location is operated by the Franchisor. The Franchisee shall make no statements, representations or claims and shall give no warranties to any customer or prospective customer in respect to the services sold by the Franchisee or the Valbridge System, save such as are implied by law or may have been specifically authorized in writing by the Franchisor.

23. **Enforcement of Third-Party Contracts Arrangements**.

The Franchisor: (A) retains all rights to undertake its business and enforce its contracts and arrangements as it deems appropriate in its sole and absolute opinion, and (B) shall not have any duty or obligation under this Agreement or otherwise to take any action concerning, or to enforce, any contract or arrangement between the Franchisor or any if its Affiliates and any other Person, notwithstanding whether any such failure or refusal to do so will or does negatively affect the benefits or rights of the Franchisee hereunder.

24. **Notice of Franchisor Breaches**.

The Franchisee shall promptly provide the Franchisor with written notice of any claim that the Franchisor or its Affiliates have breached this Agreement or any other agreement between any of them and the Franchisee. If the Franchisee fails to give the Franchisor written notice in accordance with the foregoing on or within one (1) year from the date of the claimed breach, then such breach shall be deemed to have been waived by the Franchisee and thereupon the Franchisee shall be permanently barred from commencing any action relating to such alleged breach.

25. **Disclosure of the Franchisee Information**.

The Franchisee acknowledges that state and federal law may require the Franchisor to disclose certain information about the Franchisee, including, for example, the Franchisee's home address, and consents and agrees to the Franchisor disclosing to third parties such information as it deems it is required to do to comply with applicable law.

26. **Independent Covenants**.

Except where the context otherwise requires each of the restrictions contained in this Agreement (including, without limitation, those set forth in Section 17) and in each Section and Paragraph shall be construed as independent of every other restriction and of every other provision of this Agreement and the existence of any claim or course of action of the Franchisee against the Franchisor whatsoever shall not constitute a defense to the enforcement by the Franchisor of the said restrictions or of any of them.

27. **Power of Attorney**.

If the Franchisee fails to perform its obligations under any of Sections 11.2 or 21.2(C), (D) or (E), then, after written notice, the Franchisor may perform, or cause performance of, such obligations and to effect the foregoing, the Franchisee hereby appoints the chief executive officer or other designee of the Franchisor as the Franchisee's attorney-in-fact with full authority in the place and stead of the Franchisee, and the Franchisee's names, from time to time in the Franchisor's sole discretion, to take any action and to execute any instrument which the Franchisor may deem necessary or advisable to accomplish the Franchisee's obligations under any of Sections 11.2 or 21.2(C), (D) or (E). The Franchisee hereby acknowledges that such power of attorney is coupled with an interest, is irrevocable, and is to be used by the Franchisor.

28. **Indemnification**.

The Franchisee shall hold the Franchisor and its Affiliates, and its and their managers, officers, directors, employees, agents, successors and assigns (each an "**Indemnified Party**") individually and collectively harmless from and against, any and all Obligations arising out of, relating to, or suffered by any Indemnified Party as a result of: (A) a breach of this Agreement by the Franchisee or the Franchisee Equity Holders, officers, employees, or contractors, (B) any intentional or negligent act or omission of the Franchisee or the Franchisee Equity Holders, officers, employees, or contractors, including, without limitation, a breach of any obligations due to any provider of Equipment, Supplies, Software, or Services, or (C) the conduct of the Franchisee's business and the Franchisee's other activities, whether before, during, or after the Term. The Franchisee has no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are caused by the Indemnified Party's negligence, willful misconduct, strict liability, or fraud.

29. **Entire Agreement, Waiver and Modification**.

This Agreement, the Operations Manual, and, if applicable to the Franchisee based on the Territory, the California Addendum, Illinois Addendum, Indiana Addendum, Maryland Addendum, Michigan Addendum, Minnesota Addendum, North Dakota Addendum, Virginia Addendum, or the Washington Addendum, set forth the entire understanding of the parties concerning the subject matter of this Agreement and incorporate all prior negotiations and understandings. Nothing in this Agreement or any related agreement is intended to disclaim the representations made by the Franchisor in the Franchise Disclosure Document. **THERE ARE NO VERBAL AGREEMENTS OR UNDERSTANDINGS BETWEEN THE PARTIES.** No failure by the Franchisor to exercise any power given to it under this Agreement or to insist upon strict compliance by the Franchisee of its obligations under this Agreement or the Operations Manual, and no custom or practice of the parties at variance with the terms of this Agreement shall constitute a waiver or relinquishment of any of the Franchisor's rights under this Agreement. No purported waiver by the Franchisor of any default by the Franchisee of any term or provision contained herein or in the Operations Manual shall be deemed to be a waiver of such term or provision unless such waiver is in writing and signed by the Franchisor. Furthermore, no such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein or affect or impair the Franchisor's right to enforce such term or provision or such default in the future. No delay or omission by the Franchisor in exercising or enforcing any of its rights under this Agreement shall affect or impair the Franchisor's ability to exercise or enforce such rights in such instance or thereafter. **Except for changes to the Operations Manual, which the Franchisor may unilaterally make, and which shall be effective upon notice thereof to the Franchisee and for revisions to the Informational Provisions upon an authorized Transfer undertaken in accordance with this Agreement**, no alteration, amendment, change or addition to this Agreement shall be binding upon any party unless in writing and signed by the party to be charged.

30. **Notices**.
Except for additions, modifications and amendments to the Operations Manual, any consent, waiver, notice, demand, request or other instrument required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given upon: (A) actual delivery if hand delivered, (B) the next business day after transmission by: (1) overnight express courier service (e.g., Federal Express), freight prepaid to the address for such party set forth herein, or (2) to the email address for notices for the party (which unless and until changed in accordance with this Section, shall be the email address set forth in the Informational Provisions above), or (C) five (5) business days after being sent by certified United States mail, return receipt requested, postage prepaid, to the address for such party set forth herein. Either party may change its address for notices in the manner set forth herein. The Franchisor may provide notice of additions, modifications, and amendments to the Operations Manual by posting same at the Franchisor's website or by providing notice thereof to the Franchisee via e-mail, and such notice shall be deemed effective as of the next business day. For purposes of this Agreement: (AA) a business day begins at 9:00 a.m. eastern time and ends at 5:00 p.m. eastern time on a day that is not a Saturday, Sunday, or other day when the banks are required or permitted to be closed in Florida, and (BB) a business hour is a 60-minute period on a business day.

31. **Captions**.
The captions and paragraph letters appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Agreement.

32. **Partial Invalidity**.
Each term and provision of this Agreement shall be independently enforceable to the fullest extent permitted by law. If any term or provision of this Agreement or the application thereof to any Person or circumstance is held by a court of competent jurisdiction to be invalid or unenforceable, then the remainder of this Agreement and the application of such term or provision to another Person or circumstance shall be unaffected thereby.

33. **Applicable Law, Jurisdiction, Venue and Forum**.
This Agreement shall be construed and governed under and by the laws of the State of Florida for contracts executed and to be performed in Florida, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.). The parties: (A) hereby consent to the jurisdiction of the federal and state courts of Florida, (B) agree that, except for unaffiliated third party actions and as set forth below in this Section, exclusive venue for any legal action or arbitration authorized hereunder shall be the city and state of the Franchisor's national headquarters (currently Orlando, Florida), and (C) waive all defenses based on venue, the inconvenience of the forum and lack of personal jurisdiction the city and state of the Franchisor's national headquarters. Notwithstanding the foregoing, if the Franchisor deems it necessary to commence an action in the Franchisee's jurisdiction in order to be able to realize a particular remedy available to the Franchisor, it may do so.

34. **Assignment of Contract**.
The Franchisee may not Transfer the Franchisee's rights or delegate the performance of the Franchisee's duties hereunder without the express prior written approval of the Franchisor. The Franchisor and its successors and assigns may, from time to time, assign or transfer all or any part its rights arising under this Agreement and the exhibits hereto or delegate the performance of its duties under this Agreement and the exhibits hereto without notice to, or the consent of, the Franchisee or any other Person.

35. **LIMITATION AND WAIVER OF DAMAGES AND CLASS ACTION**.
FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF BUSINESS OR OTHER ECONOMIC DAMAGE, OR INJURY TO PROPERTY, AND AGREE THAT IN THE EVENT OF ANY LITIGATION, MEDIATION, ARBITRATION, OR CONTROVERSY BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY SUCH PARTY. FRANCHISEE HEREBY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO ANY PROCEEDING IN THE NATURE OF A CLASS ACTION AGAINST FRANCHISOR, PARENT AND THEIR INDIVIDUAL AND COLLECTIVE AFFILIATES.

36. **WAIVER OF JURY TRIAL**.
THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE ALL OF THEIR INDIVIDUAL AND COLLECTIVE RIGHTS TO A TRIAL BY JURY ON ANY AND ALL ISSUES PERTAINING TO OR ARISING OUT OF THIS AGREEMENT.

37. **Injunction and Specific Performance**.
The Franchisee acknowledges that the failure of the Franchisee or any other Person bound hereto or hereby to strictly comply with the terms of this Agreement, the Valbridge System, and the Operations Manual is likely to cause irreparable damage to the Franchisor, and damages at law would be inadequate. Therefore, notwithstanding any other provision of this Agreement, in the event of a breach or threatened breach of any of the terms of the Agreement by the Franchisee, the Franchisor shall be entitled to seek injunctive relief restraining such breach or specific performance, without showing or proving any actual damage. The foregoing remedy shall be in addition to all remedies or rights that the Franchisor may otherwise have by virtue of any breach of this Agreement by the Franchisee. The Franchisor shall be entitled to seek such relief without the posting of any bond or security, provided that, if a bond shall nevertheless be required by a court of competent jurisdiction, the parties agree that the sum of $5,000.00 shall be a sufficient bond.

38. **Attorneys' Fees**.
In the event any litigation, mediation, arbitration, or controversy between the parties hereto arises out of or in connection with this Agreement, the prevailing party in such litigation, mediation, arbitration, or controversy shall be entitled to recover from the other party all reasonable attorneys' fees, expenses, and suit costs, including those associated with any appellate proceedings or any post-judgment collection proceedings.

39. **Counterparts**.
This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute the same instrument. Execution of an electronic copy will have the same force and effect as execution of an original, and an electronic signature will be deemed an original and valid signature. A signed copy of this Agreement, whether by wet signature or electronically, delivered by facsimile, email, or other means of electronic transmission (to which assigned PDF copy is attached) will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

40. **Survival**.
Sections 2.4, 6.4, 6.5, 11.2, 12, 13, 15, 16.5, 17.2 through 17.6, 18.1, 19.1, 19.2, 20.3, and 21 through 39 shall survive the expiration or termination of this Agreement and shall continue in full force and effect thereafter.

[End of the Franchise Agreement (excluding applicable addenda and amendments, if any). The parties' signatures appear on the Franchise Agreement Signature Page immediately following the Informational Provisions above.]

CALIFORNIA ADDENDUM

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

California Business and Professions Code Sections 20000 through 20043 establish the rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

California Corporations Code §31512 voids any condition, stipulation, or provision purporting to bind you to waive compliance with any of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids any condition, stipulation, or provision purporting to bind you to waive compliance with any of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 through 20043).

The franchise agreement requires binding arbitration and that such arbitration will occur at the offices of the American Arbitration Association nearest our home office, with cost being paid by the party which does not prevail in the arbitration. This provision may not be enforceable under California law. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code § 20040.5, Code of Civil Procedure § 1281, and the Federal Arbitration Act) to any provisions of the franchise agreement restricting venue to a forum outside the state of California.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.)

The franchise agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

Item 3: Additional California Disclosure.
None of the persons identified in Item 2 of the Disclosure and none of the franchisor or any Sales Agent of the Franchisor is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a, et. seq., suspending or expelling such person from membership in any such association or exchange.

Item 5: Initial Fees.
The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

Notice Required by California Exemption for Internet Advertisements.

Our website URL is: Valbridge.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

IN WITNESS WHEREOF, the parties hereto have executed and entered this California Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:
Valbridge Property Advisors Franchising System, LLC

By: _____
Pledger M. Bishop, III, Manager

Franchisee:
Name of Entity (if applicable):

_____

By: _____
Print name:

_____
Title:

_____

ILLINOIS ADDENDUM

The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended consistent with Illinois Law, including the Franchise Disclosure Act of 1987, 815 ILCs 705/1-44. To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended.

Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provides rights to franchisees concerning non-renewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

Paragraph 705/41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly.

IN WITNESS WHEREOF, the parties hereto have executed and entered this Illinois Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:
Valbridge Property Advisors Franchising System, LLC

By: _____
Pledger M. Bishop, III, Manager

Franchisee:
Name of Entity (if applicable):

_____

By: _____
Print name:

_____
Title:

_____

INDIANA ADDENDUM

Pursuant to IC 23-2-2.7-1, the following shall supersede any provisions to the contrary in the Franchise Disclosure Document and shall apply to all franchises offered and sold in the State of Indiana.

It is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement, or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subdivision.

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subdivision includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three (3) years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any:

a) advertising campaign or contest,

b) promotional campaign,

c) promotional materials, or

d) display decorations or materials,

at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

Further, IC 23-2-2.5-9(2) of the Indiana Franchise Practices Act requires a franchisor to give you a copy of the Franchise Disclosure Document together with a copy of all proposed contracts relating to the sale of the franchise at the earlier of: (i) at least 10 days prior to signing the franchise agreement, or (ii) at least 10 days prior to franchisor's receipt of any consideration. The Receipt is amended to reflect the 10-day waiting period

IN WITNESS WHEREOF, the parties hereto have executed and entered this Indiana Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:
Valbridge Property Advisors Franchising System, LLC

By: _____
Pledger M. Bishop, III, Manager

Franchisee:
Name of Entity (if applicable):

_____

By: _____
Print name:

Title:

_____

MARYLAND ADDENDUM

The Maryland Franchise Registration and Disclosure Law, COMAR 02.02.08.16(L), and MD Code, Business Regulation §14-226, provide that, as a condition of the sale of a franchise, a franchisor may not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability under the Franchise Registration and Disclosure Law.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Item 17 of the Franchise Disclosure Document is amended by adding: any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

Item 17 of the Franchise Disclosure Document and Section 18 of the Franchise Agreement are amended by adding: any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Section 18 of the Franchise Agreement is amended to provide as follows: Any lawsuit permitted under this Article shall be brought in the federal or state courts located in the State of Maryland.

For franchisees having a franchised business in Maryland or a Territory that includes any part of Maryland, Item 5 of the Franchise Disclosure Document and Section 11.2 of the Franchise Agreement are amended as follows:

> All fees shall be deferred pending satisfaction of all of the Franchisor's pre-opening obligations to the Franchisee.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Further, MD Code, Business Regulation §14-223 requires a franchisor to give you a copy of the Franchise Agreement and the Franchise Disclosure Document at the earlier of: (i) 14 calendar days prior to signing the franchise agreement, (ii) 14 calendar days prior to payment of any consideration that relates to the franchise relationship, or (iii) a reasonable request by you to receive a copy of the Franchise Agreement and the Franchise Disclosure Document.

[Signature page to Maryland Addendum to Franchise Agreement.]

Franchisor:
Valbridge Property Advisors Franchising System, LLC

By: _____
Pledger M. Bishop, III, Manager

Franchisee:
Name of Entity (if applicable): _____

By: _____
Print name: _____
Title: _____

MICHIGAN ADDENDUM

NOTICE REQUIRED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

The following statement is required to be provided to the franchisee under the Michigan Franchise Investment Law. By providing this statement, the franchisor does not represent or warrant that any of the following provisions of the law are enforceable. The franchisor reserves the right to contest the enforceability of any of the following provisions.

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 the franchisee. Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(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. 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 to 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 furnishings not reasonably required in the conduct of the 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 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 not 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 sub franchisor.

(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 provision that grants to a franchisor a right of first 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 prohibit a provision that grants the franchisor the right to 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 franchisor to directly or indirectly convey, assign, or otherwise transfer its 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 offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to:

Michigan Department of Attorney General
Attn: Franchise Section
525 W. Ottawa Street, G. Mennen Williams Building - 5th Floor
Lansing, Michigan 48913
(517) 335-7567

IN WITNESS WHEREOF, the parties hereto have executed and entered this Michigan Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:
Valbridge Property Advisors Franchising System, LLC

By: _____
Pledger M. Bishop, III, Manager

Franchisee:

Name of Entity (if applicable): _____

By: _____

Print name: _____

Title: _____

MINNESOTA ADDENDUM

Minnesota Statute 80C. 21 and Minnesota Rule 2860. 4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases)

- that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and
- that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12, Subd. 1(g). The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota Rules 2860. 4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860. 4400(J). Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statute 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

IN WITNESS WHEREOF, the parties hereto have executed and entered this Minnesota Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:
Valbridge Property Advisors Franchising System, LLC

By: _____
Pledger M. Bishop, III, Manager

Franchisee:
Name of Entity (if applicable):

_____

By: _____
Print name:

_____
Title:

_____

NORTH DAKOTA ADDENDUM AND AMENDMENT

Pursuant to NDCC Section 51-19-09, the North Dakota Insurance Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota Franchisees and requires that certain provisions contained in franchise documents be amended consistent with North Dakota Law. To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended.

(1) Restrictive Covenants: Franchise Disclosure Documents (FDD) that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

(2) Situs of Arbitration Proceedings. Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

(3) Restrictions on Forum. Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

(4) Liquidated Damages and Termination Penalties. Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

(5) Applicable Laws. Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

(6) Waiver of Trial by Jury. Requiring North Dakota Franchises to consent to a waiver of a trial by jury.

(7) Waiver of Exemplary and Punitive Damages. Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damages.

(8) General Release. Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

(9) Limitation of Claims. Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(10) Enforcement of Agreement. Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

NORTH DAKOTA AMENDMENT
TO VALBRIDGE PROPERTY ADVISORS FRANCHISE AGREEMENT

This North Dakota Amendment to Valbridge Property Advisors Franchise Agreement (the "**Amendment**") is made and entered as of the date set forth below by and between Valbridge Property Advisors Franchising System, LLC, a Florida limited liability company (the "**Franchisor**") and the franchisee identified in the signature block below (the "**Franchisee**"), as an amendment to the Franchise Agreement of even date herewith (the "**Franchise Agreement**") by and between the Franchisor and the Franchisee.

The parties agree as follows:

1. **Amendment, Controlling Terms and Defined Terms**.
The Franchisee or all or part of the Territory (as that term is defined in the Franchise Agreement) is located in North Dakota. Therefore, in accordance with North Dakota Franchise Investment Law and the regulations promulgated thereunder, the Franchise Agreement is amended and modified as expressly set forth herein. To the extent that any terms of this Amendment conflict with the terms of the Franchise Agreement, the express terms, conditions, and provisions of this Amendment shall prevail. Except as expressly set forth herein, the terms and conditions of the Franchise Agreement shall remain in full force and effect. Capitalized terms used in this Amendment shall have the meaning set forth in the Franchise Agreement.

2. **Restrictive Covenants**.
Sections 17.1 and 17.2 of the Franchise Agreement and each other restrictive covenant applicable to the Franchise Agreement shall be interpreted in accordance with and subject to North Dakota Century Code Section 9-08-06.

3. **Section 4.3(E) of the Franchise Agreement**.
Section 4.3(E) of the Franchise Agreement is hereby deleted.

4. **Section 20.3 of the Franchise Agreement**.
Section 20.3 of the Franchise Agreement is hereby deleted.

5. **Section 32 of the Franchise Agreement**.
Section 32 of the Franchise Agreement is hereby deleted.

6. **Section 34 of the Franchise Agreement**.
The first sentence of Section 34 of the Franchise Agreement is deleted and replaced with the following:

> THE FRANCHISOR AND THE FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES OF ANY KIND, AND AGREE THAT IN THE EVENT OF ANY LITIGATION, MEDIATION, ARBITRATION, OR CONTROVERSY BETWEEN THEM EACH SHALL BE LIMITED AS SET FORTH HEREIN.

7. **Section 35 of the Franchise Agreement**.
Section 35 of the Franchise Agreement is hereby deleted.

8. **Entire Agreement, Waiver, Modification and Captions**.
This Amendment sets forth the entire understanding of the parties concerning the subject matter of this Amendment and incorporates all prior negotiations and understandings. There are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them relating to the subject matter of this Amendment other than those set forth herein. No

purported waiver by any party of any default by another party of any term or provision contained herein shall be deemed to be a waiver of such term or provision unless the waiver is in writing and signed by the waiving party. No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein. Except as set forth below, no alteration, amendment, change or addition to this Amendment shall be binding upon any party unless in writing and signed by the party to be charged. The captions and paragraph letters appearing in this Amendment are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Amendment.

9. **Sections of Franchise Agreement Applicable to Amendment**.
The provisions of Sections 29 through 37 of the Franchise Agreement shall be applicable to this Amendment.

10. **Counterparts**.
This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute the same instrument.

11. **Survival**.
The provisions of this Amendment shall survive and continue in full force and effect after the execution and consummation of the transactions contemplated by this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed on the day and year first above written.

Franchisor: Valbridge Property Advisors Franchising System, LLC

By: _____
Pledger M. Bishop, III, Manager

Franchisee: (Print the Franchisee name below.)

_____
Franchisee authorized person to sign below:

By: _____
Print name and title of the Franchisee authorized person.

_____

VIRGINIA ADDENDUM

Item 18 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the following statements are added to Item 17 of the Franchise Disclosure Document.

> "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 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."
>
> "Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given him by any provision contained in the franchise agreement. If any provision of the franchise agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise agreement, that provision may not be enforceable.

IN WITNESS WHEREOF, the parties hereto have executed and entered this Virginia Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:
Valbridge Property Advisors Franchising System, LLC

By: _____
Pledger M. Bishop, III, Manager

Franchisee:
Name of Entity (if applicable):

_____

By: _____
Print name:

_____
Title:

_____

WASHINGTON ADDENDUM
TO THE FRANCHISE DISCLOSURE DOCUMENTS,
THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the Franchise Agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights**. RCW 19.100.180 may supersede provisions in the Franchise Agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the Franchise Agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation**. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release**. A release or waiver of rights in the Franchise Agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial**. Provisions contained in the Franchise Agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees**. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee**. The franchisee may terminate the Franchise Agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions**. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing**. Any provision in the Franchise Agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages**. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the Franchise Agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement**. Provisions in the Franchise Agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification**. Any provision in the Franchise Agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees**. If the Franchise Agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants**. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the Franchise Agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements**. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

16. **Questionnaires and Acknowledgments**. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators**. Any provision in the Franchise Agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers**. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Initial Franchise Fee Deferral**. The franchisor will defer collection of the initial franchisee fee until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business. The initial fee for the purposes of the deferral includes all initial franchise fees described in Item 5 of the Franchise Disclosure Document.

IN WITNESS WHEREOF, the parties hereto have executed and entered this Washington Addendum to the Valbridge Property Advisors Franchise Agreement as of the day and year first above written on the Franchise Agreement.

Franchisor:
Valbridge Property Advisors Franchising System, LLC

By: _____
Pledger M. Bishop, III, Manager

Franchisee:
Name of Entity (if applicable):

_____

By: _____
Print name:

_____
Title:

_____

EXHIBITS TO FRANCHISE AGREEMENT

EXHIBIT A - DEFINITIONS

(A) **Affiliate** means with respect to any Person (the "*First Party*"), any other Person:

(1) that directly or indirectly controls, is controlled by or is under common control with the First Party,

(2) who is an officer, manager, employee, or agent of, partner in, or trustee of, or serves in a similar capacity with respect to, the First Party (or any of the Persons meeting the description set forth in clause (1) above),

(3) of which the First Party is an officer, manager, agent, partner, or trustee, or serves in a similar capacity, or

(4) who is a member of the First Party's family.

For purposes of this definition, the term "*control*" means the direct or indirect possession of the power to direct or cause the direction of the management or policies of the First Party, whether through the ownership of securities, by contract or otherwise.

(B) **AMC Services** means to oversee and administer a network or panel of more than 15 certified or licensed appraisers in any single state or 25 or more certified or licensed appraisers nationally in connection with valuing properties, collateralizing mortgage loans or mortgages incorporated into a securitization for the benefit or at the direction of an AMC User, where: (1) the provider of the AMC Services utilizes criteria determined by the AMC User or applicable laws, rules or regulations, such as, if applicable, FIRREA, to determine the qualifications of the appraisers eligible to be a panel member, and (2) if included, an Appraisal Review conducted by or for the provider of the AMC Services is undertaken to ascertain compliance with applicable laws, rules or regulations. AMC Services *may* include: (i) recruiting, selecting and retaining appraisers, (ii) contracting with licensed and certified appraisers to perform appraisal assignments, (iii) managing the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed, or (iv) reviewing and verifying the work of appraisers. Typically, though not in all cases, providers of AMC Services are required to register with applicable regulatory authorities.

(C) **AMC User** means any of: (1) a creditor of a consumer credit transaction secured by a consumer's principal dwelling, (2) an underwriter of, or other principal in, the secondary mortgage markets, (3) a Person monitoring one or more portfolios of loans or mortgage-backed securities.

(D) **Ancillary Franchise Document** means each instrument, document, or agreement to be made and delivered, executed, or signed in connection with the entry or continuation of the franchise relationship between the Franchisor and the Franchisee, or a Transfer or other change in the status of any Franchisee Equity Holder, including, without limitation: (1) that/those certain Continuing Unconditional Guarantee(s) attached hereto as Exhibit B, (2) that/those certain Employee and Manager Restrictive Covenant(s) attached hereto as Exhibit D, (3) that/those certain Joinder and Adoption of Sections of Franchise Agreement(s) attached hereto as Exhibit E, (4) that certain Report Platform Software-as-a-Service and License Agreement, the current form attached hereto as Exhibit F, (4) that certain Database Access and License Agreement, the current form attached hereto as Exhibit G, and (5) as applicable, that certain Cost Reduction Payment Agreement attached

hereto as Exhibit H. With regard to the Cost Reduction Payment Agreement (Exhibit H), in the case where this Agreement, as selected in the Informational Provisions of this Agreement, is a renewal franchise agreement, the existing Cost Reduction Payment Agreement (Exhibit H) shall continue in full force and effect in accordance with its terms until terminated.

(E) **Appraisal** means the act or process of developing an opinion of value.

(F) **Appraisal Consulting** means the act or process of developing an analysis, recommendation, or opinion to solve a problem where an opinion of value is a material component of the analysis, recommendation, or opinion.

(G) **Appraisal Review** means the act or process of developing and communicating an opinion about the quality of another appraiser's Appraisal, Appraisal Consulting or Appraisal Review, including, without limitation, for a provider of AMC Services, whether or not such provider is an Affiliate of the Franchisee, *provided that*, an examination of an appraisal, whether or not characterized as a 'review,' merely for grammatical, typographical, or other similar errors where the examination is not conducted by a qualified appraiser or does not review the professional work of the appraiser initially conducting the Appraisal or providing the Appraisal Consulting services is not an Appraisal Review.

(H) **Appraiser Panel** means a network of licensed or certified appraisers who perform appraisal services as independent contractors for an appraisal management company.

(I) **As-Converted Basis** means on a fully diluted basis with all securities that are exercisable, or convertible treated as having been exercised or converted without regard to whether the conditions for such exercise or conversion have occurred or are likely to occur.

(J) **Business** means engaging in a real and personal property appraisal practice in accordance with the processes, procedures, methodologies, and systems established, revised, and replaced, from time to time by the Franchisor, as set forth in the Operations Manual, and shall include, without limitation:

(1) Appraisal,

(2) Appraisal Consulting,

(3) Appraisal Review,

(4) evaluations to develop an opinion of value,

(5) providing expert consulting or testimony concerning any Appraisal, Appraisal Consulting or Appraisal Review,

(6) conducting real estate market studies and feasibility studies,

(7) undertaking such other business activities as may be permitted by the Franchisor from time to time,

(8) marketing, selling, and offering for sale the products and services described above, including utilizing the Marks, and

(9) undertaking such other activities as may be incidental or related thereto,

provided that, "*Business*" shall not include any of the following:

(w) any activity requiring a real estate salesperson or real estate broker license to engage in such activity, such as real estate brokerage or providing a broker opinion of value,

(x) real estate property and asset management for third party property owners,

(y) AMC Services, and

(z) the purchase, improvement, sale, leasing, and operation of real estate where the Franchisee is a principal in such activity.

For clarification purposes, though items (w) through (z) are not included in the definition of Business, if the Franchisee conducts any or all of such activities and generates Gross Revenue therefrom, such Gross Revenue shall, nonetheless, be included in the Gross Revenue of the Franchisee for all purposes.

(K) **Business Identity Purposes** means for: (1) all marketing and sales activities and materials, including, without limitation, business cards, signs, and proposals, (2) engagement letters and other the Franchisee initiated contracts, (3) checks and financial matters (excluding payroll and governmental correspondence), and (4) all other documents and forms utilized by the Franchisee in the regular course of the Franchisee's engagement in the Business, but excludes the Franchisee's Online Presence.

(L) **Change in Control Transaction** means any Transfer or proposed Transfer of the direct or indirect power to direct or cause the direction of the management or policies of the Franchisee, whether through holding or controlling any Equity Interest, or by contract or otherwise by any Person or Persons who are not, as of the Effective Date, and Equity Holder of the Franchisee, including, without limitation, by means of: (1) any transaction or series of related transactions, that include: (a) the purchase or issuance of any Equity Interest, or (b) any reorganization, merger or consolidation of the Franchisee, or (2) the sale or other disposition of all or substantially all of: (a) the material assets of the Franchisee or of its operating subsidiaries, or (b) the Equity Interests of one or more the Franchisee's subsidiaries.

(M) **Confidential Information** means all information of, about, or relating to any Valbridge Party, Data Appraise Systems, LLC, Data Solutions, LLC, or V-Bridge, LLC each of whom is a subsidiary of the Parent, that is: (1) non-public, secret, or proprietary to any Valbridge Party, or (2) the subject of commercially reasonable efforts by Parent or the Valbridge Party to keep non-public, secret, or proprietary, or (3) compiled by a Receiving Party through the use of Confidential Information of any one or more of the Valbridge Parties, provided, that, Confidential Information shall not, in any event, include any information that is: (i) generally known or publicly available upon reasonable inspection (as long as such information did not become generally known or publicly available as a result of a breach of a duty of obligation to any Valbridge Party), or (ii) received without a restriction on disclosure from a third party who is not under a duty of confidentiality, directly or indirectly, to any Valbridge Party. Information shall not be disqualified as Confidential Information by the provisions of this subsection (N)(i) or (ii) merely because a part of such Confidential Information is embodied in general disclosures, such as franchise filings or securities law disclosures. Confidential Information shall include, without limitation: trade secrets, inventions, know-how, methods, ideas, practice systems, source code and object code, operational diagrams, processing arrangements, operational methodologies for systems and software, educational materials, methods for undertaking appraisals and delivering services, report templates, spreadsheets and spreadsheet templates (e.g., the GATCO Excel template) the Operations Manual and each other description of any best practice or process or method for undertaking any aspect of the Business in the Valbridge System, data (excluding data owned by Franchisee) including that which is accessed or provided via a third-party maintained commercial or similar database (including the database commonly known as 'CoStar'), product and service specifications, marketing plans,

pricing, business plans and strategies, financial plans, financial results, sales forecasts, sources of supply, personnel information, lists of customers and potential customers, market research data, vendor arrangements, information relating to costs or charges, employee compensation amounts and methodologies, information that a Valbridge Party or any of their individual or collective customers, franchisees or licensees is obligated by law or agreement to keep confidential or not use, and such other information whether in oral, written, electronic, or other form or media, whether or not such information is otherwise identified as "confidential" which, if known, would be of advantage to others competing or doing business with, or would be of disadvantage to, any Valbridge Party or any of their individual or collective customers, franchisees or licensees.

(N) **Collateral** means all of the Franchisee's tangible and intangible assets that are in the possession or under the control of the Franchisor.

(O) **Datappraise SaaS** means that certain software-as-a-service Report Writing Platform and related software license that is made available from time to time by Data Appraise Systems, LLC, a Florida limited liability company and subsidiary of the Parent, and its successors and assigns.

(P) **De Facto Location** shall have the meaning set forth in the Operations Manual.

(Q) **Determination Date** means: (1) the date that the applicable definition is being determined, if such date is at any time during the existence of a franchise relationship between the Franchisor (or its successors and assigns) and the Franchisee, or (2) the date that the Franchisee's franchise relationship with the Franchisor (or its successors and assigns) terminated.

(R) **Dispute** means all disputes, controversies, claims, and proceedings arising out of, or relating to, any part of this Agreement, the Business, the Valbridge System, or the relationship of the parties, including, but not limited to, any claim that this Agreement, or any part thereof, is invalid, illegal, or otherwise void, excluding, in all cases the Excluded Claims.

(S) **Equipment, Supplies, Software, or Services** and **Equipment, Supplies, Software and Services** means, either individually or collectively, each tangible or intangible asset, right, or service (including, without limitation, furniture, fixture, equipment, software, operating systems, supplies, material, insurance, data, maintenance services, support services, and software-as-a-service or Internet accessible platform related services) that, in the discretion of the Franchisor, is necessary or advisable for the Franchisee to secure for and utilize in its Business, to perform its obligations under this Agreement, to comply with the Franchisor established best practices, or to meet or exceed industry or customer standards, or for the Franchisor to engage in its business activities, including operating the franchise system, provided that, no Equipment, Supplies, Software, or Services shall include any employee benefit plan (including, without limitation health insurance or any retirement plan). As of the Effective Date, the Equipment, Supplies, Software, and Services include: (1) goods and services to rebrand the Franchisee's business operations and each Location with one or more of the Marks, (2) marketing and promotional materials and services, (3) goods bearing a Mark (e.g., clothing), (4) professional liability and general liability insurance coverage for the Franchisee, the operation of the Business, and the Franchisor and the other Valbridge parties, (5) computer systems, equipment, software, and services, (6) data to be utilized in the Business and services relating to such data, including through a third-party maintained database commonly known as 'CoStar', (7) communications platforms, software, and systems, including email, (8) systems and software to store, manage, and transmit data utilized in the Business and documents

prepared in connection with undertaking the Business, (9) the Report Writing Platform, (10) Templates, (11) an appraisal management software or software-as-a-service platform, and (12) the Valbridge Database.

(T) **Equity Interest** means, as concerns a Person (the "*Subject Person*"), on an As-Converted Basis: (1) an ownership, stock, membership, or other equity or voting interest (including by contract) in or of the Subject Person or the parent of the Subject Person, or (2) a security that is convertible into an ownership, stock, membership, or other equity or voting interest in or of the Subject Person.

(U) **Equity Holder** means, as concerns a Person (the "*Subject Person*"), another Person that directly or indirectly holds an Equity Interest in or of the Subject Person. The Equity Holders of the Franchisee shall include each Franchisee L1 Owner, Franchisee L2 Owner, Franchisee L3 Owner, Franchisee L4 Owner, and Franchisee L5 Owner.

(V) **Excluded Claim** means an action, claim or proceeding by the Franchisor against the Franchisee where the Franchisor: (1) seeks injunctive relief, specific performance or other equitable relief, or (2) brings a claim for breach of any of Sections 11.2, 12, 13.4, 15, 16, 17 or 18, or (3) alleges that the Franchisee infringed any of the intellectual property rights of the Franchisor or the Parent, including, but not limited to, any Mark.

(W) **FIRREA** means the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

(X) **For Cause Basis** means, subject to the limitations below: (1) the Franchisee's breach of this Agreement, including, without limitation, Sections 2.2, 5, 7 and 12 hereof, or failure to strictly adhere to the provisions and requirements of, and engage in the Business strictly in accordance with, the Operations Manual, (2) the Franchisee's failure to timely and fully pay any amounts due the Franchisor or its affiliates, from time to time, (3) the Franchisee innocently infringes or misuses the intellectual property rights of the Franchisor, or (4) the Franchisee is adjudicated incompetent and the Franchisee's guardian does not engage a qualified manager to operate the Business within thirty (30) days of such adjudication, *provided that*: For Cause Basis shall not include any of the matters described in Section 20.1(A) through (L), and innocent infringement or misuse shall not include any circumstance or occurrence that was the subject of prior notice by the Franchisor.

(Y) **Former Employee** means any person who has been employed or engaged as an independent contractor by the Franchisor at any time during the two (2) years immediately preceding the Determination Date.

(Z) **Franchise Rights** shall have the meaning set forth in Section 2.1.

(AA) **Franchisor Intangible Properties** means the copyrights, know-how, trade secrets, business systems, inventions, processes, methods of collecting, processing and conveying information and outcomes, and all other intellectual property rights: (1) of each of the Franchisor, the Parent, or any of the Parent's subsidiaries, including, without limitation, the Valbridge System, each Mark, each Template, the Valbridge Database and the date therein, marketing materials, concepts and processes, analytics, and the copyrights in and to, the copyrightable materials of the Franchisor, the Parent, or any of the Parent's subsidiaries, or (2) that is licensed to the Franchisor by another Person.

(BB) **Initial Effective Date** means the Effective Date of the first franchise agreement entered by and between the Franchisor and the Franchisee.

(CC) **Local or Statewide Practice** means rendering appraisal and consulting services: (1) for any or all of: commercial real property, residential real property, businesses and related

securities, furniture, fixtures and equipment, and any other tangible property, and (2) where such appraisal and consulting services are local or statewide in scope, and not, directly or indirectly, in whole or in part, national or regional in scope, (3) are not undertaken, directly or indirectly, for, by, in connection with, or as an employee or contractor of an Valbridge Competitor, and (4) in an arrangement that is other than as part of a national franchise or an affiliated group of independent appraisal firms.

(DD) **Location** means each premises that is within the Territory and: (1) is (a) described in the Informational Provisions first set forth in this Agreement, or (b) one where the Franchisee timely provides the Section 5.1(CC) notice, receives the consent of the Franchisor to add as an additional Location, and thereafter occupies, or (2) is a relocation replacement for a premises described in (1)(a) or (b) above where such relocation was undertaken in accordance with Section 5.3 and this Agreement. Each premises for which a relocation occurred in accordance with this Agreement shall no longer be a Location.

(EE) **Marks** means: (1) (a) the name *Valbridge Property Advisors*, and (b) such other trademarks, trade names, service marks, logos and brands that may be owned by, or licensed to, the Franchisor, from time to time, and which the Franchisor may, by written notice, make subject to the Franchise Rights, but (2) excluding any of the foregoing that the Franchisor has determined are no longer permitted to be used.

(FF) **Mark Utilization Date** means:

(1) the Effective Date, or

(2) solely concerning displaying each sign at a Location where the Franchisee first occupies such Location on or after the Effective Date, the Franchisee requires governmental authority or landlord approval to display such sign, and the Franchisee diligently applies for and pursues such approval, the lesser of:

(a) thirty (30) days after receipt of such approval from the applicable Person, or

(b) ninety (90) days after the Effective Date, or

(3) ninety (90) days after the Effective Date *if, and only if*, the Franchisee:

(a) has **not** previously been a franchisee or licensee of the Franchisor, and

(b) is **not** a Transferee of a prior franchisee or licensee of the Franchisor,

provided that the Franchisor may, in its sole discretion and in writing, extend the Mark Utilization Date under (2) or (3) above for up to sixty (60) days.

(GG) **MAI** means the Person has met the applicable requirements of the Appraisal Institute and is authorized at and for the applicable period to use and display the MAI designation in accordance with the rules and requirements of the Appraisal Institute or its successor.

(HH) **Non-Local Conferences** means conferences, seminars and other group events that have an international, national, regional, or statewide focus (e.g., Texas Right-of-Way Conference, the Heckerling Institute on Estate Planning conference, etc.). Any dispute about whether a conference is a Non-Local Conference or not shall be determined by the Franchisor in its reasonable discretion, after written notice to the Franchisor from the Franchisee or any Peer of the dispute, utilizing as factors for the resolution (to the extent known): (1) the locations from which a fair representation of the sponsors come, (2) whether the conference moves to different geographic locations outside of the Territory or the Peer's territory, (3) whether the conference is intended to be applicable to the Services

in a geographic area that is greater than the Territory or the Peer's territory, and (4) such other factors as the Franchisor may elect to consider.

(II) **Normal Termination Date** means the last day of the Base Term.

(JJ) **Obligations** means claims, losses, damages, liabilities, obligations, costs, and expenses (including, without limitation, court costs and reasonable attorneys' fees, pretrial, trial, and appellate).

(KK) **Online Presence** means any and all of the following that are utilized, maintained, developed or created by or for the purpose, in whole or in part, of marketing, business development, or business promotion: (1) a website, (2) online accessible information or media, (3) each Internet Uniform Resource Locator (URL) and the sub-domain, directory and accessible files accessible through such URL, (4) e-mail addresses and e-mail signatures, (5) directory listings, and (6) social media accounts and platforms, such as, for example, blogs, Facebook pages and profiles, YouTube accounts and channels, LinkedIn profiles, Twitter handles, tweets and feeds, and Google+ accounts, *provided that*, Online Presence shall exclude in all cases: (i) any of the foregoing that are provided by or through the Franchisor and for which the Franchisee provides information or media in accordance with the Operations Manual, and (ii) responses to requests for quotation utilizing third party provided cloud based online quotation platforms such as, for example, the platforms commonly known as RIMS, Collateral 360 and VSIMS.

(LL) **Operational Qualifications** means that the applicable natural person: (1) holds one or more of the following: (a) a MAI or an SRA designation granted by the Appraisal Institute, (b) an ASA designation granted by the American Society of Appraisers, or (c) a CVA (Certified Valuation Analyst) designation granted by National Association of Certified Valuators and Analysts, (2) is a Certified Public Accountant in the state in which the Territory is location, or (3) holds such other qualification or designation that is either set forth in the Operations Manual or approved by the Franchisor in writing in its sole and absolute discretion.

(MM) **Operations Manual** means that certain operations manual containing the statements of policies and procedures, instructions, and advice to be utilized in the operation of the Business, as may be adopted, amended, modified, revised, or replaced, from time to time by the Franchisor. In the event of any dispute, the authentic text of the Operations Manual shall be that of the copy held by the Franchisor at its principal corporate office.

(NN) **Outside Territory Marketing** means any marketing, advertising, public relations, business development or promotional activities:

(1) that are directed outside the Territory, or

(2) where a significant purpose of any such activity is to secure one or more engagements to undertake the Business for one or more properties that are outside of the Territory, such as, by way of example and without limitation, a prospective customer located outside the Territory with properties all located outside the Territory (e.g., local governmental agencies with a jurisdiction or coverage that is outside the Territory),

provided that Outside Territory Marketing shall <u>not</u> include:

(i) any marketing, advertising, public relations, business development or promotional activities directed to existing and prospective customers located outside the Territory but with one or more properties located inside the Territory (e.g., real estate management companies, financial managers, etc.),

(ii) providing quotes through third party provided cloud based online quotation platforms such as, for example, the platforms commonly known as RIMS, Collateral 360, and VSIMS (though the Franchisor strongly recommends that the Franchisee inquire with the Peer having the territory where the property is located to determine if such Peer is going to submit a quote, and utilize such Peer for support in the rendition of the Services in the Peer's territory),

(iii) attendance and marketing, advertising, public relations, business development or promotional activities at Non-Local Conferences,

(iv) undertaking the Business in a Specialty Practice Area, and

(v) where the customer or prospective customer refuses to work with the applicable Peer.

(OO) **Peer** means another franchisee or licensee of the Franchisor.

(PP) **Peer to Peer Assignment** means any Referral Assignment that, in accordance with Section 8, is either: (1) referred by a Peer and accepted by the Franchisee, or (2) referred by the Franchisee and accepted by a Peer.

(QQ) **Person** means an individual, sole proprietorship, partnership, joint venture, limited liability company, limited liability partnership, trust, estate, unincorporated organization, association, corporation, institution, or other entity.

(RR) **Principal** means a Franchisee Equity Holder that directly or indirectly holds ten percent (10%) or more of the Franchisee Equity Interests, including, without limitation, as a vendee in possession or pursuant to a contract right (including any option to purchase, whether exercised or not).

(SS) **Prohibited Equity Holder** means a Person who: (1) is a Valbridge Competitor, (2) is an officer, director, manager, partner, or employee or contractor of a Valbridge Competitor, or (3) holds an Equity Interest in any Valbridge Competitor, *provided that* the foregoing shall not apply to the holder of an Equity Interest of two percent or less of the total Equity Interests of a publicly traded Valbridge Competitor.

(TT) **Receiving Party** means any of the Franchisee, its equity holders, directors, officers, managers, employees, contractors, or vendors.

(UU) **Referral Assignment** means an opportunity to undertake the Business, in whole or in part, for another Person that was referred to the Franchisee by the Franchisor or by a Peer, whether the Franchisee undertakes the Business directly for such other Person or through the Franchisor or Peer acting as a project coordinator. Referral Assignments where the Franchisee is the party receiving the referral will typically be the provision of an Appraisal for a property located within the Franchisee's Territory.

(VV) **Report Writing Platform** means software or an Internet accessible appraisal report writing platform (which may include other features) that is designated, from time to time by the Franchisor and which may be and, as of the Effective Date, is a platform offered by an Affiliate of the Franchisor. The Report Writing Platform may be changed by the Franchisor on not less than thirty (30) days' written notice to the Franchisee. As of the Effective Date, the Report Writing Platform is the Datappraise SaaS but is expected to change to a revised platform known as VPA360 shortly after the Effective Date.

(WW) **Required Local Promotional Activities** means the marketing, business development and sales related activities that are set forth, from time to time, in the Operations Manual.

(XX) **Restriction Period** means a period of two (2) years after the later of the cancellation, termination, or expiration of this Agreement, by whatever means, by either party and for whatever reason, or the termination of the Franchisee's franchise arrangement with the Franchisor whether under this Agreement or another agreement.

(YY) **Restricted Territory** means the United States and each country outside the United States in which the Franchisor has a franchisee or a licensee of any Mark, if any.

(ZZ) **Specialty Practice Area** shall have the definition set forth, from time to time, in the Operations Manual.

(AAA) **Template** means each of the appraisal report templates, comparison excel spreadsheets, and other information arrangement, reporting and calculation templates and tools made available by the Franchisor from time to time during the Term, including, without limitation, through the Report Writing Platform.

(BBB) **Term** shall have the meaning set forth in Section 4.1

(CCC) **Territory** means the geographical area described in the Territory section of the Informational Provisions of this Agreement.

(DDD) **Transfer** (or **Transferred**) means:

(1) to directly or indirectly sell, transfer, assign, pledge, hypothecate, mortgage, or otherwise dispose of, whether voluntarily, involuntarily or by operation of law, or

(2) in the case of a Franchisee that is not a single natural person, the direct or indirect sale, transfer, assignment, pledge, hypothecation, mortgage, grant of a lien in or to, or other disposal of, or the granting or issuance of an Equity Interest of such the Franchisee, or of any Person that is not a single natural person and a Franchisee Equity Holder, or

(3) the direct or indirect sale, transfer, assignment, pledge, hypothecation, mortgage, grant of a lien in or to, or other disposal of substantially all of the business assets of the Franchisee.

Transfer shall include a transfer or assignment, or an attempted transfer or assignment, of any of the Franchise Rights or of the Franchisee's business and shall be interpreted broadly to include all transactions and arrangements where the net effect is to cause a change of ownership or of a direct or indirect Equity Interest of the Franchisee or his, her, it's, or their business activities.

(EEE) **Transferee** means the Person receiving a Transfer.

(FFF) **Valbridge Database** means that certain database of third-party real estate related data that is licensed to, and maintained and made available by, Valbridge Property Advisors Data Solutions, LLC, a Florida limited liability company, subsidiary of Parent and an Affiliate of the Franchisor.

(GGG) **Transferor** means the Person making the Transfer.

(HHH) **Valbridge Business** means each business activity that is directly or indirectly engaged in, or for which a material investment is made with the intention of engaging in, by the Franchisor during the Term. As of the Effective Date, the Valbridge Business is franchising and licensing the right to engage in all or any material part of the Business utilizing assets owned or developed by the Franchisor or its Affiliates, *provided that*, Valbridge Business shall not, under any circumstances include a Local or Statewide Practice. As of the Effective Date, the Franchisor engages in the business of: (1) developing, marketing, and

promoting a nationwide franchise system and licensees of real and personal property appraisers and consultants, including the business systems, marketing methodologies, and Marks used and to be used in connection with the rendition of appraisal services by appraisers, (2) assisting its franchisees and licensees with engaging in such business, and (3) undertaking those other activities that are incidental to the foregoing.

(III) **Valbridge Competitor** means each Person and his, her, or its Affiliates who is engaged in, or who proposes to be engaged in, in whole or in substantial part, any business or activity that directly or indirectly competes with, is substantially similar to, or is a replacement for a Valbridge Business, including, without limitation, Integra Realty Advisors or IRR.

(JJJ) **Valbridge Party** means, individually and collectively: (1) the Franchisor, (2) the Parent, (3) Data Appraise Systems, LLC, a Florida limited liability company and subsidiary of the Parent, (4) Valbridge Property Advisors Data Solutions, LLC, a Florida limited liability company and subsidiary of the Parent, (5) V-Bridge, LLC, a Florida limited liability company and subsidiary of the Parent, and (6) each other subsidiary or sibling entity of any of the foregoing.

(KKK) **Valbridge System** means the business systems, processes, forms, software, templates, methods, know-how, trade and services marks and other intellectual property rights and intangible properties that: (1) have been, or may hereafter be, developed by the Franchisor or Parent or that have been assigned to the Franchisor by one or more of its franchisees or licensees, (2) are set forth in the Operations Manual, or (3) the Franchisor has otherwise expressly made available to its franchisees or requires franchisees to adhere to in connection with engaging in the Business.

(LLL) **Work Product Complaint** means *any* claim, allegation, threat, or complaint (collectively being a "*Complaint*") against the Franchisee or any of its employees or contractors that is made a Person who suffered any damages or harm as a result of the actions or inactions of the Franchisee or any of its employees or contractors or who is or claims to be customer, purchaser, or Person benefiting from, harmed by, or entitled to rely upon any report or other work product of the Franchisee, regardless whether the Franchisee contests the Complaint, the damages or harm suffered, or the status of such Person to make the Complaint, including*, but not limited to*, each Complaint concerning or claiming poor customer service, failure to meet time requirements, failure to properly determine value, conflict of interest, professional error, or threatening to commence a claim, proceeding, action or lawsuit against any of the Franchisee, the Franchisor or a Peer or any of their individual or collective employees or contractors.

----------End of Exhibit A----------

EXHIBIT B - CONTINUING UNCONDITIONAL GUARANTEE

CONTINUING UNCONDITIONAL GUARANTEE

This Continuing Unconditional Guarantee (the "**Guarantee**") is entered as of the date set forth above the signature block below by the individual identified as the guarantor in the signature block below ("**Guarantor**"), and Valbridge Property Advisors Franchising System, LLC, a Florida limited liability company, its successors and assigns ("**Franchisor**").

BACKGROUND

The entity identified in the signature block below (the "**Franchisee**") and the Franchisor are parties to that certain Franchise Agreement concerning the operation of a Valbridge Property Advisor franchise business (the "**Franchise Agreement**"). The Guarantor is an Equity Holder of the Franchisee.

The Guarantor and the Franchisor are entering into this Guarantee solely to secure the performance of the Franchisee's obligations pursuant to the Franchise Agreement. This Guarantee is provided as a material condition precedent to the Franchisor entering the Franchise Agreement with the Franchisee.

AGREEMENT

NOW THEREFORE, the parties agree as follows:

1. **Definitions**. Capitalized terms not defined herein shall have the meanings given to them in the Franchise Agreement.

(A) **Affiliate** means with respect to any Person (the "*Subject Person*"), any other Person:

(1) that directly or indirectly controls, is controlled by or is under common control with the Subject Person,

(2) who is an officer, manager, employee, or agent of, partner in, or trustee of, or serves in a similar capacity with respect to, the Subject Person (or any of the Persons meeting the description set forth in clause (1) above),

(3) of which the Subject Person is an officer, manager, agent, partner, or trustee, or serves in a similar capacity, or

(4) who is a member of the Subject Person's family.

For purposes of this definition, the term "*control*" means the direct or indirect possession of the power to direct or cause the direction of the management or policies of the Subject Person, whether through the ownership of securities, by contract or otherwise.

(B) **Co-Affiliate Liabilities** means Liabilities that arise, are incurred, or suffered solely as a result of the failure of any Affiliate of the Franchisee other than the Guarantor to either: (1) take any action required to be taken by such other Affiliate pursuant to applicable law, contract, or other requirement, or (2) refrain from taking any action such other Affiliate was required to refrain from taking pursuant to applicable law, contract, or other requirement.

(C) **Equity Interest** means, as concerns a Person (the "*Subject Person*"), on an As-Converted Basis: (1) a direct or indirect ownership, stock, membership, or other equity or voting interest (including by contract) in the Subject Person or the parent of the Subject Person, or (2) the direct or indirect ownership of a security that is convertible into a direct or indirect ownership, stock, membership, or other equity or voting interest (including by contract) in the Subject Person or the parent of the Subject Person.

(D) **Equity Holder** means, as concerns a Person (the "*Subject Person*"), another Person that directly or indirectly holds an Equity Interest in or of the Subject Person.

(E) **Future Liabilities** means Liabilities that arise and claims that accrue and mature after the Revocation Date, but shall not include any Liabilities of the Franchisee to the Franchisor that: (1) have arisen or accrued on or before the Revocation Date that are not due and payable by the Guarantor until after the Revocation Date, or (2) arise pursuant to Section 15 after the Revocation

Date on account of any claim or cause of action that accrued or matured on or prior to the Revocation Date (whether payable by the Guarantor before, on or after the Revocation Date).

(F) **Interest Threshold** means a ten percent (10.0%) or greater Equity Interest, including, without limitation, as a Franchisee Equity Holder, or an Equity Holder of a Franchisee Equity Holder.

(G) **Liabilities** means obligations, indebtedness, costs, damages, expenses, and liabilities, including, without limitation, attorney's fees, and court costs, whether now existing or hereafter suffered, incurred, or arising, that are due or later become due.

2. **Guarantee**. Subject to the limits set forth in Section 3 and excluding Co-Affiliate Liabilities, the Guarantor guarantees to the Franchisor, its successors and assigns, and agrees to pay on demand all of the Liabilities arising or that are or become due to any of the Franchisor or its parents, siblings, or Affiliates from time to time. This Guarantee shall be construed as an absolute, continuing, and unconditional guarantee of payment and performance, and not of collection. No references herein to any other agreement, instrument, or document, nor any provision of any of them will affect or impair the absolute and unconditional obligation of the Guarantor hereunder. The Franchisor shall have its remedy under this guarantee without being obliged to resort first to any security or to any other remedy or remedies to enforce payment or collection of the Liabilities and may pursue any or all of its remedies at one or at separate times. The Guarantor agrees and acknowledges that the Guarantee shall be transferable or assignable by the Franchisor at any time and from time to time.

3. **Limitation of Guarantee**. The Guarantor's individual guarantee of the Liabilities shall be limited to $50,000 per occurrence or non-occurrence, as the case may be, and a maximum of $150,000 for all Liabilities in any calendar year, except that the foregoing limitations shall not be applicable, individually or in the aggregate, to:

(A) Liabilities arising out of, or resulting from any of:

(1) Guarantor's negligence or gross negligence, fraud, or other willful misconduct, or

(2) a breach of any of Sections 2.2, 2.3, or 17 of the Franchise Agreement, and

(B) Liabilities where, as a result of a breach of Sections 7.1(M) or 14 of the Franchise Agreement, the Franchisor is not indemnified or covered (whether directly or as an additional insured) by an insurance policy, and

(C) amounts becoming due pursuant to Section 15 of this Guarantee.

4. **Revocation of Guarantee Upon Termination of Affiliate Status**. Except as expressly set forth below in this Section 4, this Guarantee is not revocable by the Guarantor. The purpose of this Section is to permit the Guarantor to revoke his or her guarantee of Liabilities arising after such he or she no longer directly or indirectly holds the Interest Threshold, while permitting the Guarantor to receive the benefits of ownership of the Franchisee below the Interest Threshold or to continue to provide professional services to the Franchisee as an appraiser or other professional employee. Therefore, *provided that* the Franchisee is then in compliance with its obligations to the Franchisor, the Guarantor may revoke this Guarantee solely as to Future Liabilities on and after the date when:

(A) Guarantor holds less than the Interest Threshold, and

(B) Guarantor is no longer involved in the day-to-day management and operation, and policy making aspects, of the Franchisee and no longer holds any position with the Franchisee as any of an officer, director, manager, or managing partner, and

(C) Guarantor, or the Franchisee on behalf of the Guarantor, provides written notice to the Franchisor that: (1) certifies the above and the dates when each was satisfied, and (2) sets forth the interest of the Guarantor in the Franchisee as of the date of the notice, as calculated in accordance with Section 1(F) (the later of the date when all of the foregoing are fully satisfied or effective date of the written notice being the "**Revocation Date**").

The provision of professional appraisal services to the Franchisee as an employee, without more, for wage or contractor compensation from the Franchisee shall be deemed to satisfy the provisions of Section 4(B). Revocation of the Guarantee in accordance with this Section 4 shall not affect the guarantee of the

Guarantor hereunder, *except solely for Future Liabilities*, and this Guarantee shall remain in full force and effect on and after the Revocation Date for all Liabilities that are not Future Liabilities.

5. **Modification of Liabilities**. The Guarantor consents that, without notice to or further assent by the Guarantor, the obligations of the Franchisee for the Liabilities or of any other guarantor, individually or collectively, may be renewed, extended, modified, or released by the Franchisor as it may deem advisable and that any security or securities which the Franchisor may hold may be exchanged, sold, released, or surrendered by it, as it may deem advisable without restriction or limitation, without impairing or affecting the absolute and unconditional obligations of the Guarantor hereunder.

6. **Survival Upon Payment**. To the extent the Franchisee or the Guarantor makes a payment or payments to the Franchisor, all or any portion of which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required, for any reason, to be waived, repaid or paid over to a trustee, receiver or any other party under any bankruptcy or other debtor relief laws, other state or federal law, common law or rule of equity (each being a "**Disgorged Payment**"), then the Liabilities or the part thereof that were intended to be satisfied by each such Disgorged Payment shall, to the full extent of all of such Disgorged Payments, automatically be revived, reinstated and continued in full force and effect as if such Disgorged Payments had not been made, and the Guarantor shall again be primarily liable therefore. This provision shall survive full payment and performance of the Liabilities and remain enforceable by the Franchisor.

7. **Changes in Condition of Law or Liabilities**. This Guarantee shall remain in full force and effect without regard to future changes and conditions, including change of law or any invalidity or irregularity with respect to any of the Liabilities. Any attempted revocation of this Guarantee by the Guarantor other than in accordance with Section 4 shall be ineffective, unless Florida law expressly provides that such the Guarantor cannot waive the right to revoke this Guarantee. If Florida Law expressly provides that any such revocation is effective notwithstanding the foregoing, then such revocation shall be effective only if made in accordance with Section 4(C), only as to Future Liabilities and otherwise in accordance with the provisions of Section 4.

8. **Waiver of Defenses**. The Guarantor agrees that the guarantee given hereby shall be primary, absolute, and unconditional, irrespective of, and unaffected by, and the Guarantor irrevocably waives and agrees not to assert or take advantage of: (A) the genuineness, validity, legality, regularity, enforceability or any future amendment of, or change in, the Guarantee, the Franchise Agreement or any other agreement, document or instrument to which the Franchisee or the Guarantor, or any other guarantors of the Liabilities, is or may be a party, (B) the absence of any action to enforce any Guarantee, the Franchise Agreement, or any other agreement, document, or instrument to which the Franchisee or the Guarantor, or any other guarantors of the Liabilities, is a party, (C) any right at law, or in equity or otherwise, to require the Franchisor to institute suit or proceed against the Franchisee, or any other person, or any collateral, or to exhaust any security held by the Franchisor, or to pursue any other remedy in the Franchisor's power, before proceeding against a the Guarantor, (D) notice of the existence, creation or incurring of any new or additional indebtedness or Liabilities on the part of the Franchisee, (E) the waiver, release, surrender, discharge, indulgence, extension, modification, renewal, delay, consent, or other action, inaction or omission by the Franchisor with respect to any of the provisions hereof or thereof, or with respect to the Franchisee, any of the Liabilities, whether or not the Guarantor shall have had notice or knowledge of any of the foregoing and whether or not the Guarantor shall have consented thereto, (F) the existence, value or condition of, or failure of the Franchisor to perfect a lien against, any collateral, or any action, or the absence of any action, by the Franchisor in respect thereof (including, without limitation, the failure to enforce any lien or realize upon the collateral, or the release of any collateral), and (G) any other action or circumstance which might otherwise constitute a legal or equitable discharge or defense of a co-borrower, or a surety or guarantor.

9. **Diligence by the Guarantor**. The Guarantor is executing and delivering this Guarantee based solely upon the Guarantors' independent investigation of the Franchisee and the Franchise Agreement, and in no part upon any representation, warranty, or statement of the Franchisor with respect thereto. The Guarantor hereby knowingly accepts the full range of risk encompassed within a contract of "continuing guarantees."

10. **Time**. Time shall be of the essence for the Guarantor's performance hereunder.

11. **Entire Agreement, Modification and Waiver**. This Agreement sets forth the entire understanding of the parties concerning this subject matter and incorporates all prior negotiations and understandings. There are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them relating to the subject matter of this Agreement other than those set forth herein. No alteration, amendment, change or addition to this Agreement shall be binding upon any party unless in writing and signed by the party to be charged. No purported waiver by any party of any default by another party of any term or provision contained herein shall be deemed to be a waiver of such term or provision unless the waiver is in writing and signed by the waiving party. No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein.

12. **Captions**. The captions and paragraph letters appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Agreement.

13. **Applicable Law, Jurisdiction, Venue and Forum**. This Agreement shall be construed and governed under and by the laws of the State of Florida for contracts executed and to be performed in Florida. The parties hereby consent to the jurisdiction of the federal and state courts of Florida, including, without limitation, the Circuit Court for the Ninth Judicial Circuit of Florida, the United States District Court for the Middle District of Florida, and the appellate courts thereof, as the case may be, and agree that, except for third party actions, exclusive venue for any legal action authorized hereunder shall be in Orange County, Florida.

14. **Assignment.** The Franchisor's rights and obligations hereunder may be assigned, from time to time, by the Franchisor and its successors and assigns without the consent of or notice to the Guarantor.

15. **Attorneys' Fees**. In the event any litigation, mediation, arbitration, or controversy between the parties hereto arises out of or relates to this Guarantee, the prevailing party in such litigation, mediation, arbitration, or controversy shall be entitled to recover from the other party all reasonable attorneys' fees, expenses, and suit costs, including attorneys' fees, expenses and suit costs associated with any appellate proceedings and any post-judgment collection proceedings.

16. **WAIVER OF JURY TRIAL**. THE GUARANTOR KNOWINGLY AND VOLUNTARILY WAIVES ALL OF HIS OR HER RIGHTS TO A TRIAL BY JURY ON ANY AND ALL ISSUES PERTAINING TO THIS GUARANTEE AND ALL OTHER MATTERS RELATING TO OR OTHERWISE ARISING OUT OF THE LIABILITIES.

[SIGNATURES ON THE FOLLOWING PAGE.
BALANCE OF PAGE INTENTIONALLY LEFT BLANK.]

[SIGNATURE PAGE TO
VALBRIDGE PROPERTY ADVISORS CONTINUING UNCONDITIONAL GUARANTEE.

IN WITNESS WHEREOF, the parties have hereto set their hands as of the day and year first above written.

Franchisee Name: _____

Effective Date: _____, 20___.

Witness:
Sign below:

_____
Print name below:

_____

Witness:
Sign below:

_____
Print name below:

_____

Guarantor:
Sign below:

_____
Print name below:

_____
Print address of Guarantor below:

_____

_____

STATE OF _____)
)
COUNTY OF _____)

SWORN TO AND SUBSCRIBED before me this ___ day of _____, 20__, by _____ who: [ ] is personally known to me, or [ ] who has produced _____ as identification, and who appeared before me at the time of the notarization [ ] by physical presence, or [ ] by means of audio-video communication technology.

_____ My Commission Expires: _____
Notary Public

Accepted by:
Valbridge Property Advisors Franchising System, LLC

_____
Pledger M. “Jody” Bishop, III, Manager

EXHIBIT C – GENERAL RELEASE

GENERAL RELEASE

This General Release (the "**Release**") is made and delivered this ___ day of _____, 20__ (the "**Effective Date**"), by _____ (the "**Franchisee**") in favor of Valbridge Property Advisors Franchising System, LLC, a Florida limited liability company (the "**Franchisor**").

BACKGROUND

The Franchisee and the Franchisor are parties to that certain franchise agreement concerning the Valbridge Property Advisors franchised business. The term of the franchise agreement is ending and the Franchisee seeks to renew the Franchisee's franchise relationship with the Franchisor. As a condition precedent to such renewal, the Franchisee provides this general release to Franchisor and its parent.

AGREEMENT

NOW THEREFORE, the parties agree as follows:

1. **General Release**. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Franchisee, on behalf of itself, himself, or herself, and Franchisee's affiliated persons and entities, and their individual and collective heirs, successors, and assigns (each being a "**Franchisee Party**"), does hereby fully and irrevocably waive, remise, release, acquit and forever discharge the Franchisor and its affiliated entities, members, managers, parent, and their individual and collective officers, directors, managers, shareholders, members, employees, agents, and attorneys (each being a "**Franchisor Party**"), of and from any and all obligations, rights, claims, demands, damages, liabilities, indemnifications, actions and causes of action, claims based on intentional torts, negligence, or strict liability, suits, debts, sums of money, accounts, policies, covenants, contracts, agreements, controversies or promises of any nature whatsoever, whether arising at law or in equity, either now accrued or hereafter maturing, whether known or unknown, which any of the Franchisee Parties had, now has or may have against any of the Franchisor Parties, for, upon or by reason of any matter, cause or thing whatsoever arising out of or based on any act or omission, as well as any fact, which has occurred or, in the case of an omission, not occurred, as of the Effective Date, including, but not limited to, all claims involving, pertaining to, or arising out of the franchise relationship and the franchise agreement between the Franchisee and the Franchisor.

2. **Survival**. The provisions of this Release shall survive the execution and delivery hereof and shall continue in full force and effect thereafter.

3. **Entire Agreement, Waiver and Modification**. This Release sets forth the entire understanding of the parties concerning the subject matter hereof and incorporates all prior negotiations and understandings. There are no covenants, promises, agreements, conditions, or understandings, either oral or written, between the parties relating to the subject matter of this Release other than those set forth herein. No alteration, amendment, change or addition to this Release shall be binding upon any party unless in writing and signed by the party to be charged. No waiver or modification of this Release or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith. Furthermore, no evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, mediation, or litigation between the parties arising out of or affecting this Release or the rights or obligations of any party hereunder, unless such waiver or modification is in writing and duly executed as aforesaid. The provisions of this paragraph may not be waived except as herein set forth.

4. **Assignment**. Each and all of the provisions of this Release shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Franchisor and its successors and assigns may assign their individual and collective rights hereunder at any time and from time to time without the consent of the Franchisee.

5. **Governing Law**. This Release shall be construed and interpreted according to the laws of the State of Florida, without regard to the conflict of law principles thereof.

6. **WAIVER OF JURY TRIAL**. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE ALL OF THEIR INDIVIDUAL AND COLLECTIVE RIGHTS TO A TRIAL BY JURY ON ANY AND ALL ISSUES PERTAINING TO OR ARISING OUT OF THIS RELEASE.

7. **Attorneys' Fees**. In the event any litigation, mediation, arbitration, or controversy between the parties hereto arises out of or in connection with this Release or any party asserts this Release as a defense to any action, the prevailing party in such litigation, mediation, arbitration, or controversy shall be entitled to recover from the other party all reasonable attorneys' fees, expenses, and costs, including those associated with any appellate proceedings or any post-judgment collection proceedings.

IN WITNESS WHEREOF, the parties hereto have executed and entered this Agreement as of the day and year first above written.

Franchisor:
Valbridge Property Advisors Franchising System, LLC

By: _____
Pledger M. "Jody" Bishop, III, Manager

Franchisee:
Name of Entity (if applicable):

_____

By: _____
Print name of authorized person signing on behalf of the Franchisee below.

_____
Print the title of authorized person signing on behalf of the Franchisee below.

_____

SWORN TO AND SUBSCRIBED before me this ___ day of _____, 20__, by _____ who: [ ] is personally known to me, or [ ] who has produced _____ _____ as identification, and who appeared before me at the time of the notarization [ ] by physical presence, or [ ] by means of audio-video communication technology.

_____ My Commission Expires: _____
Notary Public

EXHIBIT D - EMPLOYEE AND CONTRACTOR RESTRICTIVE COVENANT

NOTICE

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC, AND ITS AFFILIATED PARTIES PROVIDE THIS AGREEMENT **AS-IS WHERE IS, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER**.

THE PROVISION OF THIS AGREEMENT TO FRANCHISEE IS NOT THE PROVISION OF LEGAL OR OTHER PROFESSIONAL ADVICE TO FRANCHISEE BY FRANCHISOR OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, PARENTS, ATTORNEYS OR PROFESSIONAL ADVISORS.

FRANCHISEE IS DIRECTED AND OBLIGATED TO SECURE LEGAL AND PROFESSIONAL ADVICE FROM ITS OWN ATTORNEYS AND PROFESSIONAL ADVISORS TO DETERMINE WHETHER AND IF THE PROVISIONS OF THIS AGREEMENT ARE LEGAL AND ENFORCEABLE IN THE STATE(S) WHERE FRANCHISEE IS AUTHORIZED TO ENGAGE, AND ENGAGES, IN THE VALBRIDGE BUSINESS, *PROVIDED THAT*, NO CHANGE MAY BE MADE TO THE PROVISIONS OF ANY OF SECTIONS 5, 7, 8, 9 OR 12 WITHOUT THE EXPRESS WRITTEN CONSENT OF VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC, AND VALBRIDGE PROPERTY ADVISORS, INC.

EMPLOYEE / INDEPENDENT CONTRACTOR RESTRICTIVE COVENANT AGREEMENT AND INTELLECTUAL PROPERTY ASSIGNMENT

This Employee / Independent Contractor Restrictive Covenant Agreement and Intellectual Property Assignment (the "**Agreement**") is made and effective as of this ____ day of _____, 20____ (the "**Effective Date**") by and between _____ (the "**Company**"), and the person identified below (the "**Restricted Party**"):

Name:

Address:

Position with the Company as of the Effective Date:

BACKGROUND

The Company is a franchisee of Valbridge Property Advisors Franchising System, LLC, a Florida limited liability company (the "**Franchisor**"), a subsidiary of Valbridge Property Advisors, Inc., a Florida corporation (the "**Parent**"). The Franchisor and the Parent have expended time, effort, and money developing know-how, trade secrets, data, information, and relationships, including a business system and real estate data for use in and with the Franchisee's franchised appraisal and appraisal consulting business, certain components of which are secret and confidential.

The Company employs or engages the Restricted Party or engages another Person for whom the Restricted Party is an Affiliate or employee in the Company's franchised appraisal and consulting business. In connection with his or her employment direct or indirect engagement by the Company, the Restricted Party will have access to confidential and proprietary information of the Franchisor, other franchisees and licensees of the Franchisor, the Parent, and their affiliated and sibling entities, including, but not limited to, Data Appraise Systems, LLC, and Valbridge Property Advisors Data Solutions, LLC.

Therefore, to protect such know-how, trade secrets, data, information, and relationships, the Company is required as a condition of its franchise arrangement to have the Company's employees and direct and indirect contractors enter this Agreement, to protect the legitimate business interests of the Company, the Franchisor, the Parent, and the other Valbridge franchisees and their related entities.

AGREEMENT

NOW THEREFORE, the parties agree as follows:

1. **No Franchisor or Parent Employment or Engagement**.
The Restricted Party acknowledges that: (A) the Restricted Party is employed or directly or indirectly engaged solely by the Company and not by any Valbridge Party (as defined below), (B) no Valbridge Party is in any manner directly or indirectly obligated to the Restricted Party, (C) the Restricted Party's access to Confidential Information is necessary to enable the Restricted Party to perform his or her duties for the Company, and but for the Restricted Party's entry of this Agreement, the Restricted Party would not be granted access to such Confidential Information, and (D) the Company would not continue to employ or engage the Restricted Party absent his or her entry of this Agreement.

2. **Prior Agreement and FTC Non-Compete Rule Notice**.
If the Restricted Party and the Company entered a prior restrictive covenant concerning the matters referenced herein (being a "**Prior Covenant**"), then: (A) such Prior Covenant is hereby terminated and, except for the provisions thereof that survive termination (each being a "**Post-Termination Provision**"), subject to the limitations imposed by the Federal Trade Commission Non-Compete Clause Rule (16 CFR Part 910) when it becomes effective and in such form (the "**Rule**"), shall, be of no further force or effect, and (B) *if, and only if*: (1) such Prior Covenant contained a Post-Termination Provision that violates the Rule, (2) the Rule becomes effect and applicable to the Company or a Valbridge Party, and (3) the Rule requires the Company or such Valbridge Party to provide a notice to the Restricted Party, then the following notice shall be applicable to the Restricted Party concerning each Prior Covenant that violates the Rule:

A new rule enforced by the Federal Trade Commission makes it unlawful for us to enforce a non-compete clause. As of September 4, 2024, neither the Company nor any Valbridge Party will enforce any non-compete clause against you. This means that as of September 4, 2024:

- *You may seek or accept a job with any company or any person-even if they compete with the Company or a Valbridge Party.*
- *You may run your own business-even if it competes with the Company or a Valbridge Party.*
- *You may compete with the Company or a Valbridge Party following your employment with the Company.*

The FTC's new rule does not affect any other terms or conditions of your employment. For more information about the rule, visit the FTC Non-Compete Rule website by clicking here.

3. **Definitions**.

(A) **Affiliate** means with respect to any Person (the "*Subject Party*"), any other Person:

(1) that directly or indirectly controls, is controlled by or is under common control with the Subject Party,

(2) who is an officer, manager, employee, or agent of, partner in, or trustee of, or serves in a similar capacity with respect to, the Subject Party (or any Person meeting the description set forth in clause (1) above),

(3) of which the Subject Party is an officer, manager, agent, partner, or trustee, or serves in a similar capacity, or

(4) who is a member of the Subject Party's family.

For purposes of this definition, the term "control" means the direct or indirect possession of the power to direct or cause the direction of the management or policies of the Subject Party, whether through the ownership of securities, by contract or otherwise.

(B) **Confidential Information** means all information of, about, or relating to a Valbridge Party or a Franchisee that: (1) is non-public, secret, or proprietary to the Valbridge Party or a Franchisee or the subject of commercially reasonable efforts by a Valbridge Party or a Franchisee to keep non-public, secret, and proprietary, (2) was developed or compiled through the use of Confidential Information of a Valbridge Party or a Franchisee, or (3) a Valbridge Party or a Franchisee is obligated to keep secret and confidential, whether by law or contract, *provided that*, notwithstanding the foregoing, *Confidential Information* shall not include any information that is generally known or publicly available upon reasonable inspection (as long as such information did not become generally known or publicly available as a result of a breach of a duty of confidentiality to a Valbridge Party or a Franchisee that is known or reasonably should be known to the Restricted Party), except that information shall not be disqualified as Confidential Information merely because it is included in a Valbridge Party's general disclosures, such as franchise filings or securities law disclosures.

Confidential Information shall include, but not be limited to, trade secrets, inventions, know-how, source code and object code, including the software-as-a-service platforms known as Datappraise and V-AMS, the VPA360 report writing platform, operational diagrams, processing arrangements, the Valbridge Operations Manual, operational methodologies for systems and software, data and database structures and relationships, including data on the Valbridge Database (excluding data owned by the Company), security processes, methods and tools for undertaking data analysis (e.g. spreadsheet templates such as, but not limited to, the GATCO Excel template), projections and evaluations, appraisals and otherwise delivering services, results of tests and analysis, non-public components of report templates, product and service specifications, marketing plans, pricing, business plans and strategies, financial plans, financial results, sales forecasts, information on computer systems, such as the Valbridge Intranet communications platform, personnel information, lists of customers and prospective customers, market research data, vendor arrangements, information relating to costs or charges, employee and contractor compensation and methodologies, such other information which, if known, would be of advantage to any Person

competing or doing business with a Valbridge Party, or that would be of disadvantage to a Valbridge Party, and information that any Valbridge Party is obligated to keep secret where either it is reasonably apparent that such information is required to be kept secret or a Valbridge Party or the Company notifies the Restricted Party of the status of such information.

(C) **Company Property** means all: (1) tangible and intangible records and information concerning or relating to Confidential Information by whomever prepared, (2) tangible embodiments of Work Product, and (3) all electronic and other accounts and online services that a Valbridge Party makes available or provides to the Restricted Party to utilize in the rendition of services to or for the benefit of the Company or any customer.

(D) **Franchisee** means a Person that is a franchisee or licensee of Valbridge.

(E) **Person** means an individual, sole proprietorship, partnership, joint venture, limited liability partnership, limited liability company, trust, estate, unincorporated organization, association, corporation, institution, or other entity.

(F) **Valbridge Party** means each of: (1) the Franchisor, (2) the Parent, and (3) each other subsidiary or sibling entity of any of them existing from time to time, including, without limitation, Data Appraise Systems, LLC, a Florida limited liability company, Valbridge Property Advisors Data Solutions, LLC, a Florida limited liability company, and V-Bridge, LLC, a Florida limited liability company.

(G) **Work Product** means all tangible or intangible works that are created, produced, or modified by the Restricted Party during or in connection with the Restricted Party's employment by or engagement with the Company, including, without limitation, all works produced by or for the benefit of the Company's customers or any Valbridge Party.

4. **Legitimate Business Interests**.

The Restricted Party acknowledges that: (A) during the Restricted Party's employment with or engagement with by Company, the Restricted Party will have access to and be provided with Confidential Information that is valuable to each of the Company, the Valbridge Parties and the other Franchisees, (B) the Confidential Information is not generally known, and (C) each of the Company, the Valbridge Parties and the Franchisees: (1) have spent substantial time and money developing, acquiring and protecting the Confidential Information, (2) have relationships with Valbridge System customers, former customers and prospective customers, and their individual employees, contractors, suppliers and vendors that are unique and valuable, and (3) are entitled to protect their individual and collective legitimate business interests in the foregoing, and (D) the provisions of this Restrictive Covenant are necessary and reasonable to protect the legitimate business interests of each of the Company, the Valbridge Parties and the Franchisees, and (E) any violation of the provisions of this Section will result in irreparable injury, the exact amount of which will be difficult to ascertain, and the remedies at law for any such violation would not be reasonable or adequate compensation for such violation. Accordingly, the Restricted Party agrees that if the provisions of this Agreement are violated, in addition to any other remedy which may be available in equity or at law, each of the Company, the Valbridge Parties and the Franchisees shall be entitled to specific performance and injunctive relief, without the necessity of proving actual damages.

5. **Confidentiality**.

5.1 Restriction. Except as expressly permitted in Section 5.2, the Restricted Party shall **not**: (A) disclose Confidential Information, (B) allow any Person not under a written duty of confidentiality to the Franchisor to have access to Confidential Information, and (C) make any use, commercial or otherwise, of Confidential Information.

5.2 Permitted Use and Disclosure. *Notwithstanding Section 5.2*, the Restricted Party may: (A) use Confidential Information for, in accordance with, and as necessitated by, the Restricted Party's employment by or engagement with the Company for the sole benefit of the Company or the Franchisor, and (B) disclose Confidential Information *if, and only if,* the Restricted Party: (1) (a) is compelled to disclose Confidential Information by legal process initiated by a Person that is not an Affiliate of the Restricted Party, (b) provides the Company with written notice detailing the legal process and all information requested therein a reasonable time before making any such disclosure (not less than ten (10) business days), and (c) makes a bona fide good faith reasoned objection to such disclosure based on the Restricted Party's obligations under this Agreement, or (2) in the case of data that is Confidential Information, such data is: (a) included

in a written report provided by the Company to its customer, and (b) required to be disclosed in accordance with USPAP.

6. **Non-Solicitation and Non-Piracy**.

For the term of the Restricted Party's employment by or engagement with the Company, whether under this Agreement or otherwise, and for a period of one (1) year after the cancellation, termination, or expiration of the Restricted Party's employment or engagement with the Company, by whatever means and for whatever reason, the Restricted Party shall **not**, directly or indirectly, individually or jointly with others, or for the benefit of the Restricted Party or any third party:

(A) solicit, render services to, or accept business from any customer of the Company: (1) who was referred to the Company by a Franchisee, and (2) for whom the Restricted Party provided any services for the benefit of the Company *for so long as* the Company is a Franchisee, or received Confidential Information,

(B) solicit, hire, compensate, or engage as an employee, agent, contractor, advisor, or consultant, or become a co-shareholder, co-member, or joint venturer with, any employee of the Franchisor or any Franchisee, *provided that* the foregoing restriction shall terminate as concerns an employee at the earlier of: (1) six (6) months after the termination by him, her, or it of his, her, or its employment with or engagement by the Franchisor or the Franchisee, or (2) the termination of his, her, or its employment by the Franchisor or the Franchisee, and

(C) otherwise cause, suggest, or facilitate the termination of, or any material negative change to, the relationship between any the Franchisor or the Franchisee and its employees or vendors.

7. **Judicial Modification**.

In the event a court of competent jurisdiction holds one or more of the provisions of Sections 5 or 6 invalid as to length of time or geographic scope, then such Section shall be amended to reflect a reasonable length of time and/or reasonable geographic scope.

8. **Works for Hire and Intellectual Property**.

The Restricted Party: (A) acknowledges and agrees that all Work Product that so qualifies shall be deemed a work for hire, and (B) hereby assigns to the Company, without additional compensation, all Work Product that does not qualify as a work for hire. All right, title, and interest in and to, and the right to pursue protection for, Work Product shall vest solely with the Company or its assignees. Upon request by the Company, the Restricted Party shall use reasonable efforts, at no additional expense, to assist the Company or its assignee in securing any intellectual property protection for Work Product and shall execute all documents reasonably necessary to affect an assignment as contemplated herein. No license is granted to the Restricted Party in, to or under any Work Product or other intellectual property (including, but not limited to, patents, trade secrets, copyrighted materials, and trademarks) owned or otherwise assertable by the Company, any Valbridge Party, or any Franchisee, whether by express or implied grant, estoppel or otherwise, except for a limited right to use any such intellectual property solely in the performance of the Restricted Party's duties or contractual obligations due to, and solely for the benefit of, the Company. All benefits from the use of any such intellectual property, including Work Product, shall inure solely to the Company and its assignees.

9. **Company Property**.

All Company Property is the property solely of the Company or a Valbridge Party and the Restricted Party waives and relinquishes in favor of the Company and hereby transfers to the Company and its assignees any and all interests or property rights he or she may have therein. The Restricted Party shall immediately return all of the Company Property to the Company or a Valbridge Party at such location as may be directed by the Company or a Valbridge Party upon the Company's or a Valbridge Party's request at any time, and upon the termination of the Restricted Party's employment by or engagement with the Company. To the extent that notices from the Company and a Valbridge Party are inconsistent, the Company and the Restricted Party agree that all notices from a Valbridge Party shall prevail.

10. **Indemnification**.

The Restricted Party shall hold the Company, each Valbridge Party, and their individual and collective officers, directors, managers, members, shareholders, employees, contractors, and agents harmless from and against all claims, obligations, losses, damages, liabilities, fines, costs and expenses (including, without

limitation, reasonable attorney's fees pretrial, trial and appellate) arising out of or incurred or suffered as a result of or in connection with the Restricted Party's breach of this Agreement.

11. **Independent Covenants**.
The provisions of Sections 5, 6, 9, and 10 are independent covenants and no actual or alleged breach by the Company of any provision of this Agreement or other obligation whatsoever to the Restricted Part, including, without limitation, any employment or contractual obligation, shall be grounds for relieving the Restricted Party from his or her obligations thereunder.

12. **Entire Agreement, Waiver, Modification, Captions, Partial Invalidity, Third Party Beneficiaries**, **Assignment of Contract, Applicable Law, and WAIVER OF JURY TRIAL**.
This Agreement sets forth the entire understanding of the parties concerning the subject matter of this Agreement and incorporates all prior negotiations and understandings. There are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them relating to the subject matter of this Agreement other than those set forth herein. The publication, amendment, supplementation, or replacement of an employee handbook by the Company or the entry of another agreement having similar provisions shall not be deemed to alter, amend, or modify the terms and conditions of this Agreement. **NO ALTERATION, AMENDMENT, CHANGE OR ADDITION TO THIS AGREEMENT SHALL BE BINDING UPON ANY PARTY UNLESS IN WRITING AND SIGNED BY THE PARTY TO BE CHARGED AND THE FRANCHISOR**. **NO PURPORTED WAIVER BY ANY PARTY OF ANY DEFAULT BY ANOTHER PARTY OF ANY TERM OR PROVISION CONTAINED HEREIN SHALL BE DEEMED TO BE A WAIVER OF SUCH TERM OR PROVISION UNLESS THE WAIVER IS IN WRITING AND SIGNED BY THE WAIVING PARTY AND THE FRANCHISOR.** No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein. The captions and paragraph letters appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Agreement. Each term or provision of this Agreement shall be valid and independently enforceable to the fullest extent permitted by law. If any term or provision of this Agreement, or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to any other Person or circumstance shall be unaffected thereby. Each Valbridge Party and their individual and collective successors and assigns are and shall at all times be and remain third-party beneficiaries of this Agreement, entitled to enforce same as, and in the place of, the Company and whether or not the Company elects to do so. Except as set forth above, there are no third-party beneficiaries of this Agreement. The Restricted Party may not assign, transfer, or delegate the performance of his or her duties hereunder without the express prior written approval of the Company and each express third-party beneficiary identified herein. The Company and each express third-party beneficiary identified herein and their individual and collective successors and assigns, may, at any time and from time to time, assign their individual and collective rights and obligations under this Agreement, including, without limitation, all rights under Sections 5, 6, 9 and 10 without notice to or the consent of the Restricted Party. This Agreement shall be construed and governed under and by the laws of the State of Florida for contracts executed and to be performed in Florida. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE ALL OF THEIR INDIVIDUAL AND COLLECTIVE RIGHTS TO A TRIAL BY JURY ON ANY AND ALL ISSUES PERTAINING TO OR ARISING OUT OF THIS AGREEMENT, COMPANY PROPERTY, AND WORK PRODUCT.

13. **Survival**.
This Agreement shall survive and continue in full force and effect after the termination, cancellation, or expiration of the Restricted Party's employment with, or engagement by the Company, or the engagement by the Company of the Person for whom the Restricted Party is an Affiliate or employee.

14. **Counterparts**.
This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute the same instrument. Execution of an electronic copy will have the same force and effect as execution of an original, and an electronic signature will be deemed an original and valid signature. A signed copy of this Agreement, whether by wet signature or electronically, delivered by facsimile, email, or other means of electronic transmission (to which a signed PDF copy is attached) will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Signatures on the following page. Balance of page intentionally left blank.]

[Signature page to
Employee / Independent Contractor Restrictive Covenant Agreement
and Intellectual Property Assignment.]

IN WITNESS WHEREOF, the parties have hereto set their hands as of the day and year first above written.

Company:
Authorized person to sign below:

By:

Print name and title of Company authorized person below:

Restricted Party:
Restricted Party to sign below:

Print name of Restricted Party below:

If the Restricted Party is an Affiliate or employee of a Person engaged by the Company, print the name of such Person below:

Print the address of such Person below:

EXHIBIT E - FORM OF AFFILIATE JOINDER AND ADOPTION OF FRANCHISE AGREEMENT

EQUITY HOLDER JOINDER AND ADOPTION AGREEMENT

(Adoption of Franchise Agreement by Franchisee Owner)

This Equity Holder Joinder and Adoption Agreement (the "**Agreement**") is made and entered as of the date set forth in the signature block below, by the person identified in the Informational Provisions below (the "**Equity Holder**") and Valbridge Property Advisors Franchising System, LLC, a Florida limited liability company (the "**Franchisor**").

Informational Provisions:

Equity Holder Name:	
Equity Holder Address:	
Equity Holder Designations / Qualifications and Dates Issued	
(e.g., MAI, SRA, CPA, Cert. Gen. Appraiser):	
Franchisee Name:	
Equity Holder's Equity Interest (%):	
Direct or Indirect Equity Interest	
Date Equity Interest Acquired:	
Equity Holder's Title with Franchisee:	

BACKGROUND

The Equity Holder holds an Equity Interest (as that term is defined in the Franchise Agreement) in the Franchisee and receives benefits from the business operations of the Franchisee. The Franchisee is, or will shortly hereafter become, a party with the Franchisor to a franchise agreement (the "**Franchise Agreement**") that benefits the Franchisee and, indirectly, the Equity Holder.

As a condition to Franchisor's entry of the Franchise Agreement with Franchisee, all of the holders of Equity Interests in the Franchisee are required to be bound by certain provisions of the Franchise Agreement. Therefore, the Equity Holder is entering this Agreement to become bound as set forth hereinbelow so that Franchisor with enter the Franchise Agreement with Franchisee or continue its franchise relationship with Franchisee.

AGREEMENT

NOW THEREFORE, for good and valuable consideration including Franchisor's entry of the Franchise Agreement with Franchisee, the parties agree as follows:

1. Capitalized terms not defined herein shall have the meanings set forth in the Franchise Agreement.

2. Equity Holder represents and warrants to the Franchisor that: (A) the information set forth in the Informational Provisions and Background sections above is true, correct, and complete in all respects, and (B) to the knowledge of Equity Holder after inquiry, the information set forth in the Informational Provisions of the Franchise Agreement is true, correct, and complete in all respects.

3. Equity Holder and his, her or its Equity Interest in the Franchisee are bound by and subject to the terms and conditions of Sections 1, 7.1(I), (M), (Z) (for any Work Product Complaint arising for or in connection with any work product generated by Equity Holder or a Person supervised or managed by Equity Holder), and (AA), 10, 11, 17, 18, 19, 21.2, 23, 25, 26, and 28 through 39 of the Franchise Agreement with the same force and effect as if Equity Holder was originally a party thereto. Equity Holder acknowledges that the provisions of the Franchise Agreement by which Equity Holder is bound contain, among other provisions, significant restrictions on transfer of the Equity Interest in the Franchisee and restrictive covenants protecting Confidential Information of Franchisor and its Affiliates and prohibiting Equity Holder from competing against the Franchisor and its Affiliates.

4. Any notice required or permitted by the Franchise Agreement to be provided to Equity Holder shall be in accordance with Section 29 of the Franchise Agreement to Equity Holder's address set forth in the Informational Provisions or as may be changed in accordance with Section 29 of the Franchise Agreement.

5. This Agreement shall be governed in all respects by the laws of the State of Florida without giving effect to the principles of conflicts of law thereof. This Agreement sets forth the entire understanding of the parties concerning the subject matter hereof and incorporates all prior negotiations and understandings. There are no covenants, promises, agreements, conditions, or understandings, either oral or written, between the parties relating to the subject matter of this Agreement other than those set forth herein. No alteration, amendment, change or addition to this Agreement shall be binding upon any party unless in writing and signed by the party to be charged. No purported waiver by any party of any default by another party of any term or provision contained herein shall be deemed to be a waiver of such term or provision unless the waiver is in writing and signed by the waiving party. No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein. Franchisor and its successors and assignees may assign its and their rights under this Agreement at any time and from time to time without notice to or the consent of Equity Holder.

6. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute the same instrument. Execution of an electronic copy will have the same force and effect as execution of an original, and an electronic signature will be deemed an original and valid signature. A signed copy of this Agreement, whether by wet signature or electronically, delivered by facsimile, email, or other means of electronic transmission (to which a signed PDF copy is attached) will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, the parties have hereto set their hands as of the day and year first above written.

Equity Holder:
Sign below:

_____ Date: _____
Print name below:

_____

Accepted by:
Valbridge Property Advisors Franchising System, LLC

By: _____ Date: _____
Pledger M. "Jody" Bishop, III,
Manager

EXHIBIT F –CURRENT REPORT PLATFORM SOFTWARE-AS-A-SERVICE AND LICENSE AGREEMENT

SOFTWARE SERVICES AND LICENSE AGREEMENT

This Software Services and License Agreement is entered at and as of the date set forth below (the "**Effective Date**") by and between Data Appraise Systems, LLC, a Florida limited liability company ("**DAS**"), and the Subscriber identified below.

Effective Date:	
Subscriber Name:	
Subscriber Address:	
Subscriber Email Address:	
Administrator Name:	
Administrator Email Address:	

By the signatures of their authorized representatives below the Subscriber and DAS enter and agree to the terms and conditions of this Software Services and License Agreement, including Sections 1 through 20 (and the definitions set forth in Section 19) at and as of the Effective Date set forth above.

DAS: Data Appraise Systems, LLC

By: _____
Jeff Roper, COO

Subscriber:

By: _____
Print name of authorized signer below:

_____
Print title of authorized signer below:

Software Services and License Agreement, including Sections 1 through 20

1. **Datappraise Software as a Service Platform**. DAS grants Subscriber a non-exclusive, non-transferable, limited right for its Administrators and Authorized Users for whom it pays the Fees to access and use the Service during the Term of the Agreement solely for Subscriber's internal business purposes (including providing reports to Subscriber's customers) for the operation and management of a real property appraisal related business at or from any location where this Agreement will govern the relationship of the parties hereto. After designation and provision of all required information by an Administrator, DAS shall provide each Authorized User with a unique identifier to access and use the Service (the "**Username**") via the e-mail address provided by the Administrator. Only the one designated Authorized User provided with the Username shall be entitled to use such Username. Once a natural person is designated as the Authorized User with such Username, the Username may not be transferred to any other Person, and no other Person shall be permitted to utilize such Username or to access the Service as, by or through such Authorized User. Subscriber shall cause each Administrator and each Authorized User to adhere to and observe all of the obligations of Subscriber hereunder. Each Administrator and Authorized User shall at all times be and remain a Subscriber Related Party and Subscriber shall immediately notify DAS when any Administrator or Authorized User is no longer a Subscriber Related Party. DAS shall provide a mechanism through the Service for each Administrator to manage Authorized Users, including password management.

2. **Add-On Software License Grant**. On the terms and conditions set forth herein and in exchange for the timely payment of amounts due DAS, DAS hereby grants Subscriber a non-exclusive, non-transferrable license (the "**License**") for the Term to:

(A) make one archival copy of the Add-On Software, and

(B) make one copy of the Add-On Software for use on a Subscriber owned or leased computer that is utilized by an Administrator or an Authorized User in the undertaking of their duties and obligation for Subscriber (the "**Authorized Office Computer**"), and

(C) permit each Administrator and each Authorized User to use one copy of the Add-On Software on an Authorized Office Computer, solely for Subscriber's internal business purposes, and

(the rights set forth above collectively being the "**Licensed Rights**").

Subscriber agrees and acknowledges that: (AA) the Add-On Software and the descriptions, specifications, manuals and operations guides therefore, and all intellectual property and moral rights therein or pertaining thereto, are and will remain the property solely of DAS, (BB) the Add-On Software requires third party software to operate and will integrate with and modify such third party software, and (CC) the acquisition of a license to such third party software shall be at the sole expense and the sole obligation of Subscriber. The Licensed Rights shall terminate upon the termination of this Agreement and Subscriber shall, unless subject to a bona fide litigation hold, promptly remove the Add-On Software from each Authorized Office Computer at such termination. Subscriber shall remove the Add-On Software from each Authorized Office Computer at the time such each Authorized Office Computer is no longer utilized by an Administrator or Authorized User.

3. **Content**.

3.1 Ownership. DAS makes no claim to any Content and, to the extent the Content is the property of Subscriber or Subscriber's customer at the time it is uploaded to the Service, it remains and shall at all times remain so. DAS does not screen or otherwise analyze or review Content at or prior to the time it is uploaded to the Services. DAS' sole obligation concerning the Content shall be as expressly set forth in this Agreement. At and upon any Customer uploading Content to the Services, the Subscriber represents and warrants to DAS that Subscriber has the right to upload such Content and to grant to DAS the rights set forth in this Agreement concerning and for such Content.

3.2 Post-Termination Records Availability. During the Term Subscriber may, after providing written notice of its termination of this Agreement up to sixty (60) days after the termination of this Agreement, engage DAS for a fee determined by DAS to provide the real property or transaction records components the Subscriber's Content to the Subscriber in a format and via a means reasonably determined by DAS. After the 60th day following termination of this Agreement, DAS shall have no obligation concerning the Content and, unless required by legal process to maintain the Content, may delete or modify the Content without any obligation to the Subscriber therefor.

3.3 License to Content. Subscriber provides DAS with a fully paid non-terminable perpetual license to utilize the Content to provide the Services to Subscriber and other subscribers, to undertake DAS' other obligations under this Agreement, to generate, publish and otherwise utilize information about the Service (e.g., numbers of users, etc.), and to make copies of the Content.

4. **Limitations on Services and Licensed Rights**.

4.1 Services. DAS shall have the right at any time, and from time to time, to:

(A) modify or discontinue, temporarily or permanently, any feature associated with the Service, with or without notice, *except that* DAS shall provide Subscriber with not less than sixty (60) days advance written notice of any modification that materially reduces the functionality of the Service, unless a replacement for the Service (which may be on different terms, including cost) is arranged by DAS and the Subscriber is provided with not less than thirty (30) days advance written notice of thereof, and

(B) temporarily suspend access to the Service for operational purposes, including, but not limited to, maintenance, repairs, or installation of upgrades, and will provide no less than two (2) business days notice prior to any non-emergency suspension.

DAS shall endeavor to confine planned operational suspensions to minimize disruption to Subscriber.

Subscriber shall not, and shall not permit or suffer any Authorized User or Administrator to:

(AA) violate the access rules established from time to time by DAS (including, without limitation, exceeding the number of records downloaded in a particular time period),

(BB) access or use the Service via any automated means, including, without limitation, using any scripted, robotic or software means, except for such scripts or processes as may be provided by DAS from time to time,

(CC) except as permitted by Section 0, reproduce, duplicate, copy, sell, resell, or exploit access to the Service, use of the Service, or any portion of the Service, including, but not limited to, the software coding or visual design elements,

(DD) modify, reverse engineer, adapt or otherwise tamper with the Service or modify another website so as to falsely imply that it is associated with the Service, DAS, or any other software or service provided by DAS,

(EE) knowingly use the Service in any manner that: (1) infringes or may infringe any third party intellectual property or moral rights, or (2) is unlawful, offensive, threatening, libelous, defamatory, pornographic, obscene or in violation of the terms of this Agreement, and

(FF) knowingly use the Service to upload, post, host, or transmit any unsolicited bulk e-mail (e.g., spam), viruses, destructive, malicious, or self-replicating computer software.

4.2 Licensed Rights. The Licensed Rights do not include the grant of any right to any Subscriber or any of its Authorized Users or Administrators to engage in any other activity relating to or concerning the Add-On Software or any part thereof, or which would otherwise infringe on any of DAS' other intellectual property or moral rights, including, but not limited to, using or copying the Add-On Software other than as expressly permitted by the Licensed Rights, sub-licensing the Add-On Software, permitting, whether or not for consideration, any other Person other than an Authorized User to utilize the Add-On Software, decompiling or reverse engineering the Add-On Software, using the Add-On Software other than for the purpose set forth above, or creating derivative works of, or modifying of the Add-On Software.

5. **Ownership of Services and Add-On Software**. Ownership of the Service, the software utilized to provide the Service, and the Add-On Software and all intellectual property and moral rights therein and pertaining thereto shall be and remain the property solely of DAS and, except for the Licensed Rights and access to the Service on the terms set forth herein, Subscriber shall not have or receive any rights or interests in any of the foregoing.

6. **Obligations Concerning Confidential Information**. Each Receiving Party shall:

(A) not disclose, or allow any Person to access, the Disclosing Party's Confidential Information,

(B) not make any use, commercial or otherwise, of the Disclosing Party's Confidential Information,

(C) restrict access to the Disclosing Party's Confidential Information to the Receiving Party's officers, managers, directors, employees, and independent contractors who have a bona fide need to know the Confidential Information for purposes of this Agreement, and

(D) exercise reasonable diligence to maintain the confidential, secret, or proprietary nature of all Confidential Information and to prevent its use, utilizing such security measures as may be reasonable under the circumstances, but not less than that utilized by the Receiving Party for its own Confidential Information.

Notwithstanding the foregoing:

(AA) DAS may use and disclose Confidential Information in connection with undertaking its obligations and exercising its rights granted by this Agreement (e.g., concerning Content), and

(BB) a Receiving Party may disclose Confidential Information if and only if: (1) compelled by, and solely to the minimum extent necessary to comply with, bona fide unaffiliated third party initiated legal process (including, but not limited to, deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar legal process), and (2) reasonable advance written notice is provided to the Disclosing Party (to the extent not prohibited by applicable law) including the relevant details of the legal process so as to enable the Disclosing Party to protect its rights in and to the subject Confidential Information.

7. **Fees**.

7.1 Initial Fee and Annual Renewals. In consideration for access to the Service and the grant of the Licensed Rights, Subscriber shall, for each Administrator and each Authorized User, pay DAS: (A) the start up fee on the Effective Date, and (B) the then current annual renewal fee (the amount of such fee being

determined by whether the applicable Administrator or Authorized User is an appraiser or support staff) (collectively being the "**Fee**"). Annual renewal Fees shall be due and payable in advance on or before each anniversary of the Effective Date during the Term at the rate then in effect. Except upon Subscriber's termination in accordance with Section 8.2(B) or (C), no reduction in, or refund of, Fees shall be due in the event: (A) of a termination of this Agreement by Subscriber prior to the end of the period for which Fees have been paid, or (B) that at any time or time during the Term Subscriber has a lesser number of Authorized Users or Administrators utilizing the Service. Subscriber may add additional Authorized Users and Administrators during any period for which Fees were previously paid by payment of the then current start up fee for the type of Authorized User being added.

7.2 Payment. If any amounts due DAS are paid or payable by credit card, then Subscriber and, if the cardholder is not the Subscriber, such cardholder agree that DAS may automatically charge each credit or debit card provided to DAS from time to time for amounts due DAS at the time an invoice is transmitted or made available to Subscriber. Any balance due to DAS on an invoice is due upon receipt of the invoice. Subscriber shall be deemed to have received the invoice when it was sent via e-mail to Subscriber. Payments received by DAS more than ten (10) days from when they are due shall be subject to a late fee of the greater of 5% of the amount due or $50.00, to offset DAS' costs incurred in connection with late payments, and all amounts due and unpaid shall bear interest from the date due until paid at the lesser of 1.5% per month or the highest rate permitted by applicable law, provided that, if DAS holds a credit card or debit card for payment, no late fee or interest shall be due unless the full amount due was refused or rejected. Subscriber and, if the cardholder is not the Subscriber, such cardholder agrees that DAS may automatically charge each credit card or debit card provided to DAS from time to time for Fees and any other amounts due to DAS under this Agreement at the time such amounts become due. If any check is returned or any credit card or debit card transaction is rejected or refused for any reason, DAS may charge Subscriber a fee of $35.00 per returned, rejected, or declined transaction. If Subscriber or the card holder discovers any incorrect charges to any Credit Card or debits to any bank account, it shall be reported to DAS in writing within 60 days of the date a disputed charge first appears on the cardholder's bill or the applicable bank statement. DAS is not responsible for bank or other fees charged to the cardholder in connection with the billing hereunder.

8. **Term and Termination**.

8.1 Term and Termination. The term (the "**Term**") of this Agreement shall commence on the Effective Date and continue until terminated in accordance herewith. This Agreement: (A) may be terminated by: (1) either party without cause on not less than thirty (30) days written notice prior to each anniversary of the Effective Date, (2) Subscriber in accordance with Section 14(B), (3) by DAS in accordance with Section 14(A), and (B) shall be terminated in the event of a material breach of this Agreement by a party (the "*breaching party*"), including, without limitation, Subscriber's failure to timely pay amounts due to DAS, on thirty (30) days written notice to the breaching party setting forth the material breach in reasonable detail, *provided that, notwithstanding the foregoing,* no such termination shall occur if the notice was the first for the particular material breach and the breaching party cures the breach within the notice period.

8.2 Effect of Termination. Upon a termination of this Agreement for any reason whatsoever, Subscriber shall: (A) immediately cease using the Service and exercising the Licensed Rights, (B) immediately remove all copies of the Add-On Software from all computers on which it was installed and destroy all archival copies thereof, and (C) promptly return to DAS or destroy all tangible embodiments of the Add-On Software. If Subscriber elects to destroy tangible embodiments of the Add-On Software, it shall certify to DAS, in a form acceptable to DAS, such destruction. No termination shall affect the rights of DAS or Subscriber arising prior thereto.

9. **WARRANTIES**. EXCEPT FOR THE EXPRESS WARRANTIES SPECIFICALLY SET FORTH HEREINBELOW, DAS MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED CONCERNING OR RELATING TO ANY OF THE SERVICE OR THE ADD-ON SOFTWARE, THE EXERCISE OF THE LICENSED RIGHTS OR THE RESULTS OF THE USE OF ANY OF THE SERVICE OR THE ADD-ON SOFTWARE, INCLUDING, BUT NOT LIMITED TO: (A) NO WARRANTIES OF MERCHANTABILITY, (B) NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND (C) NO WARRANTY CONCERNING INTELLECTUAL PROPERTY RIGHTS. THE ADD-ON SOFTWARE IS, PROVIDED *AS-IS, WHERE-IS, WITH ALL FAULTS*. DAS ONLY WARRANTS THAT IT HAS THE RIGHTS

TO GRANT SUBSCRIBER ACCESS TO THE SERVICE AND THE LICENSE TO THE ADD-ON SOFTWARE.

10. **Improvements and Suggestions by any Customer**. All right, title, and interest in and to, and the right to pursue protection for, improvements, enhancements and modifications to any of the Service or the Add-On Software or their individual or collective use or applicability that are suggested or made by any Customer (being "**Improvements**") shall vest solely with DAS, and Customer agrees to assign, and does hereby assign, all such Improvements to DAS. No license is granted to any Customer in, to or under any Improvements or other intellectual property or moral right owned or otherwise assertable by DAS by express or implied grant, estoppel or otherwise, except solely when and if incorporated into a future revision of the Add-On Software or the Service. All benefits from the use of any such Improvements shall inure solely to DAS.

11. **LIMITATION OF LIABILITY**. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF BUSINESS OR OTHER ECONOMIC DAMAGE, OR INJURY TO PROPERTY. IN ADDITION, IN NO EVENT SHALL THE DAMAGES PAYABLE BY DAS TO SUBSCRIBER OR ANY PERSON CLAIMING THROUGH SUBSCRIBER EXCEED THE FEES PAID BY SUBSCRIBER TO DAS IN THE PRIOR 12 CALENDAR MONTHS. EACH PARTY ACKNOWLEDGES THAT:

(A) THIS SECTION REFLECTS AN INFORMED, VOLUNTARY ALLOCATION OF THE RISKS (KNOWN AND UNKNOWN) THAT MAY EXIST IN CONNECTION WITH THE ARRANGEMENTS SET FORTH IN THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THE USE OF THE SERVICE, STORAGE AND DISSEMINATION OF THE CONTENT AND THE EXERCISE OF THE LICENSED RIGHTS, AND

(B) SUCH VOLUNTARY RISK ALLOCATION WAS A MATERIAL PART OF THE BARGAIN BETWEEN THE PARTIES, AND

(C) THE ECONOMIC AND OTHER TERMS OF THIS AGREEMENT WERE NEGOTIATED AND AGREED TO BY THE PARTIES IN RELIANCE ON SUCH VOLUNTARY RISK ALLOCATION.

12. **Indemnification**. DAS shall hold Subscriber and its officers, directors, managers, employees, contractors and agents, collectively and individually, harmless from any claims, obligations, losses, damages, liabilities, fines, costs and expenses (including, without limitation, reasonable attorney's fees pretrial, trial and appellate) (collectively "**Losses**") arising out of or incurred as a result of or in connection with DAS' material breach of this Agreement, excluding therefrom all Losses arising from Subscriber's or its employees or contractors' material breach of this Agreement. Subscriber shall hold DAS and its affiliates, officers, directors, managers, employees, contractors, and agents, collectively and individually, harmless from any Losses arising out of or incurred as a result of or in connection with: (A) Subscriber's or its employees or contractors' material breach of this Agreement, or (B) a third party claim based on Subscriber's: (1) use of the Services, or (2) Content, excluding therefrom all Losses arising from DAS' material breach of this Agreement.

13. **Grant of Security Interest**. To secure the Subscriber's payment of amounts becoming due hereunder and the Subscriber's performance of his, her, or its obligations pursuant to this Agreement, the Subscriber hereby grants DAS a first security interest in the Content and all other tangible and intangible properties in the possession or under the control of DAS (the "**Collateral**"). Such security interest shall continue from the Effective Date through the full and final payment of all amounts due from Subscriber to DAS. DAS may, at its sole option and from time to time, file (without the signature of an authorized representative of the Subscriber where permitted by law) such financing, continuation statements and amendments as reasonably determined by DAS to perfect the Security Interest in the Collateral. Upon the request of DAS, the Subscriber shall promptly execute all documents which are reasonably necessary to perfect the Security Interest and pay the filing fees and associated costs and expenses incurred or suffered by DAS in connection with the perfection or continuation of the perfection of the Security Interest in such jurisdictions as may be reasonably selected by DAS, and the preparation, transmittal and filing of documents in connection therewith. The Subscriber shall not file any termination statements or other

documents to terminate, limit, or amend the financing statement filed by DAS, or cause, suffer, or permit any other Person to do so for or on behalf of the Subscriber.

14. **DAS Amendment by Notice**. DAS may at any time and from time to time amend this Agreement by providing not less than sixty (60) days advance notice (the "**Amendment Notice**") to Subscriber setting forth the substance of such amendment. If Subscriber determines the amendment to be unacceptable to Subscriber, Subscriber shall provide written notice to DAS within thirty (30) days of the Amendment Notice. If no timely objection to the Amendment Notice is provided by Subscriber, the amendment shall be effective as of the date set forth in the Amendment Notice and any Customer's use of any of the Service or the Add-On Software on or after such date shall confirm acceptance of such amendment. If a timely objection to the Amendment Notice is provided by Subscriber: (A) DAS may elect by written notice to Subscriber on or within thirty (30) days of Subscriber's timely objection to withdraw the amendment as concerns Subscriber, or (B) if DAS does not timely provide a notice of withdrawal of the amendment to Subscriber, then Subscriber may terminate this Agreement upon thirty (30) days written notice to DAS.

15. **Notices**. Except for normal business communications, which shall be in writing and may be sent via email, each consent, waiver, notice, demand, request or other instrument required or permitted to be given and effective under this Agreement shall be in writing and deemed to have been properly given upon: (A) actual delivery if hand delivered, (B) the next business day after: (1) transmission by overnight express courier service (e.g., Federal Express), freight prepaid to the address for such party set forth herein, or (2) in the case of a notice provided by DAS, being sent to the e-mail address for the Subscriber set forth in the records for the Service, or (C) five (5) business days after being sent by certified United States mail, return receipt requested, postage prepaid, to the address for such party set forth in the records for the Service. Either party may change its address or facsimile number for notices by changing it on the records for the Service.

16. **Entire Agreement, Waiver, Modification, Successors, Assignment, Captions, Partial Invalidity, Third Party Beneficiaries, Applicable Law and Venue, and WAIVER OF JURY TRIAL**. This Agreement sets forth the entire understanding of the parties concerning the subject matter of this Agreement and incorporates all prior negotiations and understandings. There are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them relating to the subject matter of this Agreement other than those set forth herein. No purported waiver by any party of any default by another party of any term or provision contained herein shall be deemed to be a waiver of such term or provision unless the waiver is in writing and signed by the waiving party. No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein. No alteration, amendment, change or addition to this Agreement shall be binding upon any party unless in writing and signed by the party to be charged except as set forth in Section 14. All of the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and, except as otherwise specifically provided in this Agreement, their respective permitted successors, and assigns. Subscriber may not assign or delegate its, his or her, rights or obligations under this Agreement. DAS may assign and delegate its rights and obligations under this Agreement without notice to Subscriber at any time and from time to time. The captions and paragraph letters appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Agreement. Each term or provision of this Agreement shall be valid and independently enforced to the fullest extent permitted by law. If any term or provision of this Agreement or the application thereof to any Person or circumstance is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to another Person or circumstance shall be unaffected thereby. There are no intended, express, or implied third-party beneficiaries to this Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED UNDER AND BY THE LAWS OF THE STATE OF FLORIDA WITHOUT REFERENCE TO ITS CHOICE OF LAWS PROVISIONS. EXCLUSIVE VENUE FOR ANY LEGAL ACTION AUTHORIZED HEREUNDER OR RELATING HERETO SHALL BE IN ORANGE COUNTY, FLORIDA. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE ALL OF THEIR INDIVIDUAL AND COLLECTIVE RIGHTS TO A TRIAL BY JURY ON ANY AND ALL ISSUES PERTAINING TO OR ARISING OUT OF THIS AGREEMENT, THE SERVICE, THE ADD-ON SOFTWARE, AND THE CONTENT.

17. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute the same Agreement.

18. **Attorneys' Fees**. In the event any litigation, arbitration, or controversy between the parties hereto arises out of or relates to this Agreement, the Service or the Add-On Software, the Prevailing Party in such litigation, arbitration, or controversy shall be entitled to recover from the other party all reasonable attorneys' fees, expenses, and suit costs, including any associated with any appellate proceedings and any post-judgment collection proceedings.

19. **Definitions**.

19.1 **Add-On Software** means the machine readable executable code for the Microsoft Office® Word® and Excel® data integration software version offered and licensed by DAS as of the Effective Date, and each revision or replacement thereof provided or made available, from time to time, by DAS.

19.2 **Administrator** means: (A) the Authorized Representative, initially, and thereafter: (B) each natural person that is a Subscriber Related Party and designated by the Subscriber from time to time and identified to DAS through the Service as having the authority to designate one or more Authorized Users or other Administrators and for whom the Subscriber pays a Fee for access to the Service. Each Subscriber shall at all times maintain at least one Administrator.

19.3 **Agreement** means this entire Software Services and License Agreement (Sections 1 through 20), as may be amended from time to time in accordance herewith.

19.4 **Appraiser** means an employee or contractor of the Subscriber who: (1) holds a license, certification, designation, or other approval, authorization or permit that is necessary in the applicable jurisdiction for such individual to legally appraise real property, (2) is a Licensee Trainee in accordance with applicable law, rule or statute, or (3) holds themselves out to the public as being, or undertakes the work typically performed by, an appraiser.

19.5 **Authorized Representative** means the natural person who first initiates utilization of the Service or the Add-On Software on behalf of the Subscriber.

19.6 **Authorized User** means one natural person that is provided with access to the Service by a Subscriber or an Administrator and for whom the Subscriber pays a Fee for such access.

19.7 **Confidential Information** means all confidential or proprietary information of, about, or relating to Content and DAS or Subscriber, or, as concerns each of DAS and Subscriber, its business, customers, relationships, or properties. Confidential Information shall include, to the extent each so qualifies, know how, trade secrets, source code, object code, customer lists, methods of operation and development, customer data, lists of potential customers, market research data, information relating to the cost or charges for products or services, and employee and contractor compensation. Confidential Information shall not, in any event, include any information that becomes generally known or publicly available upon reasonable inspection other than information that became generally known or publicly available as a result of a breach of an obligation of confidentiality to any of Seller or the Company.

19.8 **Content** means any information uploaded or posted to the Service by an Authorized User or Administrator, including, without limitation, information about Subscriber, Administrators and Authorized Users.

19.9 **Customer** means, individually and collectively, as the context requires, Subscriber and each Administrator and each Authorized User.

19.10 **Disclosing Party** means: (A) DAS where the Confidential Information is owned or assertable by DAS, or (B) Subscriber where the Confidential Information is owned or assertable by Subscriber.

19.11 **Person** means an individual, sole proprietorship, partnership, joint venture, limited liability company, limited liability partnership, trust, estate, unincorporated organization, association, corporation, institution, or other entity.

19.12 **Prevailing Party** means, generally, the party in any litigation, arbitration, or other controversy (each being a "*Dispute*") that prevails on substantially the majority of the issues in the Dispute, provided that, if one party provides an offer of judgment or settlement in any Dispute and the outcome of the Dispute is not materially different that such offer, the party making the offer shall be the Prevailing Party in such Dispute.

For purposes of this definition, materially different shall include, in the case of money damages, the outcome of the Dispute provides for damages in excess of 110% of such offer.

19.13 **Receiving Party** means: (A) DAS where the applicable Confidential Information is owned or assertable by Subscriber, or (B) each Customer in the case of where the applicable Confidential Information is owned or assertable by DAS.

19.14 **Service** means the services provided from time to time by DAS through its *Datappraise Software-as-a-Service* platform, including, as of the Effective Date, utilization of that certain DAS owned software that provides real estate appraisal data and related business management capabilities via the Internet.

19.15 **Subscriber** means the Person identified by the Authorized Representative as the Person for whom the Services are purchased, *provided that*, if the Authorized Representative does not have the authority, whether implied or in fact, to enter this Agreement on behalf of such Person and such Person does not otherwise adopt this Agreement through the utilization of either the Services or the Add-On Software or otherwise, then the Authorized Representative shall be the Subscriber (as the indemnifying party) and shall indemnify DAS (as the indemnified party) in accordance with Section 12 as a result of such failure of authority.

19.16 **Subscriber Related Party** means an employee, officer, manager, partner or principal of Subscriber or an independent contractor currently engaged by Subscriber to perform appraisal related services or support or manage those engaged to perform appraisal related services.

19.17 **Security Emergency** means a violation by Subscriber of this Agreement that (A) could disrupt any of: (1) DAS' provision of the Service, (2) the business of other subscribers to the Service, or (3) the network or servers used to provide the Service, or (B) provides unauthorized third-party access to the Service.

20. **Survival**. Sections 3, and 5 through 19 shall survive the termination, cancellation, or expiration of this Agreement by whatever means for whatever reason.

----------[End of Software Services and License Agreement] ----------

EXHIBIT G – FORM OF DATABASE ACCESS AND LICENSE AGREEMENT

DATABASE ACCESS AND LICENSE AGREEMENT

This Database Access and License Agreement (the "**Agreement**") is entered as of the date set forth below (the "**Effective Date**"), by and among Valbridge Property Advisors Data Solutions, LLC, a Florida limited liability company ("**Data Solutions**"), Data Appraise Systems, LLC, a Florida limited liability company ("**Data Appraise**"), and the Subscriber identified below.

Effective Date: _____

Subscriber: _____

Subscriber Address: _____

Subscriber Email Address: _____

By the signatures of their authorized representatives below the Subscriber, Data Solutions, and Data Appraise enter and agree to the terms and conditions of this Database Access and License Agreement, including the Background and Sections 1 through 20 (and the definitions set forth in Section 19) below at and as of the Effective Date set forth above.

Data Solutions: Valbridge Property Advisors Data Solutions, LLC.

By: _____
Pledger M. Bishop, III, Manager

Data Appraise: Data Appraise Systems, LLC

By: _____
Jeff Roper, COO

Subscriber:

By: _____
Print authorized signer name below

_____
Print title below

Database Access and License Agreement -Background and Sections 1 through 20

BACKGROUND.

Subscriber is a Valbridge franchisee or licensee pursuant to a franchise agreement or license agreement (the "**Franchise Agreement**") with Valbridge Property Advisors Franchising System, LLC (the "**Franchisor**"), and a subscriber of the Datappraise Software-as-a-Service report writing platform (the "**Report Writing Platform**") pursuant to a Services and License Agreement (the "**SaaS Agreement**") with Data Appraise.

Franchisor, Data Solutions and Data Appraise are both wholly owned by Valbridge Property Advisors, Inc. ("**Valbridge**"). Data Solutions owns and licenses third-party real estate related data that is useful in the conduct of, among other businesses, a real estate appraisal practice. It holds and organizes that data in a database (the "**Database**") that is accessible via the Report Writing Platform.

Subscriber owns and operates a real estate appraisal practice and, in connection therewith, uses the Report Writing Platform to store comparable data and other data and information, and to access that information, including, using the Report Writing Platform to select data and prepare client reports in connection with its real estate appraisal business.

The parties are entering this Agreement to: (1) provide the Subscriber with access to the Database, and (2) license the Subscriber's data to Data Solutions, both on and in accordance with the terms and conditions of this Agreement.

AGREEMENT

1. **Definitions**.

The capitalized terms in this Agreement shall have the meanings set forth in Section 19 and as may be defined elsewhere in this Agreement.

2. **Exclusive Agreement**.
This Agreement shall be the sole and exclusive agreement between the parties concerning the subject matter hereof. All prior agreements between Data Solutions and the Subscriber concerning or relating to the Data and the Database are hereby terminated and shall have no force or effect except for the provisions thereof that survive termination (e.g., the SD License granted by such prior agreement).

3. **Grant of License to Subscriber**.
Data Solutions grants the Subscriber a non-exclusive, non-transferable, limited right during the Term for its Authorized Users to exercise the Licensed Rights strictly in accordance with the Data Utilization Profile and solely for Subscriber's Internal Business Purposes.

4. **Grant of Data License by Subscriber**.
The provisions of this Section 4 shall be deemed to supplement, but not modify or replace, the terms and conditions of the SaaS Agreement.

4.1 License Grant to Data Appraise. The Subscriber grants Data Appraise and its successors and assigns the right, from time to time during the Term, to:

(A) make or have made copies and derivative works of, and modify, supplement, or amend the Subscriber Data, in whole or in part, including, for Data Solutions, its customers or sublicensees,

(B) delete and remove all or any portion of the Subscriber Data that Data Solutions has determined, in its sole and absolute discretion, should be deleted or removed, including, without limitation, pursuant to DCMA 512 or other applicable intellectual property or moral rights laws,

(C) add the Subscriber Data and each derivative work, modification, or supplement thereof, or amendment thereto, in whole or in part, to the Data,

(D) use the Subscriber Data and each derivative work, modification, and supplement thereof, and amendment thereto, for purposes of conducting the Data Solutions business and that of its licensees, sublicensee and their sublicensees, and their individual and collective successors and assigns, and

(E) grant one or more third parties who are subscribers of Data Solutions the right to exercise the rights set forth in this Section 4.1(A) through (D).

4.2 License Grant to Data Solutions. The Subscriber grants Data Solutions and its successors and assigns a fully paid non-terminable perpetual license (the "**SD License**") to:

(A) make and have made copies of the Subscriber Data, in whole or in part, and derivative works and modifications of, and supplements to, the Subscriber Data, including, but not limited to, combining all or any part of the Subscriber Data with third party or other data that Data Solutions owns, licenses, or otherwise has the right to utilize in some manner,

(B) utilize the Subscriber Data for Data Solutions' business activities in all respects, including, but not limited to, operating the Database and making the Subscriber Data (once it is incorporated into the Database) available to other Persons via the Database,

(C) grant other Persons the right to access, copy, use and make derivative works of the Subscriber Data, whether alone or in combination with third party data, and

(D) undertake any and all other activities that the Subscriber is entitled to undertake as the owner of the Subscriber Data, including, without limitation: (1) sublicensing the rights granted to Data Solutions pursuant to this Agreement, and (2) granting other Persons the right to sublicense the rights granted Data Solutions pursuant to this Agreement, *provided that*, for purposes of Section 4.2(D) the Subscriber Data shall be combined with data of one or more other Franchisees or Persons.

Notwithstanding the foregoing, Data Solutions shall not license or sublicense the Subscriber Data to any Person who is not a Franchisee for or in connection with such Person engaging in all or any part of the Business.

4.3 Ownership of Subscriber Data. As between Data Solutions and the Subscriber, the Subscriber shall continue to own the Subscriber Data throughout and after the Term and the Licensed Rights shall not apply to the Subscriber Data. The arrangements between the Subscriber and each of Franchisor, Valbridge and Data Appraise shall be governed by the agreements by and between each of them without regard to this Agreement.

5. **Limitations**.

5.1 Data and Database. Data Solutions may, at any time and from time to time:

(A) modify or discontinue, temporarily or permanently, any field or aspect of the Data, or any feature of the Database, or the structure of the Database upon notice to the Subscriber, and

(B) suspend access to the Database for operational purposes, including, but not limited to, maintenance, repairs, or installation of upgrades.

5.2 Licensed Rights. The Licensed Rights do not include the grant of any right to the Subscriber or any of its Authorized Users to engage in any other activity relating to or concerning the Data or any part thereof except those expressly set forth in Section 19.18. Without limiting the foregoing, the Subscriber shall not:

(A) violate or breach: (1) the Data Utilization Profile (including, without limitation, exceeding the number of records downloaded in a particular time period), or (2) the terms of any agreement or arrangement between either or both of Data Appraise and Data Solutions and any provider of Third-Party Data,

(B) access the Database or download Data via any automated means, including, without limitation, using any scripted, robotic or software means, except only for the scripts or processes provided by Data Solutions or Data Appraise,

(C) sub-license or grant to any Person that is not a Franchisee any interest in Data or make Data available to any Person that is not a Franchisee of Data Solutions,

(D) permit, whether or not for consideration, any Person to have access to the Database or utilize the Data, except for the Subscriber's Authorized Users, and

(E) download Data in quantities that are more than the lesser of: (1) that reasonably needed for the applicable Internal Business Purpose, such as, for example and without limitation, downloading all the Data for a geographic area without regard to a type of property, or for a property type in an overly broad geographic area, or (2) the maximum number of records permitted to be downloaded pursuant to the then current Data Utilization Profile.

5.3 Interest in Data, the Database, or the Data Solutions Business. Except for the Licensed Rights, this Agreement does not grant, and the Subscriber shall not have or receive, any rights or interests whatsoever in any of the Data, the Database, or the business or assets of Data Solutions.

6. **Subscriber Obligations**.
The Subscriber shall:

(A) cause each Authorized User to:

(1) assent and agree to the terms of the user terms and conditions of use (the "**Terms of Use**") prior to or contemporaneously with the first exercise of any Licensed Right by the applicable Authorized User (including, as, when and if the User Terms and Conditions are amended, modified, supplemented, or replaced, from time to time),

(2) refrain from permitting, and not permit or suffer, any other Person to utilize, the Username or to have access to the Database as, by or through such Authorized User,

(3) adhere to and observe all of the obligations of the Subscriber hereunder,

(4) comply with the Terms of Use and the Data Utilization Profile,

(5) refrain from exceeding the Licensed Rights or otherwise violating the intellectual property or ownership rights of Data Solutions, and

(B) permit and suffer only those persons who are Authorized Users to access the Database and exercise the Licensed Rights, and

(C) immediately notify Data Solutions and Data Appraise when any Authorized User: (1) is no longer a Subscriber Related Party, or (2) has breached any provision of this Agreement, the Terms of Use, or the Data Utilization Profile,

(D) use, and cause each Authorized User to use, the Report Writing Platform to the maximum extent available, including, without limitation, adding all data utilized by the Subscriber in its business that is not the confidential and proprietary property of the Subscriber's client or prohibited Third-Party Data to the Report Writing Platform (and thereby to the Database), and generating reports utilizing the Report Writing Platform,

(E) maintain at all times during the Term: (1) the Subscriber's and each Authorized User's account and means of access of the Report Writing Platform, including full and timely payment of all amounts due under the SaaS Agreement, and (2) all equipment and utilities necessary to exercise the Licensed Rights, and

(F) promptly after uploading any Third-Party Data to the Report Writing Platform, provide Data Solutions and Data Appraise with written notice (the "**Third-Party Data Notice**") describing such Third-Party Data.

7. **Subscriber Data Warranty**.

The Subscriber represents and warrants to Data Solutions and to Data Appraise, that, except for Third-Party Data that was the subject of a timely and complete Third-Party Data Notice, the Subscriber is the owner of the Subscriber Data in all respects, or for each part of the Subscriber Data that the Subscriber does not own, the Subscriber has the right to grant the SD License.

8. **Confidentiality**.

This Section 8 shall not be deemed to amend, revise, or replace any similar agreement or provision of any agreement between the Subscriber and any of Data Appraise, Franchisor or Valbridge entered on or prior to the Effective Date. Each Receiving Party shall, except as may be permitted by this Agreement:

(A) not disclose, or allow any Person access to, the Disclosing Party's Confidential Information,

(B) not make any use, commercial or otherwise, of the Disclosing Party's Confidential Information, except solely for the exercise of the Licensed Rights by the Subscriber in accordance with the Data Utilization Profile and the exercise of the SD License by Data Appraise and Data Solutions,

(C) restrict access to Confidential Information of the Disclosing Party to: (1) in the case of the Subscriber as the Receiving Party, its Authorized Users, and (2) in the case of Data Solutions or Data Appraise as the Receiving Party: (a) their individual and collective, and their parent and sibling entities', officers, managers, directors, employees, independent contractors, and their individual and collective customers, successors, and assigns, and

(D) exercise reasonable diligence to maintain the confidential, secret, or proprietary nature of all Confidential Information, with reasonable diligence (meaning that the Receiving Party uses commercially reasonable security measures that are not less than the measures used by it for its own confidential or proprietary information).

Notwithstanding the foregoing: (AA) a Receiving Party may disclose Confidential Information <u>if and only if</u> compelled by, and solely to the minimum extent necessary to comply with, bona fide unaffiliated third party initiated legal process (including, but not limited to, deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar legal process), and, to the extent not prohibited by applicable law or order, reasonable advance written notice is provided to the Disclosing Party, including the known relevant details of the legal process (with the intent to enable the Disclosing Party to take action to protect its rights in and to the subject Confidential Information), (BB) Data Solutions may disclose Confidential Information to Data Appraise and each other Person that an Affiliate of Data Solution or is under a duty of confidentiality to Data Solutions, and (CC) Data Solutions and Data Appraise may use and disclose Confidential Information in connection with exercising their individual and collective rights granted by or fulfilling their individual and collective obligations arising under this Agreement.

9. **Term and Termination**.

9.1 Term. The term (the "**Term**") of this Agreement shall commence on the Effective Date and continue until terminated in accordance herewith. This Agreement shall terminate contemporaneously with the earlier of:

(A) termination of the SaaS Agreement: (1) for cause by Data Appraise, or (2) without cause and without replacement (whether with Data Appraise or its Affiliate) within ten (10) business days thereafter,

(B) the Franchise Agreement is terminated and not replaced or renewed within ten (10) business days thereafter by a replacement franchise or license agreement,

(C) upon not less than: (1) sixty (60) days written notice by Data Solutions if it elects to terminate offering the Database, or (2) one hundred twenty (120) days written notice by Data Solutions,

(D) on the last day of the calendar month that is sixty (60) days after a Fee Increase Notice if, and only if, the Subscriber provides Data Solutions with a written termination notice on or within thirty (30) days of the Fee Increase Notice, and Data Solutions does not withdraw the Fee Increase Notice as concerns the Subscriber on or before the end of the Fee Increase Notice period, or

(E) for cause thirty (30) days after written notice if a party (the "*breaching party*") breaches this Agreement and a non-breaching party provides such notice to the breaching party setting forth the breach in reasonable detail, *provided that*, if the notice is for a breach that has not previously been the subject of a notice pursuant to this section and the breaching party cures the breach within the notice period, then no termination shall occur.

9.2 Effect of Termination. Upon a termination of this Agreement for any reason whatsoever the Licensed Rights shall terminate and, except for reports prepared and submitted to the Subscriber's clients prior to the end of the Term where the Subscriber exercised the Licensed Rights in compliance with this Agreement and for post preparation activities related to such reports (e.g., testifying and updates), the Subscriber shall immediately cease exercising the Licensed Rights. No termination shall affect the rights of Data Solutions or the Subscriber arising prior thereto.

10. **WARRANTIES**.

DATA SOLUTIONS MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, WHATSOEVER CONCERNING OR RELATING TO THE DATABASE, THE DATA, THE SUBSCRIBER'S ABILITY TO ACCESS THE DATABASE OR EXERCISE THE LICENSED RIGHTS, INCLUDING BUT NOT LIMITED TO: (A) NO WARRANTY OF MERCHANTABILITY, (B) NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (C) NO WARRANTY CONCERNING INTELLECTUAL PROPERTY RIGHTS, AND (D) NO WARRANTY CONCERNING THE INTEGRITY OR ACCURACY OF THE DATA. THE DATA AND ACCESS TO THE DATABASE IS PROVIDED *AS-IS, WHERE-IS, WITH ALL FAULTS*, KNOWN AND UNKNOWN, AND THE SUBSCRIBER SHALL VERIFY ALL DATA PRIOR TO UTILIZING ANY OF IT.

11. **Fees and Payments**.

If the Subscriber has not previously entered an agreement of the nature of this Agreement with Data Solutions and not previously paid an onboarding fee, the Subscriber shall pay Data Solutions the onboarding fee and monthly access fee in the amounts and at the times set forth on Exhibit A hereto in advance for such calendar month. Data Solutions may change the monthly access fee and revise Exhibit A on not less than sixty (60) days advance written notice to the Subscriber (the "**Fee Increase Notice**"), *provided that* the maximum monthly access fee shall be $250.00, the onboarding fee shall not increase once paid by the Subscriber, and any fee increase shall commence on the first day of the calendar month immediately after such notice period. All amounts due and payable to Data Solutions: (A) do not include sales, use or other taxes, except for taxes on the net income of Data Solutions, and the Subscriber shall pay all such taxes and fees at the time payment of the underlying amounts is made, and (B) shall be received by Data Solutions at the address set forth above (or such other address as Data Solutions may notify the Subscriber of in writing) on the due date. Payments received by Data Solutions more than five (5) business days after the due date shall be subject to a late fee of five percent (5%) of the amount due, which the parties agree reflects a reasonable estimate of Data Solutions' costs for such late payment, and all amounts due and unpaid shall bear interest from the date due until paid at the lesser of one and one-half

percent (1.5%) per month or the highest rate permitted by applicable law. In the event of non-payment by the Subscriber of any of its obligations under this Agreement and the failure to cure such non-payment within ten (10) days of the due date of the payment, Data Solutions may, at its sole option, suspend the ability of the Subscriber (and its Authorized Users) to exercise the Licensed Rights or access the Data. The remedies set forth herein shall be cumulative and shall be in addition to any other remedies available to Data Solutions under applicable law.

12. **Improvements and Suggestions by the Subscriber or its Authorized Users**.

All right, title and interest in and to, and the right to pursue protection for, improvements, enhancements and modifications to the Database or the Data or their individual or collective use, structure, access, or applicability that are suggested or made by any the Subscriber or its Authorized Users (being "**Improvements**") shall vest solely with Data Solutions, and the Subscriber agrees to assign, and does hereby assign, all such Improvements to Data Solutions. No license is granted to the Subscriber or any of its Authorized Users in, to or under any Improvements or other intellectual property or moral right owned or otherwise assertable by Data Solutions by express or implied grant, estoppel or otherwise, except solely when and if applicable to the Licensed Rights. All benefits from the use of any such Improvements shall inure solely to Data Solutions.

13. **LIMITATION OF LIABILITY AND DAMAGES**.

EXCEPT FOR THE INFRINGEMENT OF DATA SOLUTIONS INTELLECTUAL PROPERTY RIGHTS (INCLUDING, WITHOUT LIMITATION, AS A RESULT OF EXCEEDING THE LICENSED RIGHTS) OR A BREACH OF ANY OF SECTIONS 6(B), 7, OR 8, NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF BUSINESS OR OTHER ECONOMIC DAMAGE, OR INJURY TO PROPERTY. IN ADDITION, IN NO EVENT SHALL THE DAMAGES PAYABLE BY DATA SOLUTIONS TO SUBSCRIBER OR ANY PERSON OR ENTITY CLAIMING THROUGH SUBSCRIBER EXCEED THE GREATER OF: MONTHLY ACCESS FEES PAID BY SUBSCRIBER TO DATA SOLUTIONS IN THE PRIOR SIX MONTHS, OR $1,000.00. EACH PARTY ACKNOWLEDGES THAT:

(A) THIS SECTION REFLECTS AN INFORMED, VOLUNTARY ALLOCATION OF THE RISKS (KNOWN AND UNKNOWN) THAT MAY EXIST IN CONNECTION WITH THE ARRANGEMENTS SET FORTH IN THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THE USE OF THE DATABASE AND THE DATA AND THE EXERCISE OF THE LICENSED RIGHTS, AND

(B) SUCH VOLUNTARY RISK ALLOCATION WAS A MATERIAL PART OF THE BARGAIN BETWEEN THE PARTIES, AND

(C) THE ECONOMIC AND OTHER TERMS OF THIS AGREEMENT WERE NEGOTIATED AND AGREED TO BY THE PARTIES IN RELIANCE ON SUCH VOLUNTARY RISK ALLOCATION.

14. **Indemnification**.

The Subscriber shall defend, indemnify, and hold harmless Data Solutions, Data Appraise, and the Franchisor, and their individual and collective directors, officers, managers, employees, and contractors, individually and collectively, from and against all claims, obligations, losses, damages, liabilities, fines, costs, and expenses (including, without limitation, reasonable attorney's fees pretrial, trial and appellate) ("**Losses**") suffered or incurred by any of them that arise from, as a result of, or in connection with a third party claim alleging (and whether or not the Subscriber contests such allegations) any facts or circumstances that: (A) would, if true in whole or in part, constitute a breach of this Agreement by the Subscriber or its employees or contractors, or (B) arise from or in connection with the Subscriber's use of or actions concerning the Data, or the Database, or exercise of the Licensed Rights, excluding that portion of the Losses arising from Data Solutions' material breach of this Agreement.

15. **Notices**.

Except for general business communications, any consent, waiver, notice, demand, request or other instrument required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given upon: (A) actual delivery if hand delivered, (B) the next business day after: (1) transmission by overnight express courier service (e.g., Federal Express), freight prepaid to the address for such party set forth herein, or (2) in the case of a notice provided by Data Solutions, being: (a) sent to

the e-mail address for the Subscriber set forth in the records for the Report Writing Platform, and (b) posted to the Report Writing Platform website, (C) the next business day after transmission by facsimile (with receipt showing successful transmission) to the facsimile number for such party set forth in the records for the Report Writing Platform, or (D) three (3) business days after being sent by certified United States mail, return receipt requested, postage prepaid, to the address for such party set forth in the records for the Report Writing Platform. Either party may change its address or facsimile number for notices by changing it on the records for the Report Writing Platform.

16. **Entire Agreement, Waiver, Modification**, **Captions, Successors, Assignment, Partial Invalidity, Third Party Beneficiaries, Applicable Law and Venue, AND WAIVER OF JURY TRIAL**.
This Agreement sets forth the entire understanding of the parties concerning the subject matter of this Agreement and incorporates all prior negotiations and understandings. There are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them relating to the subject matter of this Agreement other than those set forth herein. No purported waiver by any party of any default by another party of any term or provision contained in this Agreement shall be deemed to be a waiver of such term or provision unless the waiver is in writing and signed by the waiving party. No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein. Except as set forth in Section 11 and for revisions to the Data Utilization Profile after notice to the Subscriber via the Platform, no alteration, amendment, change or addition to this Agreement shall be binding upon any party unless in writing and signed by the party to be charged. The captions and paragraph letters appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Agreement. Each of the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and, except as otherwise specifically provided in this Agreement, their respective permitted successors and assigns. The Subscriber may not assign or delegate its rights or obligations under this Agreement, except upon a Franchisor approved assignment of the Franchise Agreement and after notice to Data Solutions. Data Solutions and Data Appraise may assign and delegate their individual or collective rights and obligations under this Agreement without notice to the Subscriber at any time and from time to time. Each term or provision of this Agreement shall be independently enforced to the fullest extent permitted by law. If any term or provision of this Agreement or the application thereof to any Person or circumstance is held by a court of competent jurisdiction to be invalid or unenforceable, then the remainder of this Agreement and the application of such term or provision to another Person or circumstance shall be unaffected thereby. Valbridge and the Franchisor shall be express third party beneficiaries of this Agreement. Except for Valbridge and Franchisor, there are no intended, express, or implied third-party beneficiaries to this Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND GOVERNED UNDER AND BY THE LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO THE CONFLICTS OF LAW PROVISIONS THEREOF. EXCEPT FOR A DISPUTE (as defined in Section 18) INITIATED BY A PERSON WHO IS NOT AN AFFILIATE OF ANY PARTY, EXCLUSIVE VENUE FOR ANY DISPUTE ARISING HEREUNDER OR RELATING HERETO SHALL BE ORANGE COUNTY, FLORIDA. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY **WAIVE ALL OF THEIR INDIVIDUAL AND COLLECTIVE RIGHTS TO A TRIAL BY JURY** ON ANY AND ALL ISSUES PERTAINING TO OR ARISING OUT OF THIS AGREEMENT, THE DATA OR THE DATABASE.

17. **Counterparts**.
This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute the same Agreement.

18. **Attorneys' Fees**.
In the event of any litigation, arbitration, legal action, proceeding or other controversy (a "**Dispute**") between the parties arises out of or relates to this Agreement, the Data, the Licensed Rights, the SD License, or the Database, the Prevailing Party in such Dispute shall be entitled to recover from the other party all reasonable attorneys' fees, expenses, and suit costs, including any associated with any appellate proceedings and any post-judgment collection proceedings.

(Continued on the next page.)

19. **Definitions**.

19.1 **Affiliate** means with respect to any Person (the "*Subject Person*"), any other Person:

(A) that directly or indirectly controls, is controlled by or is under common control with the Subject Person,

(B) who is an officer, manager, employee, or agent of, partner in, or trustee of, or serves in a similar capacity with respect to, the Subject Person (or any of the Persons meeting the description set forth in clause (1) above),

(C) of which the Subject Person is an officer, manager, agent, partner, or trustee, or serves in a similar capacity, or

(D) who is a member of the Subject Person's family.

For purposes of this definition, the term "control" means the direct or indirect possession of the power to direct or cause the direction of the management or policies of the Subject Person, whether through the ownership of securities, by contract or otherwise.

19.2 **Authorized User** means an Authorized User under the SaaS Agreement.

19.3 **AMC Services** means to oversee and administer a network or panel of more than 15 certified or licensed appraisers in any single state or 25 or more certified or licensed appraisers nationally in connection with valuing properties, collateralizing mortgage loans or mortgages incorporated into a securitization for the benefit or at the direction of an AMC User, where: (1) the provider of the AMC Services utilizes criteria determined by the AMC User or applicable laws, rules or regulations, such as, if applicable, FIRREA, to determine the qualifications of the appraisers eligible to be a panel member, and (2) if included, an Appraisal Review conducted by or for the provider of the AMC Services is undertaken to ascertain compliance with applicable laws, rules or regulations. AMC Services *may* include: (i) recruiting, selecting and retaining appraisers, (ii) contracting with licensed and certified appraisers to perform appraisal assignments, (iii) managing the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed, or (iv) reviewing and verifying the work of appraisers. Typically, though not in all cases, providers of AMC Services are required to register with applicable regulatory authorities.

19.4 **AMC User** means any of: (1) a creditor of a consumer credit transaction secured by a consumer's principal dwelling, (2) an underwriter of, or other principal in, the secondary mortgage markets, (3) a Person monitoring one or more portfolios of loans or mortgage-backed securities.

19.5 **Appraisal** means the act or process of developing an opinion of value.

19.6 **Appraisal Consulting** means the act or process of developing an analysis, recommendation, or opinion to solve a problem where an opinion of value is a material component of the analysis, recommendation, or opinion.

19.7 **Appraisal Review** means the act or process of developing and communicating an opinion about the quality of another appraiser's Appraisal, Appraisal Consulting or Appraisal Review, including, without limitation, for a provider of AMC Services, provided that, an examination of an appraisal for grammatical, typographical, or other similar errors that does not review or make any substantive changes concerning the professional work of an appraiser does not constitute an Appraisal Review.

19.8 **Appraiser Panel** means a network of licensed or certified appraisers who perform appraisal services as independent contractors for an appraisal management company.

19.9 **Business** means undertaking any of the following: (A) Appraisal, (B) Appraisal Consulting, (C) Appraisal Review, or (D) providing expert consulting or testimony concerning any Appraisal, Appraisal Consulting or Appraisal Review. Business does not include analyzing data or utilizing data for research or to develop tools and methodologies, whether or not the results of such activities have any use in the Business.

19.10 **Confidential Information** means:

(A) all confidential or proprietary information of, about, or relating to:

(1) those portions of the Data: (a) designated in accordance with the requirements of the Report Writing Platform and pursuant to the current form of the Data Utilization Profile by the Subscriber as Confidential Information, or (b) for each subject record in the Database, the information about, of, or pertaining to: (i) the client of a subject record, and (ii) the fee for the appraisal of the subject record,

(2) personally identifiable information contained in, or disclosed in connection with access to, or the utilization of, the Data (e.g., property owner or tenant names, client names), and

(3) the Disclosing Party and its business, employees, contractors, customers, relationships, or properties that is not generally known and the subject of efforts by the Disclosing Party to keep confidential, or

(B) all information provided by any customer of Data Solutions other than the Subscriber that Data Solutions is obligated to keep confidential.

Without limiting the generality of the foregoing, *Confidential Information* shall include, to the extent in each instance, the information which so qualifies: know how, trade secrets, source code, data structures, reporting and data analysis techniques not generally used by appraisers, customer lists and information, methods of operation, lists of potential customers, market research data, information relating to the cost or charges for products or services, and employee and contractor compensation.

Confidential Information shall not, in any event, include any information that becomes generally known or publicly available upon reasonable inspection other than information that became generally known or publicly available as a result of a breach of an obligation of confidentiality to the Disclosing Party.

19.11 **Data** means all data and information acquired by, and licensed to, Data Solutions, that Data Solutions makes available from time to time to the Subscriber, excluding the Subscriber Data.

19.12 **Database** means the collection of the Data accessible via the Report Writing Platform.

19.13 **Disclosing Party** means: (A) Data Appraise where the Confidential Information is owned or assertable by Data Appraise, (B) Data Solutions where the Confidential Information is owned or assertable by Data Solutions, or (C) the Subscriber where the Confidential Information is owned or assertable by the Subscriber.

19.14 **Data Utilization Profile** means the data utilization profile document that sets forth, without limitation, the information in the Data that is Confidential Information, and the limitations or restrictions concerning utilization of all or any part of the Data. The Data Utilization Profile may be revised, amended, supplemented, or replaced from time to time by Data Solutions upon fifteen (15) days' notice to the Subscriber.

19.15 **Franchisee** means a franchisee or licensee of Franchisor.

19.16 **Independent Contractor** means a non-employee currently engaged by the Subscriber as, and licensed or otherwise qualified to be, an appraiser, provided that, an Independent Contract shall not include any Person where the appraisal report or other work product that results from the engagement of such Person: (A) does not bear any Valbridge trade or service mark, or (B) is not signed in the name of the Franchisee.

19.17 **Internal Business Purposes** means engaging in the Business as a franchisee of Franchisor for the benefit of the Subscriber and the Franchisor, including, without limitation, preparing Appraisals and geographic property trends marketing information to market the Subscriber's franchised business in accordance with the Franchise Agreement where the Data is utilized only in the aggregate. Without limiting the specificity of the foregoing, *Internal Business Purpose shall not, under any circumstances include*: (A) reselling, licensing or sharing Data, in whole or in part, (B) granting or permitting any Person that is not an Authorized User to have access to or to access the Data or the Database, whether for consideration or not, and whether or not Data is incorporated into, or provided or made available with, the Subscriber Data, (C)

creating a separate or distinct database or adding any Data to any database, or (D) any activity that would cause a breach or violation of any obligation of Data Solutions to any Person providing Third-Party Data.

19.18 **Licensed Rights** means undertaking all or any of the following activities solely for the Subscriber's Internal Business Purposes:

(A) accessing the Database utilizing the Report Writing Platform in accordance with the SaaS Agreement, and

(B) downloading via the Report Writing Platform, and making one copy of those records or other portions of Data that the Subscriber, via its Authorized User, requires to conduct an appraisal or undertake another activity that constitutes an Internal Business Purpose of the Subscriber, and

(C) using as comparables and for other data, those records or other portions of Data that the Subscriber, via its Authorized User, requires to conduct an appraisal or undertake another activity that constitutes part of the Business of the Subscriber pursuant to its Franchise Agreement with the Franchisor, and

(D) modifying portions of a record that is part of the Data from time to time:

(1) to correct typographical errors and spelling mistakes, add additional photographs and information, add relevant source documents in PDF format, or update the status of a pending transaction from pending to closed, or

(2) if the record is not marked 'verified,' to complete the record, verify it, and mark it as verified, or

(3) if notice thereof is provided to the Originator through e-mail correspondence or the Report Writing Platform at or before the time of the revision, to revise the sale price of a property based on updated third-party information (e.g., recorded deed), or

(4) if permission is secured from the Originator prior to the revision and a note is made to the confidential remarks portion of the record stating the date permission was received and who it was received from, to revise the adjustments to the sale price of a property based on updated third-party information, change income or expense information for a property, or change the primary photo of a property.

19.19 **Originator** means the Person identified on a record as having originally contributed that record to the Database.

19.20 **Person** means an individual, sole proprietorship, partnership, joint venture, limited liability company, limited liability partnership, trust, estate, unincorporated organization, association, corporation, institution, or other entity.

19.21 **Prevailing Party** means, generally, the party in the Dispute that prevails on substantially the majority of the issues in the Dispute, provided that, if one party provides an offer of judgment or settlement in any Dispute and the outcome of the Dispute is not materially different than such offer, the party making the offer shall be the Prevailing Party in such Dispute. For purposes of this definition, materially different shall include, in the case of money damages, the outcome of the Dispute provides for damages in excess of 110% of such offer.

19.22 **Receiving Party** means: (A) Data Solutions where the applicable Confidential Information is owned or assertable by the Subscriber, or (B) the Subscriber and each of its Authorized Users where the applicable Confidential Information is owned or assertable by either or both Data Solutions or Data Appraise.

19.23 **SD License** means the rights granted to Data Solutions in Section 4.2 of this Agreement.

19.24 **Subscriber Data** means the data and information maintained, amended, revised, and supplemented, from time to time on the Report Writing Platform.

19.25 **Subscriber Related Party** means: (A) an employee, officer, manager, partner, or principal of the Subscriber, or (B) solely the performance of appraisal related services for the Subscriber, an Independent Contractor who has executed and delivered to Data Solutions the Subscriber IC Access Agreement in the

form the utilized by Data Solutions, and who requires access to the Database to render appraisal services for the Subscriber.

19.26 **Third-Party Data** means all data and information that: (A) the Subscriber did not individually create, and (B) was received from a third-party database where terms of use or license prohibit the granting of the SD License. Third-Party Data shall include, by way of example and without limitation, data secured by the Subscriber from commercially available databases other than those arranged by the Franchisor where the license is applicable to all Franchisees (e.g., CoStar as of the Effective Date).

19.27 **Username** means the username granted to an Authorized User pursuant to the SaaS Agreement.

20. **Survival**. Sections 4.2, 4.3, 5.2, 5.3, 7, 8, 9.2, and 10 through 18 shall survive the termination, cancellation, or expiration of this Agreement by whatever means for whatever reason.

----------[End of Sections 1 through 20 of the Database Access and License Agreement] ----------

Exhibit A
to the
Database Access and License Agreement

Onboarding Fee.
Contemporaneously with the execution of this Agreement, the Subscriber shall pay Data Solutions an Onboarding Fee of $5,000.00.

Monthly Access Fees.
Subscriber shall pay the Monthly Access Fee on or before the first day of each calendar month during the Term. As of the Effective Date, the Monthly Access Fee shall be $0.00.

---------- [End of Exhibit A to the Database Access and License Agreement] ----------

EXHIBIT H – COST REDUCTION PAYMENT AGREEMENT (AS APPLICABLE)

COST REDUCTION PAYMENT AGREEMENT

This Cost Reduction Payment Agreement (the "**Agreement**") is made as of _____, 20___ (the "**Effective Date**"), by and between:

V-Bridge, LLC, a Florida limited liability company ("**V-Bridge**") whose mailing address is 1250 Fairmont Avenue, Mount Pleasant, SC 29464, and

_____ a _____ [state] □ corporation / □ limited liability company (the "**Customer**"), whose address is _____.

Number of Professional Staff (as defined below) of the Customer: _____.

BACKGROUND

V-Bridge is developing a new appraisal report writing and data management platform and related software (the "**Platform**") for use by appraisal firms. The Customer is a franchisee or licensee of the Franchisor. As a franchisee or licensee of the Franchisor, the Customer's administrative, professional, and paraprofessional employees and contractors will use the Platform once it is developed and available for use (as reasonably determined by V-Bridge).

Pursuant to this Agreement, the Customer will make advance cost reduction payments that will be used to fund such development. In exchange therefor, the Customer will receive: (1) one free seat to utilize the Platform, and (2) a reduction of the rate charged by V-Bridge to the Customer for the Customer's management, administrative, professional, and paraprofessional employees and contractors for an extended period of time, all as more particularly described herein.

AGREEMENT

The parties agree as follows:

1. **Definitions**.

(A) **Cost Reduction Payment** means the amount that is equal to: (1) $4,350, multiplied by (2) the Seat Count.

(B) **Dataappraise User Count** means the number of users of the *Dataappraise* software as a service platform offered by Data Appraise Systems, LLC, an affiliate of the Franchisor and V-Bridge.

(C) **Franchisee** means a licensee or franchisee of the Franchisor.

(D) **Franchisor** means Valbridge Property Advisors Franchising Systems, LLC, a Florida limited liability company.

(E) **Person** means an individual, sole proprietorship, partnership, joint venture, limited liability company, limited liability partnership, trust, estate, unincorporated organization, association, corporation, institution, or other entity.

(F) **Professional Staff** means the professional and paraprofessional (e.g., appraiser, trainee, analyst, or person with similar duties), management, administrative, employees and contractors of the Customer.

(G) **Reduced Rate** means, on an annual basis, the Reduced Rate set forth in the table below based on the Total Seat Count, *provided that*, if the Customer makes the Cost Reduction Payment in accordance with the Optional Payment Arrangement, then the Reduced Rate shall be the amount determined in accordance with the table below less $200.

Total Seat Count	Per Seat Reduced Rate
450 and Greater	$1,950
425 to 449	$2,050
400 to 424	$2,200
375 to 399	$2,350
350 to 374	$2,500

(H) **Reduced Rate Term** means the longer of: (1) the term that the Customer remains a franchisee of the Franchisor pursuant to the franchise agreement entered in 2025, whether prior to or after the Effective Date, or (2) three (3) years.

(I) **Seat Count** means the greater of: (1) the number of Professional Staff of the Customer, or (2) the Datappraise User Count for the Customer.

(J) **Total Seat Count** means the sum of the Seat Counts for all Franchisees entering agreements substantially similar to this Agreement by May 31, 2025.

2. **Cost Reduction Payment.** The total Cost Reduction Payment is payable in installments of: (1) one-third by the date you sign the Franchise Agreement, (2) one-sixth on the first day of each quarter for the three (3) quarters immediately following the date you sign the Franchise Agreement, (3) one-twelfth on the first day of the fourth quarter immediately following the date you sign the Franchise Agreement, and (4) the balance by the first anniversary of the date you sign the Franchise Agreement.

The Customer may, at its option, pay the Cost Reduction Payment in two installments of: (i) two-thirds of the total Cost Reduction Payment by the date you sign the Franchise Agreement, and (ii) the balance by the first day of the third quarter immediately following the date you sign the Franchise Agreement.

If any installment is not paid in full on or within five (5) business days after the due date, time being of the essence, then, at the option of V-Bridge and upon notice to the Customer, the full balance of the Cost Reduction Payment shall be immediately due and payable. The Customer's failure to timely pay any amount due hereunder on or within ten (10) business days of the due date shall be a material breach of this Agreement.

3. **V-Bridge Obligations**. Provided that the Customer is in compliance with its obligations under this Agreement, V-Bridge shall:

(A) use due diligence and commercially reasonable efforts to complete the Platform (generally expected to take twelve to fourteen months) and make it available to the Customer (as long as such Customer remains a Franchisee),

(B) once the Platform has been completed, to: (1) make the Platform available for use by Customer's Professional Staff at the Reduced Rate for the Reduced Rate Term, and (2) provide one seat for one of the Customer's administrative staff at no-cost.

V-Bridge is relying upon the Customer's timely and full payment of each Cost Reduction Payment to complete development of the Platform and is providing the benefits described herein as consideration therefor. Absent the Customer's entry of this Agreement and timely payment of each and the full Cost Reduction Payment, the per seat rate for utilization of the Platform would be $3,500 annually, and the Customer would not receive the no-cost administrative staff seat.

4. **No Effect - Current or Future Franchise or License Agreement**. The Customer acknowledges that: (A) the terms and conditions of the franchise agreement or license agreement currently existing between the Franchisor and the Customer is and shall remain in full force and effect, (B) this Agreement shall not modify, amend, supplement, or replace such agreement or any replacement, amendment, or modification thereof, and (C) the entry of a franchise agreement or license agreement after the Effective Date between the Franchisor and the Customer shall not modify, amend, supplement, or replace such this Agreement.

5. **Term and Termination**. The term (the "**Term**") of this Agreement shall commence on the Effective Date and continue until the earlier of: (A) the end of the Reduced Rate Term, (B) the termination of the franchise relationship between the Franchisor and the Customer without renewal thereof, or (C) twenty (20) days after written notice by one party (the "*terminating party*") to the other party (the "*breaching party*") in the event of a breach of this Agreement by the breaching party, where such notice sets forth the breach in reasonable detail and, if the notice was the first for the type of breach, the breaching party does not cure such default during the notice period. No refund shall be due Customer in the event of a for cause termination of this Agreement by V-Bridge as a result of a material breach by the Customer.

6. **Notices**. Each consent, waiver, notice, demand, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given

upon: (A) the next business day after actual delivery if hand delivered, (B) the next business day after: (1) transmission by overnight express courier service (e.g., FedEx), freight prepaid to the address for such party set forth herein, or (2) via email to the email address of the party set forth herein, or (C) five (5) business days after being sent by certified United States mail, return receipt requested, postage prepaid, to the address for such party set forth herein. Either party may change its address for notices in the manner set forth herein.

7. **Entire Agreement, Waiver, Modification, Captions, Partial Invalidity, Applicable Law, Exclusive Venue, Assignment, and WAIVER OF JURY TRIAL**. This Agreement sets forth the entire understanding of the parties concerning the subject matter of this Agreement and incorporates all prior negotiations and understandings. There are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them relating to the subject matter of this Agreement other than those set forth herein. No purported waiver by any party of any default by another party of any term or provision contained herein shall be deemed to be a waiver of such term or provision unless the waiver is in writing and signed by the waiving party. No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein. No alteration, amendment, change, or addition to this Agreement shall be binding upon any party unless it is in writing, references this Agreement, and is signed by the party to be charged. The captions and paragraph letters appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Agreement. Each term or provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law. If any term or provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid or unenforceable, then the remainder of this Agreement and the application of such term or provision to any other Person or circumstance shall not be affected thereby. This Agreement shall be construed and governed under and by the laws of the State of Florida for contracts executed and to be performed in Florida. The parties hereby consent to the jurisdiction of the federal and state courts of Florida and the appellate courts thereof, and agree that, except for third-party actions, exclusive venue for any legal action relating to this Agreement shall be in Orange County, Florida. Customer may not assign, subcontract, transfer, or delegate the performance of his, her or its duties hereunder without the express prior written approval of V-Bridge. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE ALL OF THEIR INDIVIDUAL AND COLLECTIVE RIGHTS TO A TRIAL BY JURY ON ANY AND ALL ISSUES PERTAINING TO OR ARISING OUT OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, EACH PROJECT.

8. **Attorneys' Fees**. In the event any litigation, arbitration, or controversy between the parties hereto arises out of or relates to this Agreement, the prevailing party in such litigation, arbitration or controversy shall be entitled to recover from the other party all reasonable attorneys' fees, expenses, and suit costs, including attorneys' fees, expenses and suit costs associated with any appellate proceedings and any post-judgment collection proceedings.

9. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute the same instrument.

10. **Survival**. Sections 7 and 8 shall survive the termination of this Agreement and continue in full force and effect thereafter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Customer: Print Customer name below

Customer authorized person to sign below:

By:

Print name and title of Customer authorized signer below:

email address for notices. Print email address for notices below:

V-Bridge, LLC

By:

Pledger M. Bishop, III, Manager
email address for notices:
JBishop@Valbridge.com

EXHIBIT C – LIST OF FRANCHISEES
AS OF DECEMBER 31, 2025

Franchisee	Address	Phone No.	Manager
Real Estate Appraisers, LLC	4732 Woodmere Blvd., Montgomery, AL 36106	334-277-5077	Josh Hall, Harry Stakely
Bristol Realty Counselors	5345 Arapahoe Ave. Ste. 6 Boulder, CO 80303	303-867-1935	Matthew W. Awsumb
FL Appraisal Group, LLC	3780 Burns Road Ste. 4 Palm Beach Gardens, FL 33410	561-833-5331	Daniel Griffin
Allgeier Company, Inc. d/b/a DBAH, LLC	9000 Wessex Place, Ste. 306 Louisville, KY 40222	502-585-7480	Jonathan Beery David Donan
Marotta Valuation Advisors, Inc.	260 Bear Hill Road Ste. 106 Waltham, MA 02451	781-790-5645	James J. Marotta
The Oetzel-Hartman Group	2127 University Park Dr., Ste. 390 Okemos, MI 48864	517-336-0001	James Hartman
Mississippi Valuations, LLC	1010 Ford Street Gulfport, MS 39507	228-604-1900	Everette Ladner, III F. Barr Biggs Charles Byrd R. Ryan Nunley
John Bosworth & Associates, LLC	5950 Fairview Road, Ste. 405 Charlotte, NC 28210	704-376-5400	John Bosworth
Walton Property Advisors, LLC	6666 S. Sheridan Road Ste 104, Tulsa, OK 74133	918-712-9992	Stephen Walton
Barone Murtha Shonberg & Associates, Inc.	4701 Baptist Rd. Ste. 304 Pittsburgh, PA 15227	412-881-6080	Stephen Barone, William Murtha, Mark Shonberg
Lukens & Wolf	900 W. Valley Road Ste. 503 Wayne, PA 19087	215-545-1900	Trip Lukens, Richard Wolf
Atlantic Appraisals, LLC	1250 Fairmont Ave. Mt. Pleasant, SC 29464	843-884-1266	Karl Finkelstein
VPA of the Carolinas, Inc.	11 Cleveland Ct. Greenville, SC 29607	864-233-6277	Mark Selby Tripp Glenn
DCBC, LLC	3200 West End Ave., Ste. 500 Nashville, TN 37203	502-585-7480	David Donan
TG Memphis Appraisal. Inc. n/k/a C& I Appraisal Services, Inc.	56 Ridge Lake Blvd., Ste. 225 Memphis, TN 38120	901-206-2277	Todd Glidewell
Meridian Realty Advisors, LLC	213 Fox Road Ste. 110 Knoxville, TN 37922	865-522-2424	Charles Benton, III Craig Huber Richard Green

Free and Associates, Inc.	1100 E. 6600 S., Ste. 201 Salt Lake City, UT 84121	801-262-3388	Gary Free
Axial Advisory Group, LLC	656 Independence Pkwy., Ste. 220 Chesapeake, VA 23320	757-345-0010	Larry Colorito
Vitale Realty Advisors, LLC	12660 W. North Ave. Brookfield, WI 53005	262-782-7990	Steven Vitale

EXHIBIT D - LIST OF FORMER FRANCHISEES
AS OF DECEMBER 31, 2025

Former Franchisee	Address	Phone No.	Manager
MJN Enterprises, Inc.	6061 E. Grant Road. Ste. 121 Tucson, AZ 85712	520-321-0000	Mike Naifeh
Burger (Michael) & Associates	4915 Calloway Dr. Ste 101 Bakersfield, CA 93312	661-587-1010	Michael Burger
Hulberg & Associates, Inc.	1530 The Alameda Ste. 100 San Jose, CA 95126	408-279-1520	Norm Hulberg, Walt Carney
Penner & Associates, Inc.	17822 17th Street Ste. 211 Tustin, CA 92780	714-449-0852	John Penner
VPA Inland Empire, Inc.	825 Colorado Blvd. Suite 201 Los Angeles, CA 90041	626-786-9327	Matt Lubawy
VPA San Louis Obispo	SLO Appraisals, Inc. 4915 Calloway Dr., Ste 101 Bakersfield, CA 93312	661-587-1010	Michael Burger
Mountain West	23272 Two Rivers Road Ste. 101 Basalt, CO 81621	970-340-1016	Aaron Ward, Gabe Molnar
Italia & Lemp, Inc.	15 Concord Street Glastonbury, CT 06033	860-246-4606	Pat Lemp
Angeland Corporation	2711 Poinsettia Ave. West Palm Beach, FL 33407	561-833-5331	David Boyd
Armalavage Valuation, LLC (f/k/a Armalavage & Associates, Inc.),	3033 Riviera Drive Ste. 106 Naples, FL 34103	239-514-4646	Rick Armalavage, Geri Armalavage
Capstone Valuation Advisors, LLC	734 Rugby Street Orlando, FL 32804	407-770-0428	Scott Tew
Cantrell Miller, LLC	2675 Paces Ferry Road Ste. 145 Atlanta, GA 30339	404-354-2331	Ken Cantrell, Jeff Miller
Mountain States Appraisal & Consulting, Inc.	1459 S. Tyrell Lane Ste. B Boise, ID 83706	208-336-1097	Joe Corlett, Moe Therrien
Chicago VPA Associates, LLC	566 W. Lake St. Ste. 240 Chicago, IL 60661	312-288-8687	Gary DeClark
Mitchell Appraisals, Inc.	820 Fort Wayne Ave. Indianapolis, IN 46204	317-687-2747	Larry Mitchell
Shaner Appraisals, Inc.	10990 Quivira Road Ste. 100 Overland Park, KS 66210	913-451-1451	Laird Goldsborough
Argote, Derbes, Graham, Shuffield & Tatje, Inc.	512 N. Causeway Blvd., Metairie, LA 70001	504-830-3870	R Dunbar Argote

VPA of South Louisiana, Inc.	512 N. Causeway Blvd. Metairie, LA 70001	504-830-3880	Arthur Schwertz
VBW Metro, LLC	2709 Hanson Ave., Ste. T2 Baltimore, MD 21209	443-333-5525	David Brooks
Insight Realty Advisors, Inc.	1515 Central Parkway Ste. 120 Eagan, MN 55121	651-370-1475	Josh Folland Rochard Nordquist Nathan Hansen
VPA St. Louis	1118 Hampton Avenue Suite 208 St Louis, MO 63139	314- 255-1323	Ben Long
Lubawy & Associates, Inc.	3034 S Durango Dr. Ste 100 Las Vegas, NV 89117	702-242-9369	Matt Lubawy
The Oxford Group Appraisal & Consultation	2740 Route 10, Suite 204, Morris Plains New Jersey 07950		George Denman
Paramount Appraisal Group, Inc.	412 E. Chatham Street Cary, NC 27511	919-859-2666	Diana Spencer
Akron Appraisal Group, Inc.	1422 Euclid Ave. Ste. 616 Cleveland, OH 44115	216-367-9690	Gary Barker
R.K. Barnes & Associates, Inc.	112 Westwood Place Ste. 300 Brentwood, TN 37027	615-369-0670	Ken Barnes
Dugger, Grafe, Swanson, Inc.	9901 IH-10 West Ste. 1035 San Antonio, TX 78230	210-227-6229	Paul Grafe Clint Bendele Merrill Swanson Brett Weatherbie
The Gerald A. Teel Company, Inc., d/b/a VPA Houston & Dallas, Inc.	974 Campbell Road Ste. 204 Houston, TX 77024	713-467-5858	Gerald Teel Chris Lantz Paul Gilliam Tye Neilson Tim Treadway Josh Wood
VPA New Mexico, LLC	7000 Prospect Place NE Ste. B Albuquerque, NM 87110	713-467-5858	Chris Lantz

EXHIBIT E - FINANCIAL STATEMENTS

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC
AND AUDITOR'S AND ACCOUNTANTS' CONSENTS

Exhibit E contains our financial statements, including:

1.) audited financial statements for 2025, including a balance sheet at December 31, 2025, a statement of operations and members equity for the calendar year ending on December 31, 2025, and statement of cash flows for the calendar year ending December 31, 2025,

2.) audited financial statements for 2024, including a balance sheet at December 31, 2024, a statement of operations and members equity for the calendar year ending on December 31, 2024, and statement of cash flows for the calendar year ending December 31, 2024,

3.) audited financial statements for 2023, including a balance sheet at December 31, 2023, a statement of operations and members equity for the calendar year ending on December 31, 2023, and statement of cash flows for the calendar year ending December 31, 2023,

4.) unaudited and unreviewed financial statements for January through March 31, 2026, including a consolidated balance sheet at March 31, 2026.

Our fiscal year end is December 31.

MKA
CERTIFIED PUBLIC ACCOUNTANTS

Partners
W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga
Rich J. Cassidy
Justin R. Cabral

CONSENT

Moss Krusick & Associates, LLC consents to the use in the Franchise Disclosure Document issued by Valbridge Property Advisors Franchising System, LLC ("Franchisor"), on April 30, 2026, and as it may be amended, of our reports dated April 30, 2026 and May 8, 2025, relating to the financial statements of the Franchisor for the years ended December 31, 2025, 2024, and 2023.

Moss, Krusick & Associates, LLC

Moss, Krusick & Associates, LLC
April 30, 2026

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

St. Petersburg, FL 33710
5401 Central Avenue
Phone: 727-327-1999

N. Palm Beach, FL 33408
1201 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

Financial Statements

December 31, 2025 and 2024

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MKA
CERTIFIED PUBLIC ACCOUNTANTS

Partners
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Phone: 954-435-4222

INDEPENDENT AUDITOR'S REPORT

To the Member of
Valbridge Property Advisors Franchising System, LLC
Naples, Florida

Opinion

We have audited the accompanying financial statements of Valbridge Property Advisors Franchising System, LLC, (a Florida Corporation) (the "Company"), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income and member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Moss, Krusick & Associates, LLC

Winter Park, Florida
April 30, 2026

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

BALANCE SHEETS

December 31, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 117,421	$ 440,526
Restricted cash	-	54,266
Accounts receivable	250,160	362,864
Prepaid expenses	72,381	68,525
Total current assets	439,962	926,181
Intangibles, net	33,649	70,357
Due from member	12,054,829	10,757,195
Total assets	$ 12,528,440	$ 11,753,733
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 157,692	$ 227,886
Credit cards payable	44,450	168,930
Insurance deductible reserve	163,145	153,145
Current portion of the retirement plan payable	60,000	60,000
Total current liabilities	425,287	609,961
Note payable	9,583	-
Retirement plan payable	200,000	240,000
Total liabilities	634,870	849,961
MEMBER'S EQUITY	11,893,570	10,903,772
Total liabilities and member's equity	$ 12,528,440	$ 11,753,733

The accompanying notes are an integral part of these financial statements.

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

STATEMENTS OF INCOME AND MEMBER'S EQUITY

Years ended December 31, 2025 and 2024

	2025	2024
REVENUES		
Royalties	$ 2,311,980	$ 2,576,249
Interest and other income	67,979	103,773
Appraisal fees	19,650	72,280
Franchise fees	12,500	48,333
Technnology fees	-	5,000
Total revenues	2,412,109	2,805,635
OPERATING EXPENSES		
Professional fees	379,305	330,979
Marketing expense	224,375	179,428
Management fees	183,666	316,145
IT and technology fees	176,162	154,828
Bad debt expense	126,356	97,678
Taxes	114,824	7,457
Licensing fees	82,900	70,200
Amortization expense	36,708	36,708
Travel expenses	25,837	5,750
Insurance	18,388	327,272
Dues and subscriptions	16,317	7,197
Interest expense	8,051	12,493
CoStar fees	4,814	2,880
Meals and entertainment	700	-
Miscellaneous	23,908	8,669
Total operating expenses	1,422,311	1,557,684
Net income	989,798	1,247,951
Member's equity, beginning of period	10,903,772	9,655,821
Member's equity, end of period	$ 11,893,570	$ 10,903,772

The accompanying notes are an integral part of these financial statements.

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

STATEMENTS OF CASH FLOWS

Years ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 989,798	$ 1,247,951
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	36,708	36,708
Bad debt expense	126,356	97,678
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	(13,652)	435,785
(Increase) decrease in prepaid expenses	(3,856)	(9,095)
(Decrease) increase in accounts payable	(70,194)	(831,761)
Increase (decrease) in credit cards payable	(124,480)	124,789
Increase in insurance deductible reserve	10,000	14,290
Net cash provided by operating activities	950,680	1,116,345
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in due from member	(1,297,634)	(1,304,622)
Net cash used in investing activities	(1,297,634)	(1,304,622)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Payments to) proceeds from retirement plan	(40,000)	300,000
Proceeds from notes payable	9,583	-
Net cash used in investing activities	(30,417)	300,000
Net (decrease) increase in cash and cash equivalents	(377,371)	111,723
Cash, cash equivalents and restricted cash, beginning of period	494,792	383,069
Cash, cash equivalents and restricted cash, end of period	$ 117,421	$ 494,792
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH BALANCES		
Cash and cash equivalents	$ 117,421	$ 440,526
Restricted cash	-	54,266
Total cash, cash equivalents, and restricted cash	$ 117,421	$ 494,792
SUPPLEMENTAL DISCLOSURE		
Interest paid	$ 8,051	$ 12,493

The accompanying notes are an integral part of these financial statements.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Valbridge Property Advisors Franchising System, LLC (the "Company"), was formed on January 24, 2013, as a limited liability company. The Company is a wholly owned subsidiary of Valbridge Property Advisors, Inc. ("VPA"), which is the sole member. The Company was formed to develop a national network of property appraisers as franchises with the intent of strategically reciprocating referrals for business appraisals amongst each other and to operate under a common trade name. The Company operates 33 outlets in the United States, all of which are owned and operated by third parties under franchise and licensing agreements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid securities with original maturities of three months or less, when acquired, to be cash equivalents. The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. Cash balances at times may exceed federally insured limits. At December 31, 2025 and 2024, the Company had $0 and $176,943, respectively, in excess of the federally insured limit.

Restricted Cash

Restricted cash and cash equivalents includes medical insurance premiums funds held by the Company to pay medical insurance premiums on behalf of the franchisees. In addition, it includes funds received from, and paid to, the franchisees for real estate appraisals. Lastly, it includes funds in a savings account to offset National E & O premium deductible liability. These funds are required to be maintained in separate bank accounts.

Accounts Receivable

The Company periodically assesses the collectability of accounts receivable, and makes allowances for accounts considered uncollectible. As of December 31, 2025 and 2024, no allowance for (doubtful accounts) was considered necessary since all receivables are deemed fully collectable based on the Company's evaluation of historical experience, current conditions, and reasonable forecasts.

Intangible Assets

The Company's intangible assets consist of software that was developed by Optimum Consultancy Services. The purpose of the software is to integrate the Company's database and technology, increasing efficiency. The Company's policy is to amortize the software over a 5-year life.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Company follows FASB Accounting Standard Update No. 2014-09, "Revenue from Contracts with Customers" (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Company's revenues consist primarily of royalties, franchise fees, other fees for technology and marketing, and ongoing appraisal and referral fees, all of which are covered in franchise agreements. Royalties include base royalties plus revenue-based royalties of 2% to 3% depending on the revenue level of the franchisee. Franchise fees, technology fees and marketing fees are received upfront. Appraisal and referral fees are earned when services are performed by the Company for the franchisee.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services. Royalties from franchise fees, which are based on a percent of revenue, are recognized at the time the underlying revenue occur. Appraisal and referral fees are recognized when earned. CoStar fees are recognized monthly when billed. Initial fees are recognized as the Company satisfies the performance obligations over their respective terms which are generally three years for franchise fees and one year for technology and marketing fees.

Deferred revenue represents initial franchise fees received but not yet earned.

Income Taxes

The Company was organized in 2013 as a limited liability company and elected to be taxed as a flow through entity. Accordingly, VPA has consented to include the taxable income of the Company on its income tax returns. Therefore, the Company's financial statements do not include any provision for income taxes.

The Company has concluded that as of December 31, 2025 and 2024, there were no uncertain tax positions taken or expected to be taken by the Company that would require recognition of a liability (or asset) or disclosure in the financial statements. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

Advertising

The Company expenses all advertising costs as they are incurred. Advertising costs for the years ended December 31, 2025 and 2024 totaled $224,375 and $179,428, respectively.

Fair Value Measurements

At December 31, 2025 and 2024, the Company has no instruments that require additional disclosure. The carrying amounts of the Company's financial instruments including cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short period to maturity for these instruments and/or market interest rates.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Commitments and Contingencies

In the normal course of conducting its operations, the Company may occasionally become party to various legal actions and proceedings. At this time, management is not aware of any claims or legal action or any pending or threatened litigation that might have a material impact on the Company's financial position, results of operations or cash flows. While management believes that the Company has adequate general and professional liability coverage, current or subsequent claims could result in additional costs to the Company.

Statement of Cash Flows

Restricted cash is included in total cash in the Statements of Cash Flows. The components of cash and cash equivalents, and restricted cash in the Statements of Cash Flows are presented in the Balance Sheets.

Implemented Accounting Pronouncements

Effective January 1, 2024, the Company adopted FASB ASU 2016-13, *Financial Instruments Credit Losses* (ASC 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The adoption had no significant impact on the Company's financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. The reclassifications had no impact on previously reported net income.

Subsequent Events

Management has evaluated subsequent events through April 30, 2026, the date which the financial statements were available to be issued.

NOTE 2 – FRANCHISING ACTIVITY

As of December 31, 2025 and 2024, the Company had 19 and 10 active franchises, respectively.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company has entered into a licensing agreement for the use of certain brand and service marks and business systems owned by VPA. For the years ended December 31, 2025 and 2024, the Company paid VPA a total of $82,900 and $70,200, respectively, for licensing fees. The Company periodically advances monies to VPA and other related entities in the ordinary course of business. At December 31, 2025 and 2024, these advances totaled $12,054,829 and $10,757,195, respectively, and are non-interest bearing with no fixed date of repayment. The advances have been reclassified as long-term as they are zeroed out on a consolidated basis with VPA and not expected to be collected in 2026. There are no collectability issues with the advances as they are non-interest bearing and paid to VPA and they zero out when consolidated with VPA.

NOTE 4 – INTANGIBLE ASSETS

Intangible assets at December 31, are summarized as follows:

	2025	2024
Software	$ 183,540	$ 183,540
Less: accumulated amortization	(149,891)	(113,183)
Intangibles, net	$ 33,649	$ 70,357

Amortization expense for 2025 and for 2024 was $36,708. Estimated annual amortization expense for each of the years subsequent to 2025 is: 2026 - $33,649.

NOTE 5 – SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Effective November 2, 2017, the Company entered into a supplemental executive retirement plan (SERP) with its Chief Executive Officer, Richard Armalavage (the “Participant”). The SERP agreement is designed to provide supplemental retirement benefits to the Participant in recognition of the Participant’s past and active service as its CEO. The Plan requires that the Company defers compensation to the sum of $500,000, with the Participant being vested a portion of the amount depending on the age of retirement. As of the date of the financials, the Participant has retired and is entitled to 60% of the compensation to be paid out over five years. The related obligation is classified in a current portion of $60,000 and an outstanding liability of $200,000 on the balance sheet. The entire $300,000 obligation has been expensed in fiscal year 2024, as the service period associated with the benefit has been fully rendered. The plan was fully expensed as of December 31, 2024 and is expected to be paid out over the next four years at $60,000 per year.

NOTE 6 – INSURANCE DEDUCTIBLE RESERVE

The Company maintains a liability reserve related to an Errors and Omissions (E&O) professional liability policy. The reserve balance is set by the Company annually and is to be used for litigation of a franchisee or licensee firm for defense costs. If reserve account funds are used, the defendant firm must repay the use in full. At December 31, 2025 and 2024, the reserve has a balance of $163,145 and $153,145, respectively.

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

Financial Statements

December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Partners
W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

To the Member of
Valbridge Property Advisors Franchising System, LLC
Naples, Florida

Opinion

We have audited the accompanying financial statements of Valbridge Property Advisors Franchising System, LLC, (a Florida Corporation) (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income and member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Moss, Krusick & Associates, LLC

Winter Park, Florida
May 8, 2025

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

BALANCE SHEETS

December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 440,526	$ 269,266
Restricted cash	54,266	113,803
Accounts receivable	362,864	936,327
Prepaid expenses	68,525	59,430
Total current assets	926,181	1,378,826
Intangibles, net	70,357	107,065
Due from member	10,797,195	9,452,573
Total assets	$ 11,793,733	$ 10,938,464
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 227,886	$ 1,059,647
Credit cards payable	168,930	44,141
Insurance deductible reserve	153,145	138,855
Current portion of the retirement plan payable	60,000	-
Total current liabilities	609,961	1,242,643
Retirement plan payable	240,000	-
Total liabilities	849,961	1,242,643
MEMBER'S EQUITY	10,943,772	9,695,821
Total liabilities and member's equity	$ 11,793,733	$ 10,938,464

The accompanying notes are an integral part of these financial statements.

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

STATEMENTS OF INCOME AND MEMBER'S EQUITY

Years ended December 31, 2024 and 2023

	2024	2023
REVENUES		
Royalties	$ 2,576,249	$ 2,797,176
Interest and other income	103,773	28,140
Appraisal fees	72,280	223,628
Franchise fees	48,333	-
Technnology fees	5,000	-
Total revenues	2,805,635	3,048,944
OPERATING EXPENSES		
Professional fees	330,979	482,811
Insurance	327,272	489,203
Management fees	316,145	614,004
Marketing expense	179,428	281,348
IT and technology fees	154,828	640,107
Bad debt expense	97,678	-
Licensing fees	70,200	77,400
Amortization expense	36,708	36,708
Interest expense	12,493	6,901
Taxes	7,457	-
Miscellaneous	8,669	94,093
Dues and subscriptions	7,197	13,121
Travel expenses	5,750	25,989
CoStar fees	2,880	7,172
Meals and entertainment	-	5,328
Total operating expenses	1,557,684	2,774,185
Net income	1,247,951	274,759
Member's equity, beginning of period	9,695,821	9,421,062
Member's equity, end of period	$ 10,943,772	$ 9,695,821

The accompanying notes are an integral part of these financial statements.

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

STATEMENTS OF CASH FLOWS

Years ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 1,247,951	$ 274,759
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	36,708	36,708
Bad debt expense	97,678	-
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	475,785	(73,004)
(Increase) decrease in prepaid expenses	(9,095)	33,677
(Decrease) increase in accounts payable	(831,761)	533,351
Increase (decrease) in credit cards payable	124,789	(110,286)
Increase in insurance deductible reserve	14,290	15,000
Net cash provided by operating activities	1,156,345	710,205
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in due from member	(1,344,622)	(1,509,440)
Net cash used by investing activities	(1,344,622)	(1,509,440)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from retirement plan	300,000	-
Net cash used by investing activities	300,000	-
Net increase (decrease) in cash and cash equivalents	111,723	(799,235)
Cash, cash equivalents and restricted cash, beginning of period	383,069	1,182,304
Cash, cash equivalents and restricted cash, end of period	$ 494,792	$ 383,069
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH BALANCES		
Cash and cash equivalents	$ 440,526	$ 269,266
Restricted cash	54,266	113,803
Total cash, cash equivalents, and restricted cash	$ 494,792	$ 383,069
SUPPLEMENTAL DISCLOSURE		
Interest paid	$ 12,493	$ 6,901

The accompanying notes are an integral part of these financial statements.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Valbridge Property Advisors Franchising System, LLC (the "Company"), was formed on January 24, 2013, as a limited liability company. The Company is a wholly owned subsidiary of Valbridge Property Advisors, Inc. ("VPA"), which is the sole member. The Company was formed to develop a national network of property appraisers as franchises with the intent of strategically reciprocating referrals for business appraisals amongst each other and to operate under a common trade name. The Company operates 33 locations in the United States, all of which are owned and operated by third parties under franchise and licensing agreements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid securities with original maturities of three months or less, when acquired, to be cash equivalents. The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. Cash balances at times may exceed federally insured limits. At December 31, 2024 and 2023, the Company had $176,943 and $85,874, respectively, in excess of the federally insured limit.

Restricted Cash

Restricted cash and cash equivalents includes medical insurance premiums funds held by the Company to pay medical insurance premiums on behalf of the franchisees. In addition, it includes funds received from, and paid to, the franchisees for real estate appraisals. Lastly, it includes funds in a savings account to offset National E & O premium deductible liability. These funds are required to be maintained in separate bank accounts.

Accounts Receivable

The Company periodically assesses the collectability of accounts receivable, and makes allowances for accounts considered uncollectible. As of December 31, 2024 and 2023, no allowance for doubtful accounts was considered necessary since all receivables are deemed fully collectable based on the Company's evaluation of historical experience, current conditions, and reasonable forecasts.

Intangible Assets

The Company's intangible assets consist of software that was developed by Optimum Consultancy Services. The purpose of the software is to integrate the Company's database and technology, increasing efficiency. The Company's policy is to amortize the software over a 5-year life.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Company follows FASB Accounting Standard Update No. 2014-09, "Revenue from Contracts with Customers" (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Company's revenues consist primarily of royalties, franchise fees, other fees for technology and marketing, and ongoing appraisal and referral fees, all of which are covered in franchise agreements. Royalties include base royalties plus revenue-based royalties of 2% to 3% depending on the revenue level of the franchisee. Franchise fees, technology fees and marketing fees are received upfront. Appraisal and referral fees are earned when services are performed by the Company for the franchisee.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services. Royalties from franchise fees, which are based on a percent of revenue, are recognized at the time the underlying revenue occur. Appraisal and referral fees are recognized when earned. CoStar fees are recognized monthly when billed. Initial fees are recognized as the Company satisfies the performance obligations over their respective terms which are generally three years for franchise fees and one year for technology and marketing fees.

Deferred revenue represents initial franchise fees received but not yet earned.

Income Taxes

The Company was organized in 2013 as a limited liability company and elected to be taxed as a flow through entity. Accordingly, VPA has consented to include the taxable income of the Company on its income tax returns. Therefore, the Company's financial statements do not include any provision for income taxes.

The Company has concluded that as of December 31, 2024 and 2023, there were no uncertain tax positions taken or expected to be taken by the Company that would require recognition of a liability (or asset) or disclosure in the financial statements. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

Advertising

The Company expenses all advertising costs as they are incurred. Advertising costs for the years ended June 30, 2024 and 2023 totaled $179,428 and $281,348, respectively.

Fair Value Measurements

At December 31, 2024 and 2023, the Company has no instruments that require additional disclosure. The carrying amounts of the Company's financial instruments including cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short period to maturity for these instruments and/or market interest rates.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Commitments and Contingencies

In the normal course of conducting its operations, the Company may occasionally become party to various legal actions and proceedings. At this time, management is not aware of any claims or legal action or any pending or threatened litigation that might have a material impact on the Company's financial position, results of operations or cash flows. While management believes that the Company has adequate general and professional liability coverage, current or subsequent claims could result in additional costs to the Company.

Statement of Cash Flows

Restricted cash is included in total cash in the Statements of Cash Flows. The components of cash and cash equivalents, and restricted cash in the Statements of Cash Flows are presented in the Balance Sheets.

Implemented Accounting Pronouncements

Effective January 1, 2024, the Company adopted FASB ASU 2016-13, *Financial Instruments Credit Losses* (ASC 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The adoption had no significant impact on the Company's financial statements.

Subsequent Events

Management has evaluated subsequent events through May 8, 2025, the date which the financial statements were available to be issued.

NOTE 2 – FRANCHISING ACTIVITY

At December 31, 2024 and 2023, the Company had 10 and 0 active franchises, respectively.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company has entered into a licensing agreement for the use of certain brand and service marks and business systems owned by VPA. For the years ended December 31, 2024 and 2023, the Company paid VPA a total of $70,200 and $77,400, respectively, for licensing fees. The Company periodically advances monies to VPA and other related entities in the ordinary course of business. At December 31, 2024 and 2023, these advances totaled $10,797,195 and $9,452,573, respectively, and are non-interest bearing with no fixed date of repayment. The advances have been reclassified as long-term as they are zeroed out on a consolidated basis with VPA and not expected to be collected in 2025. There are no collectability issues with the advances as they are non-interest bearing and paid to VPA and they zero out when consolidated with VPA.

NOTE 4 – INTANGIBLE ASSETS

Intangible assets at December 31, are summarized as follows:

	2024	2023
Software	$ 183,540	$ 183,540
Less: accumulated amortization	(113,183)	(76,475)
Intangibles, net	$ 70,357	$ 107,065

Amortization expense for 2024 and for 2023 was $36,708. Estimated annual amortization expense for each of the years subsequent to 2024 is: 2025 - $36,708, 2026 - $33,649.

NOTE 5 – SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Effective November 2, 2017, the Company entered into a supplemental executive retirement plan (SERP) with its Chief Executive Officer, Richard Armalavage (the “Participant”). The SERP agreement is designed to provide supplemental retirement benefits to the Participant in recognition of the Participant’s past and active service as its CEO. The Plan requires that the Company defers compensation to the sum of $500,000, with the Participant being vested a portion of the amount depending on the age of retirement. As of the date of the financials, the Participant has retired and is entitled to 60% of the compensation to be paid out over the next five years. The related obligation is classified in a current portion of $60,000 and an outstanding liability of $240,000 on the balance sheet. The entire $300,000 obligation has been expensed in the current year, as the service period associated with the benefit has been fully rendered. The plan was fully expensed as of December 31, 2024 and is expected to be paid out over the next five years at $60,000 per year.

NOTE 6 – INSURANCE DEDUCTIBLE RESERVE

The Company maintains a liability reserve related to an Errors and Omissions (E&O) professional liability policy. The reserve balance is set by the Company annually and is to be used for litigation of a franchisee or licensee firm for defense costs. If reserve account funds are used, the defendant firm must repay the use in full. At December 31, 2024 and 2023, the reserve has a balance of $153,145 and $138,855, respectively.

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

Financial Statements

December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

Partners
W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

To the Member of
Valbridge Property Advisors Franchising System, LLC
Naples, Florida

Opinion

We have audited the accompanying financial statements of Valbridge Property Advisors Franchising System, LLC, (a Florida Corporation) (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income and member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 6, these financial statements, which were initially issued April 5, 2024, were re-issued to add clarity in Note 1 – Nature of Operations concerning the franchise and license agreements and Note 2 – Franchising Activity for a correction of an error. Our opinions is not modified with respect to that matter.

Moss, Krusick & Associates, LLC

Winter Park, Florida
May 8, 2025

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

BALANCE SHEETS

December 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 269,266	$ 821,368
Restricted cash	113,803	360,936
Accounts receivable	936,327	863,323
Prepaid expenses	59,430	93,107
Total current assets	1,378,826	2,138,734
Intangibles, net	107,065	143,773
Due from member	9,452,573	7,943,133
Total assets	$ 10,938,464	$ 10,225,640
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 1,059,647	$ 526,296
Credit cards payable	44,141	154,427
Insurance deductible reserve	138,855	123,855
Total current liabilities	1,242,643	804,578
MEMBER'S EQUITY	9,695,821	9,421,062
Total liabilities and member's equity	$ 10,938,464	$ 10,225,640

The accompanying notes are an integral part of these financial statements.

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

STATEMENTS OF INCOME AND MEMBER'S EQUITY

Years ended December 31, 2023 and 2022

	2023	2022
REVENUES		
Royalties	$ 2,797,176	$ 3,271,976
Appraisal fees	223,628	116,116
Interest and other income	26,682	9,468
Referral fees	1,400	1,400
CoStar fees	58	93,939
Franchise fees	-	1,249
Total revenues	3,048,944	3,494,148
OPERATING EXPENSES		
IT and technology fees	640,107	474,550
Management fees	614,004	510,344
Insurance	489,203	579,275
Professional fees	482,811	448,839
Marketing expense	281,348	237,809
Miscellaneous	94,093	72,392
Licensing fees	77,400	81,600
Amortization expense	36,708	36,708
Travel expenses	25,989	44,485
Dues and subscriptions	13,121	15,310
CoStar fees	7,172	12,140
Interest expense	6,901	2,996
Meals and entertainment	5,328	13,659
Taxes	-	20,930
Bad debt expense	-	8,747
Total operating expenses	2,774,185	2,559,784
Net income	274,759	934,364
Member's equity, beginning of period	9,421,062	8,486,698
Member's equity, end of period	$ 9,695,821	$ 9,421,062

The accompanying notes are an integral part of these financial statements.

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

STATEMENTS OF CASH FLOWS

Years ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 274,759	$ 934,364
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization	36,708	36,708
Changes in operating assets and liabilities:		
Decrease in accounts receivable	(73,004)	(393,754)
Decrease in prepaid expenses	33,677	146,279
Increase in accounts payable	533,351	245,533
Decrease in deferred revenue	-	(1,248)
Decrease (increase) in credit cards payable	(110,286)	4,607
Increase in insurance deductible reserve	15,000	25,161
Net cash provided by operating activities	710,205	997,650
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in due from member	(1,509,440)	(949,060)
Net cash used by investing activities	(1,509,440)	(949,060)
Net (decrease) increase in cash and cash equivalents	(799,235)	48,590
Cash, cash equivalents and restricted cash, beginning of period	1,182,304	1,133,714
Cash, cash equivalents and restricted cash, end of period	$ 383,069	$ 1,182,304
SUPPLEMENTAL DISCLOSURE		
Interest paid	$ 6,901	$ 2,996

The accompanying notes are an integral part of these financial statements.

VALBRIDGE PROPERTY ADVISORS FRANCHISING SYSTEM, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Valbridge Property Advisors Franchising System, LLC (the "Company"), was formed on January 24, 2013, as a limited liability company. The Company is a wholly owned subsidiary of Valbridge Property Advisors, Inc. ("VPA"), which is the sole member. The Company was formed to develop a national network of property appraisers as franchises with the intent of strategically reciprocating referrals for business appraisals amongst each other and to operate under a common trade name. Prior to the end of 2023, the Company had 72 locations in the United States owned and operated by third party franchisees under franchise agreements. The Company ceased offering franchises in 2023 and the Company's franchisees elected to enter into license agreements

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid securities with original maturities of three months or less, when acquired, to be cash equivalents. The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. Cash balances at times may exceed federally insured limits. At December 31, 2023, $85,874 exceeded the federally insured limit.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents includes medical insurance premiums funds held by the Company to pay medical insurance premiums on behalf of the franchisees. In addition, it includes funds received from, and paid to, the franchisees for real estate appraisals. Lastly, it includes funds in a savings account to offset National E & O premium deductible liability. These funds are required to be maintained in separate bank accounts.

Accounts Receivable

The Company periodically assesses the collectability of accounts receivable, and makes allowances for accounts considered uncollectible. As of December 31, 2023 and 2022, no allowance for doubtful accounts was considered necessary.

Intangible Assets

The Company's intangible assets consist of software that was developed by Optimum Consultancy Services. The purpose of the software is to integrate the Company's database and technology, increasing efficiency. The Company's policy is to amortize the software over a 5-year life.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Company follows FASB Accounting Standard Update No. 2014-09, "Revenue from Contracts with Customers" (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Company's revenues consist primarily of royalties, franchise fees, other fees for technology and marketing, and ongoing appraisal and referral fees, all of which are covered in franchise agreements. Royalties include base royalties plus revenue-based royalties of 2% to 3% depending on the revenue level of the franchisee. Franchise fees, technology fees and marketing fees are received upfront. Appraisal and referral fees are earned when services are performed by the Company for the franchisee.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration expected to be received for those goods or services. Royalties from franchise fees, which are based on a percent of revenue, are recognized at the time the underlying revenue occur. Appraisal and referral fees are recognized when earned. CoStar fees are recognized monthly when billed. Initial fees are recognized as the Company satisfies the performance obligations over their respective terms which are generally three years for franchise fees and one year for technology and marketing fees.

Deferred revenue represents initial franchise fees received but not yet earned.

Income Taxes

The Company was organized in 2013 as a limited liability company and elected to be taxed as a flow through entity. Accordingly, VPA has consented to include the taxable income of the Company on its income tax returns. Therefore, the Company's financial statements do not include any provision for income taxes.

The Company has concluded that as of December 31, 2023 and 2022, there were no uncertain tax positions taken or expected to be taken by the Company that would require recognition of a liability (or asset) or disclosure in the financial statements. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

Fair Value Measurements

The Company follows ASC No. 820, *Fair Value Measurements and Disclosures*. The Company applies fair value accounting for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses fair value measurements based on quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2) or unobservable inputs for assets or liabilities (Level 3), depending on the nature of the item being valued. The Company discloses on a yearly basis the valuation techniques and discloses any change in method of such within the body of each applicable footnote. The estimated fair values may not be representative of actual values that will be realized or settled in the future.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

At December 31, 2023 and 2022, the Company has no instruments that require additional disclosure. The carrying amounts of the Company's financial instruments including cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short period to maturity for these instruments and/or market interest rates.

Commitments and Contingencies

In the normal course of conducting its operations, the Company may occasionally become party to various legal actions and proceedings. At this time, management is not aware of any claims or legal action or any pending or threatened litigation that might have a material impact on the Company's financial position, results of operations or cash flows. While management believes that the Company has adequate general and professional liability coverage, current or subsequent claims could result in additional costs to the Company.

Statement of Cash Flows

Restricted cash is included in total cash in the Statements of Cash Flows. The components of cash and cash equivalents, and restricted cash in the Statements of Cash Flows are presented in the Balance Sheets.

Implemented Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842), that requires lessees to put most leases on its balance sheets and recognize expenses on its income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The Company adopted the lease standard effective January 1, 2022, but it had no effects on the financial statements as there were no leases.

Subsequent Events

Management has evaluated subsequent events through May 8, 2025, the date which the financial statements were available to be issued.

NOTE 2 – FRANCHISING ACTIVITY

At December 31, 2023 and 2022, the Company had 0 and 44 active franchises, respectively.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company has entered into a licensing agreement for the use of certain brand and service marks and business systems owned by VPA. For the years ended December 31, 2023 and 2022, the Company paid VPA a total of $77,400 and $81,600, respectively, for licensing fees. The Company periodically advances monies to VPA and other related entities in the ordinary course of business. At December 31, 2023 and 2022, these advances totaled $9,452,573 and $7,943,133, respectively, and are non-interest bearing with no fixed date of repayment. The advances have been reclassified as long-term as they are zeroed out on a consolidated basis with VPA and not expected to be collected in 2024.

NOTE 4 – INTANGIBLE ASSETS

Intangible assets at December 31, 2023 are summarized as follows:

Software	$	183,540
Less: accumulated amortization		(76,475)
Intangibles, net	$	107,065

Amortization expense for 2023 was $36,708. Estimated annual amortization expense for each of the years subsequent to 2023 is: 2024 - $36,708, 2025 - $36,708, 2026 - $33,649.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Litigation

In the normal course of conducting its operations, the Company occasionally becomes party to various legal actions and proceedings. As of the report date, management is not aware of any claims or legal action or any pending or threatened litigation, claims or assessments against the Company.

NOTE 6 – REISSUANCE OF FINANCIAL STATEMENTS

Subsequent to the original issuance of the financial statements on April 5, 2024, management needed clarification of the number of franchise and license agreements owned and operated by third-party franchises. Accordingly, Note 1 – Nature of Operations and Note 2 – Franchising Activity were revised to provide additional clarity on franchise and license agreements.

These Financial Statements Have Been Prepared without an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.

Financial Statements

Valbridge Property Advisors, Inc.
March 2026

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Executive Summary

Valbridge Property Advisors, Inc.
For the Month and Year to Date Ended March 31, 2026

Observations

REVENUE

Revenue $217,153 (Last month $215,348)
Positive trend upwards.

PROFITABILITY

Profitability Ratio -43.01% (Last month 13.91%)
Negative trend downwards. Strategies to improve profitability include: increasing price, increasing sales volume, reducing cost of sales and reducing operating expenses.

ACTIVITY

Activity Ratio 0.87 times (Last month 0.88 times)
Negative trend downwards. Strategies to improve the activity ratio include seeking ways to optimise the balance sheet, ie. by reducing the investment in working capital, selling-off any unused assets or by increasing sales using the same asset base.

EFFICIENCY

Return on Capital Employed -37.59% (Last month 12.19%)
Negative trend downwards. A lower ROCE% may indicate a less efficient use of capital employed.

WORKING CAPITAL

Cash Conversion Cycle -272 days (Last month 137 days)
Positive trend downwards. Strategies to improve cash conversion include: collecting debt faster, reducing inventory levels, billing work in progress faster and paying creditors slower.

FREE CASH FLOW

Free Cash Flow $141,587
Free Cash Flow is positive. After paying its operating expenses and investing for future growth (capital expenditures) the business has generated cash. This cash is available to be paid back to the suppliers of capital.

MARGINAL CASH FLOW

Net Variable Cash Flow 68.44%
Net variable cash flow is positive. The business will generate cash from each additional $1 of products or services that the business sells.

DEBT

Net Debt ($551,867) (Last month ($586,128))
Net debt levels have risen.

See Executive Summary

Notes to the Reader

The accompanying consolidated financial statements include the following departures from accounting principles generally accepted in the United States of America:

- Management has elected to omit substantially all the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the consolidated financial statements, they might influence the user's conclusions about the entity's financial position, results of operations, and cash flows. Accordingly, the consolidated financial statements are not designed for those who are not informed about such matters.
- Accounting principles generally accepted in the United States of America require that deferred income taxes be recognized for the tax effects of differences between the financial and tax bases of assets and liabilities and for operating losses and tax credits that are available to offset future taxable income. The Company (Valbridge Property Advisors, Inc., VPA, Inc.) has not recorded deferred taxes in the accompanying consolidated financial statements. Management has not determined the effect of this departure on the consolidated financial statements.
- The amounts reflected on the consolidated financial statements do not agree with amounts reflected in the consolidating financial statements within the supplementary information. This is because the consolidating financial statements in the supplementary information include only the following subsidiaries: VPA Franchising Systems, VPA Data Solutions and V-Bridge, LLC. The consolidated financial statements include all of these subsidiaries as well as Data Appraise Systems, LLC.
- Software Development Cost and Deferred Income Liability: Software development costs include costs to develop software to be used solely to meet internal needs and cloud-based applications used to deliver the Company's services. The Company begins to capitalize development costs related to these software applications once the preliminary project stage is complete and it is probable that the project will be completed, and the software will be used to perform the function intended. Capitalized software costs, upon being placed in service, are amortized using the straight-line method over the estimated useful life of the related software. The useful life of the capitalized software costs is 3-5 years.

  To assist in defraying the software development costs, the Company will occasionally charge its franchisees a certain amount. As amounts are billed to the franchisees, the Company will record a deferred income liability. As the Company amortizes capitalized software development costs, the deferred income liability is relieved in a systematic manner to align proportionately with the software amortization. As the Company is not in the business of selling software, the amounts relieved from the deferred income liability are offset against the amortization expense of the capitalized software development costs. As of February 28, 2026, the gross carrying value of capitalized software development costs, accumulated amortization and deferred income liability was $2,319,778.38, $0 and $2,130,133.34, respectively. The software was considered placed in service on March 1, 2026. For the period ended March 31, 2026, the software development cost amortization and deferred income liability reduction was $38,662.98 and $35,502.23, respectively.

The consolidated financial statements are prepared by the Company to comply with U.S. Generally Accepted Accounting Principles ("GAAP"), although there may be other departures from GAAP not identified. These statements are primarily intended for use in managing the Company's operations and may not be suitable for other purposes. Users should be aware of these limitations when utilizing the consolidated financial statements.

Consolidated Balance Sheet

Valbridge Property Advisors, Inc.
As of March 31, 2026

	Mar 2026
ASSETS	
Cash & Equivalents	
Checking/Savings	$572,509
Accounts Receivable	
Accounts Receivable	$833,056
WF National Receivable	$6,406
Total Accounts Receivable	**$839,462**
Other Current Assets	
I/C TRANSFERS	$100
Prepaid Expenses	$75,574
VPA Colorado Note Receivable	$29,000
Total Other Current Assets	**$104,674**
Total Current Assets	**$1,516,645**
Fixed Assets	
Accumulated Amortization	($634,383)
Accumulated Depreciation	($3,103)
Furniture and Equipment	$3,103
Software	$414,395
Software Development Costs	$2,319,778
VPA National Database	$205,798
Total Fixed Assets	**$2,305,587**
Investments or Other Non-Current Assets	
Investment - Tuco Tec, LLC	$6,000
Total Non-Current Assets	**$2,311,587**
Total Assets	**$3,828,232**
LIABILITIES	
Short Term Debt	
Divvy Credit Card Payable	$12,160
Wells Fargo Credit Cards Payable	$8,482
Total Short Term Debt	**$20,642**
Accounts Payable	
Accounts Payable	$477,331
Other Current Liabilities	
Current Portion Akron Payable	$825
Current Portion SERP Payable	$45,000
Other Current Liabilities	$379,753
Total Other Current Liabilities	**$425,578**
Total Current Liabilities	**$923,551**
Other Non-Current Liabilities	
Akron Note Payable	$8,557
Deferred Revenue	$2,094,631
EAIVB Note Payable	$16,478
Less Current Portion LTD	($4,991)
License Revenue	$292,533
Rick Armalavage SERP Payable	$200,000

See Executive Summary

	Mar 2026
Total Other Non-Current Liabilities	**$2,607,209**
Total Non-Current Liabilities	**$2,607,209**
Total Liabilities	**$3,530,760**
EQUITY	
Retained Earnings	
Paid-In Capital	$808,000
Preferred Stock - Series B	$268,500
Retained Earnings	($712,363)
Treasury Stock	($125,000)
Total Retained Earnings	**$239,137**
Current Earnings	
Net Income	$58,335
Total Equity	**$297,472**
Total Liabilities & Equity	**$3,828,232**

See Executive Summary

Consolidated Statement of Operations - YTD

Valbridge Property Advisors, Inc.
Three Months Ended March 31, 2026

	2026 (YTD)	Common Size % (2026 (YTD))
Revenue		
Revenue	$715,434	90.7%
Valbridge Users	$73,133	9.3%
Total Revenue	**$788,567**	**100.0%**
Cost of Goods Sold		
Software Maintenance	$26,880	3.4%
Wages	$10,892	1.4%
Total Cost of Goods Sold	**$37,772**	**4.8%**
Gross Profit (Loss)	**$750,795**	**95.2%**
Expenses		
Accounting Fees	$28,483	3.6%
Advertising and Promotion	$45,932	5.8%
Amortization Expense	$9,177	1.2%
Bad Debt	$35,632	4.5%
Bank Service Charges	$5,659	0.7%
Business Licenses and Permits	$103	0.0%
Computer and Internet Expenses	$26,315	3.3%
Contract Labor	$15,105	1.9%
Dues and Subscriptions	$8,089	1.0%
Insurance Expense	$27,599	3.5%
Interest Expense	$21,061	2.7%
Management Fee	$34,943	4.4%
Meals and Entertainment	$4,253	0.5%
Office Expenses	$1,431	0.2%
Payroll Expenses	$290,592	36.9%
Postage	$2,510	0.3%
Professional Fees	$78,279	9.9%
Shareholder Meeting	$3,968	0.5%
Software & IT Expense	$51,536	6.5%
Tax & License	$50	0.0%
Telephone Expense	$477	0.1%
Trade Shows	($1,553)	-0.2%
Travel Expense	$3,198	0.4%
WF National Miscellaneous Expenses	$225	0.0%
Total Expenses	**$693,064**	**87.9%**
Operating Profit (Loss)	**$57,730**	**7.3%**
Other Income		
Other Income	$3,766	0.5%
Other Expenses		
Net Software Related Expenses	$3,161	0.4%
Earnings Before Interest & Tax	**$58,335**	**7.4%**
Net Income (Loss)	**$58,335**	**7.4%**

See Executive Summary

Consolidated Statement of Operations

Valbridge Property Advisors, Inc.
Month Ended March 31, 2026

	Mar 2026	Common Size % (Mar 2026)
Revenue		
Revenue	$144,019	66.3%
Valbridge Users	$73,133	33.7%
Total Revenue	**$217,153**	**100.0%**
Cost of Goods Sold		
Software Maintenance	$26,880	12.4%
Wages	$10,892	5.0%
Total Cost of Goods Sold	**$37,772**	**17.4%**
Gross Profit (Loss)	**$179,380**	**82.6%**
Expenses		
Accounting Fees	$11,119	5.1%
Advertising and Promotion	$10,608	4.9%
Amortization Expense	$3,059	1.4%
Bad Debt	$35,632	16.4%
Bank Service Charges	$1,075	0.5%
Business Licenses and Permits	$103	0.0%
Computer and Internet Expenses	$8,282	3.8%
Contract Labor	$11,230	5.2%
Dues and Subscriptions	$4,010	1.8%
Insurance Expense	$7,965	3.7%
Interest Expense	$567	0.3%
Management Fee	$11,648	5.4%
Meals and Entertainment	$70	0.0%
Office Expenses	$676	0.3%
Payroll Expenses	$98,959	45.6%
Postage	$906	0.4%
Professional Fees	$50,289	23.2%
Software & IT Expense	$15,789	7.3%
Telephone Expense	$203	0.1%
Trade Shows	$1,070	0.5%
Travel Expense	($1,223)	-0.6%
Total Expenses	**$272,037**	**125.3%**
Operating Profit (Loss)	**($92,657)**	**-42.7%**
Other Income		
Other Income	$2,416	1.1%
Other Expenses		
Net Software Related Expenses	$3,161	1.5%
Earnings Before Interest & Tax	**($93,402)**	**-43.0%**
Net Income (Loss)	**($93,402)**	**-43.0%**

See Executive Summary

Supplementary Information

See Executive Summary

Consolidating Balance Sheet

Valbridge Property Advisors, Inc.
March 31, 2026

	VPA, Inc	VPAFS	VPA DS	V-BRIDGE, LLC	Total
ASSETS					
Cash & Equivalents					
Commercial Card Checking #9653	0	8,077	0	0	8,077
Operating Account #9744	17,239	0	0	0	17,239
Operating Account #9885	0	221,301	0	0	221,301
WF National Account #7249	0	3,804	0	0	3,804
V-BRIDGE, LLC Checking	0	0	0	260,904	260,904
Troy Bank & Trust Checking	0	22,455	0	0	22,455
Total Cash & Equivalents	**17,239**	**255,637**	**0**	**260,904**	**533,781**
Accounts Receivable					
Accounts Receivable	398,051	199,697	0	231,882	829,631
WF National Receivable	0	6,406	0	0	6,406
Total Accounts Receivable	**398,051**	**206,103**	**0**	**231,882**	**836,037**
Other Current Assets					
Data Appraise Systems LLC	923,546	1,264,814	0	0	2,188,360
Prepaid Expenses	15,992	54,428	0	0	70,420
Valbridge Franchising Canada	1,500	0	0	0	1,500
Valbridge Franchising Systems	(11,127,850)	0	0	63,333	(11,064,516)
Valbridge Property Advisors	0	11,127,850	0	0	11,127,850
VPAFS Canada	0	(1,400)	0	0	(1,400)
V-Bridge, LLC	(63,333)	0	0	0	(63,333)
VPA Colorado Note Receivable	0	29,000	0	0	29,000
Total Other Current Assets	**(10,250,145)**	**12,474,692**	**0**	**63,333**	**2,287,880**
Total Current Assets	**(9,834,854)**	**12,936,432**	**0**	**556,120**	**3,657,698**
Fixed Assets					
Accumulated Amortization	0	(159,068)	(205,798)	(38,663)	(403,528)
Accumulated Depreciation	(3,103)	0	0	0	(3,103)
Furniture and Equipment	3,103	0	0	0	3,103
Software	0	183,540	0	0	183,540
VPA National Database	0	0	205,798	0	205,798
Software Development Costs	0	0	0	2,319,778	2,319,778
Total Fixed Assets	**0**	**24,472**	**0**	**2,281,115**	**2,305,587**
Investments or Other Non-Current Assets					
Investment - Tuco Tec, LLC	6,000	0	0	0	6,000
Total Non-Current Assets	**6,000**	**24,472**	**0**	**2,281,115**	**2,311,587**
Total Assets	**(9,828,854)**	**12,960,904**	**0**	**2,837,235**	**5,969,285**
LIABILITIES					
Short Term Debt					
Divvy Credit Card Payable	0	12,160	0	0	12,160
Wells Fargo Credit Cards Payable	0	8,482	0	0	8,482
Total Short Term Debt	**0**	**20,642**	**0**	**0**	**20,642**
Accounts Payable					
Accounts Payable	374	48,522	0	428,257	477,153

See Executive Summary

	VPA, Inc	VPAFS	VPA DS	V-BRIDGE, LLC	Total
Other Current Liabilities					
AT&T	0	26,450	0	0	26,450
CoStar Contract Payable	0	84,796	0	0	84,796
Current Portion LTD	4,991	0	0	0	4,991
Current Portion SERP Payable	0	45,000	0	0	45,000
Current Portion Akron Payable	0	825	0	0	825
Miscellaneous Payable	0	12,467	0	0	12,467
National E&O Deductible Reserve	0	163,145	0	0	163,145
WF National Payable	0	5,689	0	0	5,689
Total Other Current Liabilities	**4,991**	**338,372**	**0**	**0**	**343,363**
Total Current Liabilities	**5,365**	**407,537**	**0**	**428,257**	**841,158**
Other Non-Current Liabilities					
EAIVB Note Payable	16,478	0	0	0	16,478
Less Current Portion LTD	(4,991)	0	0	0	(4,991)
Rick Armalavage SERP Payable	0	200,000	0	0	200,000
Akron Note Payable	0	8,557	0	0	8,557
Deferred Revenue	0	0	0	2,094,631	2,094,631
License Revenue	0	0	0	292,533	292,533
Total Other Non-Current Liabilities	**11,487**	**208,557**	**0**	**2,387,164**	**2,607,209**
Total Non-Current Liabilities	**11,487**	**208,557**	**0**	**2,387,164**	**2,607,209**
Total Liabilities	**16,852**	**616,094**	**0**	**2,815,421**	**3,448,367**
EQUITY					
Retained Earnings					
Paid-In Capital	808,000	0	0	0	808,000
Preferred Stock - Series B	268,500	0	0	0	268,500
Retained Earnings	(10,550,588)	11,893,571	0	(1,059)	1,341,923
Treasury Stock	(125,000)	0	0	0	(125,000)
Total Retained Earnings	**(9,599,088)**	**11,893,571**	**0**	**(1,059)**	**2,293,423**
Current Earnings					
Net Income	(246,619)	451,240	0	22,873	227,494
Total Equity	**(9,845,707)**	**12,344,810**	**0**	**21,814**	**2,520,918**
Total Liabilities & Equity	**(9,828,854)**	**12,960,904**	**0**	**2,837,235**	**5,969,285**

See Executive Summary

Consolidating Statement of Operations - YTD

Valbridge Property Advisors, Inc.
Three Months Ended March 31, 2026

	VPA, Inc	VPAFS	VPA DS	V-BRIDGE, LLC	Total
Revenue					
AT&T Fees	0	500	0	0	500
Dues Income	0	775,843	0	0	775,843
Franchise Fees Income	0	2,161	0	0	2,161
Other Income	0	100	0	0	100
Valbridge Users	0	0	0	73,133	73,133
WF National Markup Fees	0	225	0	0	225
Total Revenue	**0**	**778,830**	**0**	**73,133**	**851,963**
Cost of Goods Sold					
Software Maintenance	0	0	0	26,880	26,880
Wages	0	0	0	10,892	10,892
Total Cost of Goods Sold	**0**	**0**	**0**	**37,772**	**37,772**
Gross Profit	**0**	**778,830**	**0**	**35,361**	**814,191**
Expenses					
Amortization Expense	0	9,177	0	0	9,177
Bad Debt	0	35,632	0	0	35,632
Bank Charges	836	4,169	0	279	5,284
Business Licenses and Permits	0	103	0	0	103
Computer and Internet Expenses	0	279	0	0	279
Contractors & Consultants	0	0	0	8,875	8,875
Deliverables / Gifts	0	3,215	0	0	3,215
Dues & Subscriptions	0	6,997	0	0	6,997
Insurance Expense	19,314	7,763	0	0	27,077
Interest Expense	332	19,958	0	0	20,290
Management Fee	0	34,943	0	0	34,943
Meal Expense	0	3,343	0	0	3,343
Meals and Entertainment	0	760	0	0	760
Monitoring & Misc	0	1,940	0	0	1,940
Monthly Marketing	0	31,946	0	0	31,946
Office Supplies	0	1,273	0	123	1,396
Payroll Expenses	224,190	0	0	0	224,190
Postage and Delivery	0	2,510	0	0	2,510
Professional Fees	881	103,389	0	0	104,270
RERC Subscription	0	1,792	0	0	1,792
Software & IT Expense	960	50,576	0	0	51,536
State Filing Fees	0	950	0	0	950
Taxes	0	0	0	50	50
Telephone Expense	0	293	0	0	293
Trade Show / Conference Fees	0	1,500	0	0	1,500
Trade Show / Conference Meals	0	135	0	0	135
Trade Show / Conference Travel	0	5,404	0	0	5,404
Trade Shows / Conferences	0	(1,553)	0	0	(1,553)

See Executive Summary

	VPA, Inc	VPAFS	VPA DS	V-BRIDGE, LLC	Total
Travel Expense	106	638	0	0	743
Travel Expense (Air, etc)	0	3,968	0	0	3,968
WF National Miscellaneous Expenses	0	225	0	0	225
Total Expenses	**246,619**	**331,324**	**0**	**9,327**	**587,270**
Operating Profit	**(246,619)**	**447,505**	**0**	**26,034**	**226,921**
Other Income					
Other Income	0	3,734	0	0	3,734
Other Expenses					
Net Software Related Expenses	0	0	0	3,161	3,161
Earnings Before Interest & Tax	**(246,619)**	**451,240**	**0**	**22,873**	**227,494**
Net Income	**(246,619)**	**451,240**	**0**	**22,873**	**227,494**

See Executive Summary

Consolidating Statement of Operations

Valbridge Property Advisors, Inc.
Month Ended March 31, 2026

	VPA, Inc	VPAFS	VPA DS	V-BRIDGE, LLC	Total
Revenue					
Dues Income	0	213,665	0	0	213,665
Other Income	0	100	0	0	100
Valbridge Users	0	0	0	73,133	73,133
Total Revenue	**0**	**213,765**	**0**	**73,133**	**286,899**
Cost of Goods Sold					
Software Maintenance	0	0	0	26,880	26,880
Wages	0	0	0	10,892	10,892
Total Cost of Goods Sold	**0**	**0**	**0**	**37,772**	**37,772**
Gross Profit	**0**	**213,765**	**0**	**35,361**	**249,126**
Expenses					
Amortization Expense	0	3,059	0	0	3,059
Bad Debt	0	35,632	0	0	35,632
Bank Charges					
Bank Charges	0	0	0	58	58
Bank Service Charges	377	525	0	0	901
Total Bank Charges	**377**	**525**	**0**	**58**	**960**
Business Licenses and Permits	0	103	0	0	103
Computer and Internet Expenses	0	279	0	0	279
Contractors & Consultants	0	0	0	8,875	8,875
Deliverables / Gifts	0	796	0	0	796
Dues & Subscriptions					
Appraisal Foundation Dues	0	1,013	0	0	1,013
Miscellaneous Dues & Subscriptions	0	2,949	0	0	2,949
Total Dues & Subscriptions	**0**	**3,962**	**0**	**0**	**3,962**
Insurance Expense					
D&O Insurance	1,545	0	0	0	1,545
General Liability Insurance	0	1,100	0	0	1,100
Key Man Insurance	5,234	0	0	0	5,234
Self Funded Medical Insurance	0	86	0	0	86
Total Insurance Expense	**6,779**	**1,186**	**0**	**0**	**7,965**
Interest Expense	332	0	0	0	332
Management Fee	0	11,648	0	0	11,648
Meals and Entertainment	0	70	0	0	70
Monitoring & Misc	0	731	0	0	731
Monthly Marketing	0	9,937	0	0	9,937
Office Supplies	0	676	0	0	676
Payroll Expenses					
401k Company Match	1,960	0	0	0	1,960
Health Insurance	543	0	0	0	543
Life Insurance	11	0	0	0	11
Officer Payroll	9,211	0	0	0	9,211
PR Taxes - Employer	4,586	0	0	0	4,586
Wages	48,807	0	0	0	48,807

See Executive Summary

	VPA, Inc	VPAFS	VPA DS	V-BRIDGE, LLC	Total
Total Payroll Expenses	**65,118**	**0**	**0**	**0**	**65,118**
Postage and Delivery	0	906	0	0	906
Professional Fees					
Accounting Fees	0	12,467	0	0	12,467
Audit & Tax Expense	0	8,240	0	0	8,240
Legal Expense	0	39,181	0	0	39,181
Professional Services	0	2,868	0	0	2,868
Total Professional Fees	**0**	**62,756**	**0**	**0**	**62,756**
RERC Subscription	0	597	0	0	597
Software & IT Expense	320	15,469	0	0	15,789
Telephone Expense	0	142	0	0	142
Trade Show / Conference Fees	0	500	0	0	500
Trade Show / Conference Travel	0	(1,952)	0	0	(1,952)
Trade Shows / Conferences	0	1,070	0	0	1,070
Travel Expense	(1,233)	10	0	0	(1,223)
Total Expenses	**71,693**	**148,101**	**0**	**8,933**	**228,727**
Operating Profit	**(71,693)**	**65,665**	**0**	**26,428**	**20,399**
Other Income					
Other Income	0	2,416	0	0	2,416
Other Expenses					
Net Software Related Expenses	0	0	0	3,161	3,161
Earnings Before Interest & Tax	**(71,693)**	**68,081**	**0**	**23,267**	**19,654**
Net Income	**(71,693)**	**68,081**	**0**	**23,267**	**19,654**

See Executive Summary

Consolidating Statement of Cash Flows

VPA, Inc/VPAFS/VPA DS/V-Bridge
Month Ended March 31, 2026

	Mar 2026
OPERATING ACTIVITIES	
Net Income	$19,654
Change in Accounts Payable	($47,481)
Change in Other Current Liabilities	$11,782
Change in Accounts Receivable	$169,486
Change in Other Current Assets	($70,661)
Cash Flow from Operating Activities	**$82,780**
INVESTING ACTIVITIES	
Change in Fixed Assets (ex. Depn and Amort)	$41,722
Cash Flow from Investing Activities	**$41,722**
FINANCING ACTIVITIES	
Change in Earnings not attributable to Retained Income	($66,000)
Change in Short Term Debt	($7,423)
Change in Other Non-Current Liabilities	($109,849)
Cash Flow from Financing Activities	**($183,271)**
Change in Cash & Equivalents	**($58,769)**
Cash & Equivalents, Opening Balance	$592,550
Cash & Equivalents, Closing Balance	$533,781

See Executive Summary

Consolidating Statement of Cash Flows-YTD

VPA, Inc/VPAFS/VPA DS/V-Bridge
Three Months Ended March 31, 2026

	2026 (YTD)
OPERATING ACTIVITIES	
Net Income	$227,494
Change in Accounts Payable	($37,636)
Change in Other Current Liabilities	($39,876)
Change in Accounts Receivable	$152,790
Change in Other Current Assets	($88,408)
Cash Flow from Operating Activities	**$214,365**
INVESTING ACTIVITIES	
Change in Fixed Assets (ex. Depn and Amort)	($58,731)
Cash Flow from Investing Activities	**($58,731)**
FINANCING ACTIVITIES	
Change in Earnings not attributable to Retained Income	($66,000)
Change in Short Term Debt	($23,808)
Change in Other Non-Current Liabilities	($110,058)
Cash Flow from Financing Activities	**($199,866)**
Change in Cash & Equivalents	**($44,233)**
Cash & Equivalents, Opening Balance	$578,014
Cash & Equivalents, Closing Balance	$533,781

See Executive Summary

EXHIBIT F - TRADEMARK LICENSE

From our Parent to Us

LICENSE AGREEMENT

This License Agreement is made this 1st day of June, 2013, and effective as of the 1st day of March, 2013 (the "**Effective Date**"), by and between Valbridge Property Advisors Inc., a Florida corporation (hereinafter referred to as **"Licensor"),** and Valbridge Property Advisors Franchising Systems, LLC, a Florida limited liability company (hereinafter referred to as **"Licensee**").

BACKGROUND

Licensor is the parent of licensee and expended time, effort and money developing the 'Valbridge Property Advisors' brand and service marks and certain systems and know-how all for the purpose of, and to be utilized in connection with, Licensee's marketing and franchising of a business system for the rendition of appraisal and consulting services business and Licensee's franchisee's undertaking of such business. Licensor is currently pursuing registration of the principal service mark of the brand.

AGREEMENT

NOW THEREFORE, the parties agree as follows:

1. **Definitions**.

"**Confidential Information**" means all non-public or proprietary information of, about, contained in, or relating to any of Licensor, Licensor's Intangible Property (in whole and in part), or any Mark, and all of the information, processes, systems and methods disclosed by Licensor, from time to time, including, without limitation, Licensor's trade secrets, know-how, methodologies, arrangements, development plans and criteria; provided, however, that Confidential Information shall not include any of the foregoing that is publicly known and generally available upon reasonable inspection that did not become so as a result of a breach of an obligation to Licensor.

"**Contract Party Business**" means marketing, promoting and rendering real or personal property appraisal and consulting services and undertaking such other activities as may be incidental or related thereto (e.g., marketing and promotion of such services).

"**Improvement**" means each improvement to, or enhancement or modification of, the Licensor Intangible Properties or the Confidential Information related thereto, that is made by any of Licensee, Licensee Contract Parties or any of their individual or collective employees, contractors or subcontractors.

"**Intellectual Property Rights**" shall mean any and all rights to exclude third parties from time to time in a specific jurisdiction by virtue of patent law, trade-secret law, trademark law, unfair competition law, or copyright law.

"**Licensee's Business**" means the business of: (A) developing, marketing, and promoting a nationwide franchise system of real and personal property appraisers and consultants; (B) assisting its franchisees with engaging in such business; (C) marketing and selling such products and services; and (D) undertaking those other activities that are incidental to the foregoing.

"**Licensee Contract Party**" means each third party with whom Licensee has a franchisor-franchisee relationship or other contractual relationship concerning the operation by such third party of the Contract Party Business.

"**Licensor Intangible Properties**" means the copyrights, know-how, trade secrets, business systems, inventions, processes, methods of collecting, processing and conveying information and outcomes, and all other intellectual property rights of Licensor that concern or relate to the Licensee Business or the Contract Party Business, and shall include, without limitation, the Valbridge System, each Mark and the Materials.

"**Marks**" means: (A) the service mark, "*Valbridge Property Advisors*"; (B) the services mark for which Licensor has filed an application for registration with the U.S. Patent and Trademark Office, Serial No. 85654971; and (C) such other trade names, trademarks and service marks as Licensor makes available to Licensee by written notice to Licensee. Licensor may, for any reason whatsoever, from time to time on written notice to Licensee remove any trade names, trademarks or service marks from the definition of Marks and, thirty (30) days thereafter, the Licensed Rights shall terminate as to such removed trade names, trademarks or service marks, without a termination of this Agreement.

"**Materials**" means the forms, documents and other information and materials that Licensor makes available to Licensee, from time to time, concerning any of the Licensee Business or the Contract Party Business.

"**Valbridge System**" means the business systems, processes, forms, software, templates, methods, know-how, trade and services marks and other intellectual property rights and intangible properties that have been, or may hereafter be, developed by Licensor concerning the undertaking of the Contract Party Business.

2. **License**.

License Grant. On the terms and conditions set forth herein and in exchange for the payment of Royalties (as defined in Section 3), Licensor hereby grants Licensee for the Term (as defined in Section 6) an-exclusive (for the Market), non-transferrable license (the "**License**") to:

(A) use the Marks for Licensee's Business and to receive the benefit of the goodwill associated with such use for the Term; and

(B) by written agreement, sublicense and grant to one or more Licensee Contract Parties the right to use any or all of the Marks for the Contract Party Business and to receive the goodwill associated with such utilization for the term of such written agreement;

(C) use, copy, have copied, make derivative works of, have derivative works made, sublicense and grant to one or more Licensee Contract Parties the right to use the Licensor Intangible Properties;

(being the "**Licensed Rights**").

Limitations. The Licensed Rights do not include the grant to Licensee of any right to engage in any other activity except as expressly set forth above. Licensee agrees and acknowledges that the Marks and the Licensor Intangible Properties are, and shall at all times be and remain, the property solely of Licensor and Licensee waives and relinquishes any and all interests or property rights Licensee may have, or acquire after the Effective Date, therein in favor of Licensor.

Licensee Obligations. At such times as Licensee exercises all or any portion of the Licensed Rights, Licensee shall use its best efforts to protect and enhance the value and benefits arising from the Mark and the Licensor Intangible Properties, and the goodwill associated with both of them. After the Term Licensee shall not adopt or utilize any trade name, or trade or service mark that, in the sole opinion of Licensor, creates or could create a likelihood of confusion with any Mark, or is in any way similar to, or evocative of any Mark. A violation of the provisions of this Section 0 by Licensee or any sublicense of Licensee shall be a material breach of this Agreement by Licensee.

3. **Improvements**. All right, title and interest in and to, and the right to pursue protection for, Improvements shall be the property of, and vest solely with, Licensor, and Licensee hereby agrees to promptly notify Licensor of, and to assign to Licensor, each Improvement. Each Improvement shall become subject to the License at no additional charge.

4. **Royalties and Payment**. In consideration for the License granted hereunder, on the first day of each calendar month during the Term on and after March 1, 2013, Licensee shall pay Licensor a royalty (the "**Royalty**") in an amount equal to: (A) **$2,500**; plus (B) **$100** for each Licensee Contract Party to who Licensee has granted a sublicense for any Mark or the Licensor Intangible Property. Royalty payments are payable to Licensor by check or wire transfer, without set off or invoice in accordance with the foregoing. Payments received by Licensor more than ten (10) days from the date due shall be subject to a late fee of the greater of: 5% of the amount due; or $50.00; and all amounts due and unpaid shall bear interest from the date due until paid at the lesser of 1.5% per month or the highest rate permitted by applicable law. If a payment is not received by Licensor on or within thirty (30) days of the date it is due, Licensor may terminate this Agreement for cause.

5. **Licensor Customer Satisfaction Survey Rights**.

Customer Survey. Licensor may, to determine Licensee's compliance with its obligations under Section 0, conduct, or have conducted, one or more customer satisfaction surveys (each being a "**Survey**"). Licensee shall fully cooperate with each Survey, including, without limitation, providing Licensee's customer contacts and all other information requested by Licensor (or its third party contractor) to undertake the Survey. If Licensor determines that the results of the Survey are not satisfactory and that any Mark and the goodwill associated therewith are or may be harmed by Licensee's continued exercise of the Licensed Rights, Licensor shall consult with Licensee concerning the results and provide corrective actions (each being a "**Corrective Action**") to Licensee and Licensee shall use its best efforts to promptly implement each Corrective Action.

If Licensor reasonably determines that the results of any two consecutive Surveys are unacceptable or the results of any two Surveys over a period of twelve months are unacceptable or if Licensee fails to implement any Corrective Action, Licensor may terminate this Agreement for cause.

6. **Term and Termination**. The term (the "**Term**") of this Agreement shall commence on the Effective Date and continue for five (5) years unless otherwise terminated in accordance herewith. Licensor may: (A) renew this Agreement for additional one (1) year periods (each also being a "Term") on written notice (via e-mail) to Licensee; or (B) terminate this Agreement on thirty (30) days written notice for cause, specifying in such notice the for cause basis, including, without limitation, Licensee's failure to timely pay Royalties. After the initial Term, Licensee may terminate this Agreement on not less than thirty (30) days written notice to Licensor. Upon a termination of this Agreement for any cause or reason whatsoever, Licensee shall *immediately* cease exercising the Licensed Rights (and all sublicenses granted by Licensee shall immediately terminate), and certify to Licensor it has complied with its obligations under this Agreement.

7. **Warranty**. Licensor grants the Licensed Rights to Licensee "as-is, where-is," with no warranties of any kind, except only that Licensor represents and warrants that Licensor has never received any communication or demand alleging that any Mark infringes any trade or service mark of a third party. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION, LICENSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTIBILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHETHER OR NOT VALBRIDGE KNOWS OF OR HAS REASON TO KNOW OF LICENSEE'S USE OF THE INTANGIBLE PROPERTIES LICENSE PURSUANT HERETO.

8. **Confidentiality**. Licensee shall: (A) keep confidential and not disclose or allow any person or entity access to Confidential Information; and (B) not make any use, commercial or otherwise, of any Confidential Information, except as may be necessary to exercise the Licensed Rights.

9. **LIMITATION OF LIABILITY**. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF BUSINESS OR OTHER ECONOMIC DAMAGE, OR INJURY TO PROPERTY. EACH PARTY ACKNOWLEDGES THAT THIS SECTION REFLECTS AN INFORMED, VOLUNTARY ALLOCATION OF THE RISKS (KNOWN AND UNKNOWN) THAT MAY EXIST IN CONNECTION WITH THIS AGREEMENT, THAT SUCH VOLUNTARY RISK ALLOCATION WAS A MATERIAL PART OF THE BARGAIN BETWEEN THE PARTIES, AND THAT THE ECONOMIC AND OTHER TERMS OF THIS AGREEMENT WERE NEGOTIATED AND AGREED TO BY THE PARTIES IN RELIANCE ON SUCH VOLUNTARY RISK ALLOCATION.

10. **Indemnification**. Each party (the "**Indemnifying Party**") shall hold the other and its officers, directors, shareholders, managers and employees (the "**Indemnified Party**"), collectively and individually, harmless from any claims, obligations, losses, damages, liabilities, fines, costs and expenses (including, without limitation, reasonable attorney's fees pretrial, trial and appellate) arising out of, or incurred or suffered by any Indemnified Party as a result of, or in connection with, a breach of any covenant, warranty or representation set forth in this Agreement by the Indemnifying Party.

11. **Entire Agreement, Waiver and Modification, Captions**. This Agreement sets forth the entire understanding of the parties concerning the subject matter of this Agreement and incorporates all prior negotiations and understandings. There are no covenants, promises, agreements, conditions or understandings, either oral or written, between them relating to the subject matter of this Agreement other than those set forth herein. No purported waiver by any party of any default by another party of any term or provision contained herein shall be deemed to be a waiver of such term or provision unless the waiver is in writing and signed by the waiving party. No such waiver shall in any event be deemed a waiver of any subsequent default under the same or any other term or provision contained herein. No alteration, amendment, change or addition to this Agreement shall be binding upon any party unless it is in a writing that specifically identifies this Agreement and such writing is signed by the party to be charged. The captions and paragraph letters appearing in this Agreement are inserted only as a matter of convenience. They do not define, limit, construe or describe the scope or intent of the provisions of this Agreement.

12. **Partial Invalidity**. If any term or provisions of this Agreement, or the application thereof to any person or circumstance, shall be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances, other than those as to which it is held invalid, shall both be unaffected thereby and each term or provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

13. **Applicable Law, Jurisdiction, Venue and Forum**. This Agreement shall be construed and governed under and by the laws of the State of Florida for contracts executed and to be performed in Florida. Licensee consents to the jurisdiction of the federal and state courts of Florida, including, without limitation, the Circuit Court for the Ninth Judicial Circuit of Florida, the United States District Court for the Middle District of Florida, and the appellate courts thereof, as the case may be. EXCLUSIVE VENUE FOR ANY LEGAL ACTION AUTHORIZED HEREUNDER OR RELATING HERETO SHALL BE IN ORANGE COUNTY, FLORIDA. THE PROVISIONS OF THIS SECTION ARE A MATERIAL PART OF THE AGREEMENT OF THE PARTIES.

14. **Assignment, Successors**. Licensee may not assign, transfer or delegate its rights or duties hereunder without the express prior written approval of Licensor, which may be withheld, conditioned or delayed in Licensor's sole and absolute discretion. Licensor may assign its rights and obligations under this Agreement, at any time and from time to time, without the consent of Licensee. Each and all of the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and, except as otherwise specifically provided in this Agreement, their respective permitted successors and assigns.

15. **WAIVER OF JURY TRIAL**. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE ALL OF THEIR INDIVIDUAL AND COLLECTIVE RIGHTS TO A TRIAL BY JURY ON ANY AND ALL ISSUES PERTAINING TO OR ARISING OUT OF THIS AGREEMENT.

16. **Attorneys' Fees**. In the event any litigation, mediation, arbitration, or controversy between the parties hereto arises out of or relates to this Agreement, the prevailing party in such litigation, mediation, arbitration or controversy shall be entitled to recover from the other party all reasonable attorneys' fees, expenses and suit costs, including attorneys' fees, expenses and suit costs associated with any appellate proceedings and any post-judgment collection proceedings.

17. **Survival**. Sections 3 through 16 shall survive the termination, cancellation or expiration of the License and of this Agreement by whatever means for whatever reason.

IN WITNESS WHEREOF, the parties hereto have executed and entered this Agreement as of the day and year first above written.

Licensee: Valbridge Property Advisors Franchising Systems, LLC

By:

Robert G. Beaumont, Jr., Manager

Licensor: Valbridge Property Advisors, Inc.

By:

Rick Armalavage, President & CEO

EXHIBIT G - STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration:

California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Florida	March 6, 2026
Indiana	July 26, 2024
Kentucky	March 15, 2013
Maryland	Pending
Michigan	July 29, 2024
Minnesota	January 27, 2025
North Dakota	September 30, 2024
South Carolina	August 21, 2024
Texas	July 15, 2024
Utah	July 23, 2024
Virginia	February 5, 2025
Washington	Pending
Wisconsin	July 2, 2024

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT H - RECEIPT

RECEIPT
(*Your Copy*)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Valbridge Property Advisors Franchising System, LLC ("we" or "us"), offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Oklahoma and Rhode Island require that we give you this disclosure document at the earlier of the 1st personal meeting, or 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Indiana requires a franchisor to give you a copy of the Franchise Disclosure Document at the earlier of: (i) 10 days prior to signing the Franchise Agreement, or (ii) 10 days prior to franchisor's receipt of any consideration. The Receipt is amended to reflect the 10-day waiting period.

Iowa requires that we give you this disclosure document at the 1st personal meeting.

Michigan requires that we give you this disclosure document 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Washington requires that we deliver this disclosure document to you 14 calendar days prior to payment or execution of any binding agreement.

Maryland requires we provide you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise:

Pledger M. "Jody" Bishop, III, MAI, SRA, AI-GRS, Manager
Valbridge Property Advisors Franchising System, LLC
1250 Fairmont Avenue
Mount Pleasant, SC 29464
(843) 856-2000 (phone) / (843) 881-7532 (fax)

Date of Issuance: April 30, 2026.

Our registered agent and registered office in Florida authorized to receive service of process is:

Alexander Business Law, PLLC
11602 Lake Underhill Rd., Ste 102
Orlando, FL 32825

I have received a disclosure document dated April 30, 2026, that includes the following:

CALIFORNIA ADDENDUM

ILLINOIS ADDENDUM

INDIANA ADDENDUM

MARYLAND ADDENDUM

MICHIGAN ADDENDUM

MINNESOTA ADDENDUM

NORTH DAKOTA ADDENDUM

VIRGINIA ADDENDUM

WASHINGTON ADDENDUM

Exhibits:

A. Agencies/Agents for Service of Process
B. Franchise Agreement and State Specific Addenda
C. List of Franchisees
D. List of Former Franchisees
E. Financial Statements
F. Trademark License
G. Receipt

Prospective Franchisee Name: _____

By: _____

Print name: _____

Title: _____

Date: _____

KEEP THIS COPY FOR YOUR RECORDS. This disclosure document is available in PDF format by request to ValbridgeFA@valbridge.com.

RECEIPT
(*Our Copy*)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Valbridge Property Advisors Franchising System, LLC ("we" or "us"), offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Oklahoma and Rhode Island require that we give you this disclosure document at the earlier of the 1st personal meeting, or 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Indiana requires a franchisor to give you a copy of the Franchise Disclosure Document at the earlier of: (i) 10 days prior to signing the Franchise Agreement, or (ii) 10 days prior to franchisor's receipt of any consideration. The Receipt is amended to reflect the 10 day waiting period.

Iowa requires that we give you this disclosure document at the 1st personal meeting.

Michigan requires that we give you this disclosure document 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Washington requires that we deliver this disclosure document to you 14 calendar days prior to payment or execution of any binding agreement.

Maryland requires we provide you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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