

FRANCHISE DISCLOSURE DOCUMENT



Keyrenter Franchise LLC
A Utah Limited Liability Company
79 East Fort Union Blvd.
Midvale, Utah 84047
801-316-1500
www.KeyrenterFranchise.com

Keyrenter Property Management businesses provide a full range of real estate services, focusing primarily on real estate management and rental services to owners of single-family homes, condominiums, and multi-family properties (“Keyrenter Business(es)”).

We offer single and Brand Conversion Franchises. The total investment necessary to begin operation of a single Keyrenter Business is \$111,825 and \$229,479. This includes \$60,000 to \$107,377 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a brand conversion Keyrenter Business is \$94,900 to \$209,479. This includes \$45,575 to \$87,377 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement 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 Nate Tew, 79 East Fort Union Blvd., Midvale, Utah 84047, (801) 316-1500.

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

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

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

Issuance Date: April 19, 2024

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 Item 20 or Exhibits E and F.
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 G 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 Keyrenter 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 Keyrenter franchisee?	Item 20 or Exhibits E and F 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 Utah. 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 Utah than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty and advertising 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. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchises, and loss of your investment.
4. **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 the services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

**NOTICE REQUIRED BY
STATE OF MICHIGAN**

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

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 the 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 terms 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 six (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 or 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 subfranchisor.

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a 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 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 the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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ITEM 1
THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, the words “we,” “us,” “our,” “Keyrenter”, and “Keyrenter Property Management” refer to Keyrenter Franchise, LLC, the franchisor of this business. “You” and “your” refer to the person who buys the franchise. If you are a corporation, limited liability company or other business entity, certain provisions of this Disclosure Document also apply to your owners and will be noted.

The Franchisor

We are a Utah limited liability company formed on December 10, 2013. Our principal business address is 79 East Fort Union Blvd., Midvale, Utah 84047. We do business under our corporate name and the name Keyrenter Property Management. We began franchising in 2014. We have not previously offered franchises in any other line of business.

We franchise the right to operate a business that provides residential property management services for single-family, multi-family and condominium homeowners. Keyrenter Businesses provide leasing services, maintenance and repair management, tenant relations, rent collection, and helping clients build their real estate investment portfolios. The franchised business does business under the trade name, Keyrenter Property Management®, and also uses our other related service marks, registered trademark or logos (our “Marks”). The franchise operates using our standards and business methods, called our System.

We do not operate businesses of the type being franchised. We are not involved in any other business activities.

Our Parents, Predecessors and Affiliates

We do not have any parents or predecessors. We have two affiliates. Our affiliate, Premier Management of Utah, LLC d/b/a Keyrenter Salt Lake, was organized in Utah on April 29, 2014 and is located at 81 E. 7200 South, Midvale Utah 84047. Premier Management of Utah, LLC has owned and operated businesses of the type being franchised in Midvale, Utah, since December 2007. Premier Management of Utah LLC does not currently offer and has not previously offered franchises in this or any other line of business nor does it provide products or services to franchisees

Our affiliate, Key IP, LLC, was organized in Utah on April 29, 2014 and is located at 79 E Fort Union Blvd., Midvale, Utah 84047. Key IP, LLC is the holder of the intellectual property that Keyrenter Franchise LLC sublicenses to its franchisees to utilize their Keyrenter Franchised Businesses. Key IP, LLC does not currently franchise any business.

Our agent for service of process in Utah is Joseph Steven Brown, 79 E. Fort Union Boulevard, Midvale, UT 84047. Our agents for service of process for other states are identified by state in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

The Franchises Offered

We offer franchises (“Franchises”) for the following types of Keyrenter Businesses:

Keyrenter Property Management Franchise. A Keyrenter Property Management Franchise (“KPM Franchise”) is a franchise purchased within a centralized metropolitan area that has a population that exceeds 100,000 people; and

Brand Conversion Franchise. We offer a “Brand Conversion Franchise” to those individuals that already own a bona fide, existing residential property management company with at least 20 residential units under management for which management fees are generated.

We also offer franchises to foreign individuals through the E-2 Visa program.

Market and Competition

Keyrenter Businesses provide services primarily to residential property owners of single-family homes, multi-family properties, condominiums, townhomes, and to any investors who may have need of property management services. Keyrenter Businesses may also utilize real estate brokerages when a rental property is bought or sold generating revenue from real estate sales commissions or referral fees. The market is developed, and sales are year round.

You may have to compete with other businesses including franchised operations, national chains, and independently owned companies offering similar services or systems to customers. You may also encounter competition from other Keyrenter Businesses, some of which may have exclusivity clauses grandfathered into their franchise agreement. Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict. You will face other normal business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, new technologies and competition from internet-based systems that provide information and some related products or services.

Industry Specific Regulations

There are federal, state and local laws, rules, regulations and ordinances that apply to the operation of your property management business, including those that: (a) require a permit, certificate or other license, including but not limited to real estate brokerage/associate licensing, issued by your state’s respective Division (or Department) of real estate, or other applicable governing body (b) generally prohibit brokers from sharing commissions and referral fees with non-licensed individuals; (c) set standards relating to the handling of trust accounts; (d) set advertising rules and requirements; (e) establish laws applicable to real estate transactions; (f) set standards relating to conduct of property management services; (g) set standards pertaining to employee health and safety, especially when performing maintenance duties; (h) regulate the proper use, storage and disposal of waste; and (i) regulate and set standards for entities that perform maintenance, repairs, and renovations on properties, including, but not necessarily limited to, obtaining a contractor’s license, obtaining certain project permits, adhering to lead-based paint procedures, and safety standards. You are responsible for obtaining all necessary licenses and permits pertaining to your business, including a real estate firm or broker license if required in your state. You must hold or obtain a real estate license in the state in which the Keyrenter Business operates. You must also hold or obtain a property management license if your state requires it. You must have these licenses before you open your Keyrenter Business. You should investigate the application of these laws further.

ITEM 2 BUSINESS EXPERIENCE

Nate Tew: Co-founder and Chief Executive Officer

Mr. Tew has served as our Chief Executive Officer in Midvale, Utah since January 2022. He was previously our President and Chief Operating Officer in Midvale, Utah from June 2021 to December 2021. Prior to that, Mr. Tew was our Vice President in Midvale, Utah from December 2013 to May 2021. From January 2012 until the present, Mr. Tew has served as the Managing Broker for Keyrenter Salt Lake in Midvale, Utah. From January 2011 to the present, Mr. Tew has also served as Partner of our affiliate, Premier Management of Utah in Midvale, Utah.

Darin Hicks: Executive Advisor

Mr. Hicks has served as our Executive Advisor in Midvale, Utah since January 2024. Previously, he was our Chief Development Officer in Midvale, Utah from April 2022 until December 2023. He previously served as President of Crest Consulting in Salt Lake City, Utah from May 2020 to April 2022. Prior to that, Mr. Hicks served as the Chief Operating Officer of City Wide Franchise in Kansas City, Kansas from November 2015 to April 2020.

Gabby Isturiz: Executive Vice-President

Ms. Isturiz has served as Executive Vice President of Keyrenter in Midvale, Utah since June 2022. She previously served as an executive assistant to Mr. Tew in the Keyrenter Midvale, Utah office from April 2016 to June 2022. Ms. Isturiz is based in Venezuela.

Joseph Brown: Controller

Mr. Brown has served as our Controller in Midvale, Utah since May 2021. Prior to that, Mr. Brown was our Staff Accountant and assisted Keyrenter franchisees with bookkeeping in Midvale, Utah from May 2020 to April 2021. From October 2019 to April 2020, Mr. Brown was unemployed. Previously, Mr. Brown was the Manager of Accounting for Waimea Valley in Haleiwa, Hawaii from February 2019 to September 2019.

Paola Hall: Franchise Development Manager

Ms. Hall has served as our Franchise Development Manager in Midvale, Utah since June 2022. She was the Franchise Development Coach of Crest Consulting in Salt Lake City, Utah from August 2022 to May 2023. Prior to that she was a Counselor for The Marriage Revolution in Woodlands, Texas from March 2017 to July 2022.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee: The “Initial Franchise Fee” varies depending on the type of Franchise you purchase as follows:

KPM Franchise: The Initial Franchise Fee is \$45,000 for a territory with a population of 100,000 or greater.

Brand Conversion: If you already own a bona fide, existing residential property management company with at least 20 residential units under management, for which management fees are generated, and would like to purchase a KPM Franchise, the Initial Franchise Fee is \$30,000 regardless of the population of the Territory. It is at our sole discretion to determine whether or not your business qualifies as a Brand Conversion Franchise.

Veterans of the U.S. Armed Forces: If you are currently in or have been honorably discharged from any branch of the U.S. Armed Forces, the Initial Franchise Fee of your first KPM Franchise will be discounted by \$8,000. To receive this discount, you must submit a written request for the applicable discount at the same time you submit all other information to prepare your franchise documents and you must be majority owner of the franchisee entity. Requests for discounts made after you sign the Franchise Agreement will not be granted.

Keyrenter Employees: Keyrenter employees (including employees of franchisees) looking to open a Franchise will receive a \$2,000 discount on the Initial Franchise Fee for each year the employee has worked for a Keyrenter Business.

Real Estate License Credit: If you can show us that you have obtained the appropriate real estate license before you contacted us for the first time, and you have paid all fees as of the date you open, we will issue a \$5,000 credit to you, which can be used once you launch your KPM Business.

Only one discount or credit for your KPM Franchise will apply.

E-2 Visa Fee: If you are coming to us through the E-2 Visa program, in addition to the Initial Franchise Fee for a KPM Franchise, you will pay us a \$10,000 E-2 Visa fee (“E-2 Visa Fee”) to help compensate us for our extra time and work associated with this program. Additionally, you will be required to deposit an additional amount in the business based on the requirements that the United States Citizenship and Immigration Services prescribes (“E-2 Visa Deposit”) which we estimate to be \$25,000 to \$35,000. We may assist you with the investment such as procuring materials for your KPM Franchise in which case you will deposit this amount with us. The amount of the E-2 Visa Deposit will vary based on your location and the amount of the total investment required for you to obtain your E-2 Visa.

Training Fee: You will be enrolled in our Key University training program after you sign the Franchise Agreement, which consists of both online and in-person training. The initial training fee is \$5,000 for up to two people, plus \$495 for each additional person.

Keyrenter Marketing Fee: You will pay us a marketing fee of \$575 per month beginning 90 days after you sign the Franchise Agreement. Depending on when you open your Keyrenter Business, the range of this fee you incur prior to opening your KPM Franchise can be as low as \$0 (if you open for business within 90 days) or up to \$1,777 (if you open for business within 180 days and if you pay by credit card).

Start-Up Marketing Package Fee: You will be required to pay us a start-up marketing package fee of \$10,000 (“Start-Up Marketing Package Fee”) when you sign the Franchise Agreement. We will use the Start-Up Marketing Package Fee to cover the costs to conduct a local marketing plan for your Keyrenter Business.

Appfolio Software Implementation Fee: Currently, you must utilize Appfolio software for all properties/units/buildings managed, except where prohibited by law. You will pay us or Appfolio a \$600 implementation fee prior to opening.

Initial Fees. In our last fiscal year, ended December 31, 2023, we collected Initial Franchise Fees of \$35,000. All initial fees are uniformly imposed. All initial fees must be paid in full when you sign the Franchise Agreement. All fees are fully earned by us once paid and will not be refunded under any circumstances, except the following applies to participants in the E-2 Visa program: the E-2 Visa Fee and the Initial Franchise Fee are not refundable; however, if you provide proof that you applied for an E-2 Visa and were denied or otherwise unable to obtain approval of a Visa despite your reasonable and good faith efforts, then within 60 days of providing us with proof that your application was denied, we will refund the E-2 Visa Deposit (less any amounts invested in the KPM Business), the Training Fee, the Keyrenter Marketing Fee, the Start-Up Marketing Package Fee and the Appfolio Software Implementation Fee.

**ITEM 6
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty on Gross Revenue (which excludes Real Estate Sales Commissions and Referral Fees) (Notes 1 and 2)	7% of Gross Revenue	15th day of each month (unless such fifteenth (15th) day is a Saturday or Sunday, and in such case on the following Monday), beginning either 120 days after the Franchise Agreement is signed or after you begin utilizing the System, whichever is sooner.	This royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.
Royalty on Real Estate Sales Commissions and Referral Fees (Note 2)	5% of such revenues	Same as Royalty.	The royalty rate on real estate sales or sales referrals shall be 5% of such revenues and shall be paid at the same time and manner as Royalty on Gross Revenue.

Type of Fee	Amount	Due Date	Remarks
Minimum Royalty Fee	After one year: \$350/month After two years: \$700/month After three years: \$1,050/month After four years: \$1,400/month	Upon invoice	After the Minimum Royalty Start Date, we will charge you a minimum royalty fee if you haven't met minimum performance standards. The " <u>Minimum Royalty Start Date</u> " means (1) if you are on the E-2 Visa Program, the date which is nine months after you receive approval for your E-2 Visa, and (2) for all other franchisees, the date which is 12 months after the effective date of the Franchise Agreement.
Taxes	As required by governmental authorities	When you pay us items on which tax is due	You shall pay to us an amount equal to any and all sales taxes, excise taxes, withholding taxes, use taxes and similar taxes imposed on the fees payable by you to us.
Late Fees (Note 3)	1.5% per month or the highest rate allowed by the state where you are located, whichever is less, plus collections costs	On demand	Interest applies to all overdue fees you owe us. Costs of collection applies to any amounts we must collect from you. Also applies to any understatement in amounts due revealed by an audit.
Insufficient Funds Fee	\$100 per occurrence, plus Late Fees	As incurred	Payable if any check or electronic payment is not successful due to insufficient funds, stop payment or any similar event.
Payment Service Fee	Up to 4% of total charge	As incurred	If payment is made to us or our affiliate by credit card for any fee required, we may charge a service charge of up to four percent (4%) of the total charge.
Failure to Submit Required Report Fee	\$100 per occurrence and \$100 per week	Your bank account will be debited for failure to submit any requested report or financial statement when due	Payable if you fail to submit any required report or financial statement when due. Fines collected are paid to us. You will continue to incur this fee until you submit the required report.

Type of Fee	Amount	Due Date	Remarks
Technology Fee	The then-current fee (currently, \$150 per month)	Same as Royalty	You will pay the technology fee directly to us, beginning the month you begin operations. This fee covers our expenses associated with digital content storage, the delivery of training through digital technology, and other fees associated with the KeyWare software. We may increase this fee. One email address and on-going email maintenance are included. Additional email addresses can be obtained, but you must pay an additional fee (see Additional Email Fee below).
Additional Email Fee	\$12 per month for each additional email address	Same as Royalty	The Technology Fee includes one email address and associated maintenance. Additional email addresses can be obtained from us for a fee of \$12 per email address per month.
Relocation Fee	\$350; plus our expenses	At the time of the move	You agree to pay this fee to us for website changes and additional SEO work if you move your office location. We will only charge this \$350 fee if you relocate your office location more than once in a 12-month period.
Non-Compliance Fee	\$25 per day	On demand	If you are not compliant with our system after being notified, you agree to pay this fee to us until you are compliant, in addition to any other applicable fees.
Renewal Fee	\$2,500	At the time of renewal	You must pay this fee to us if you are permitted to renew your franchise.
Relocation Assistance	Approximately \$750 to \$1,500	Time of assistance	If you need our assistance to relocate, you must reimburse our costs to assist you.
Substitute or New Manager Training/ Additional Training	The then-current fee (currently, \$495 per day, plus your expenses in attending)	At the time of training	Our initial training program is covered by your initial Training Fee. If you have to repeat initial training, send more than two people to initial training, or attend any other ongoing or additional training, we may charge you.
Additional Operations Assistance	The then-current fee (currently, \$250 per day plus our expenses)	Time of assistance	We provide assistance around the beginning of operations. You pay for additional assistance if you request it.

Type of Fee	Amount	Due Date	Remarks
Conference Fee	The then-current fee (currently, \$495 per person at present; may vary in the future)	Time of program	Your attendance will be required at our required conferences, including our annual Keyrenter Summit, which will not exceed four days. If you do not attend, you must pay us \$1,000.
System Modifications	Not more than \$5,000 in the first year of the franchise agreement, and not more than \$50,000 during the initial term of the Franchise Agreement	As required	If we make changes to our System, you must adapt your business to conform to the changes. Some examples of changes include new equipment, fixtures, switching required software programs, or new Marks.
Brand Development Fund Contribution	1% of Gross Revenue	Same as Royalty	You pay your Brand Development Fund Contribution to us by ACH transfer. We reserve the right to increase your Brand Development Fund Contribution up to 3% upon written notice to you.
Keyrenter Marketing Fee	\$575 per month plus 3% credit card fee	Monthly	This fee is for ongoing website hosting, maintenance, basic SEO and analytic services. This fee may increase over time. You will begin paying this fee 90 days after signing the Franchise Agreement.
Local Advertising Fee	The difference between the amount you spent on local advertising each month and your Local Advertising Requirement (\$1,425 or 3% of your past month's Gross Revenue, whichever is greater)	Monthly	In addition to your monthly Keyrenter Marketing Fee, you spend an amount equal to or greater than your Local Advertising Requirement on local marketing and lead generation efforts within your local market area. If you do not meet your Local Advertising Requirement, you will pay the difference to us. Your local spending requirement will begin 90 days after signing the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Local and Regional Advertising Cooperatives	The greater of: i) the Local Advertising Spend; or ii) another amount established by cooperative members	Established by cooperative members	We currently do not have a cooperative but reserve the right to require one to be established in the future. Each Keyrenter Business we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. We anticipate that each Keyrenter franchisee and each Keyrenter Business that we own will have one vote for each Keyrenter operated in the designated market. Item 11 contains more information about advertising cooperatives.
Unauthorized Advertising Fee	\$500 per occurrence	Upon demand	You agree to pay us \$500 each time you use unauthorized advertising.
Additional Marketing and Advertising Services	Varies based upon service requested	Monthly	You agree to pay us our current fee for any additional marketing services you request such as press releases, industry articles, blog fees, video editing, and email campaigns.
Telephone Number Charges	Actual amount incurred	Monthly	We will own and provide to you a telephone number for your business. You agree to pay the charges associated with the phone number and any listings of it.
Audit Expenses	All costs and expenses associated with the audit, approximately \$1,500 to \$5,000	On demand	Audit costs are payable only if the audit shows you have not made the Local Advertising Spend, you underreported amounts you owe us by 3% or more, or you mismanaged trust accounts.
Approval of Products or Suppliers	\$100 to \$1,000	On demand	If you request to purchase an unapproved product or from an unapproved supplier, you will reimburse us for our actual costs in evaluating the new suppliers you wish to purchase from or products you wish to purchase. Costs will vary depending on the type of product or service under review, whether the product or supplier has been rated, and other similar factors.
Customer Issues	All costs incurred in assisting your customers	On demand	You must reimburse us for any and all costs if we determine we must provide service directly to your customers.

Type of Fee	Amount	Due Date	Remarks
Bookkeeping Services Fees	<p>Our then-current fees:</p> <p>KeyAssist Base Services: \$75 per month, first four months free</p> <p>Business Bookkeeping: \$25 per month for software</p> <p>\$40 per month for the first year for bookkeeping services</p> <p>\$250 per month for optional bookkeeping services after the first year.</p> <p>Tenant Screening: \$20 per application</p>	Monthly	KeyAssist is our trade name for the provision of office administration, accounting, and bookkeeping within Xero, and Tenant Screening plus other assist services for your property management business. Bookkeeping services are mandatory during your first year and you must use KeyAssist; other than that, you may use another approved supplier. The bookkeeping services are optional after your first year of operation, provided that you are still required to pay for business bookkeeping software. We may increase these fees upon written notice.
Insurance	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies, plus a 20% administrative surcharge	On demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Management Fee	The then-current fee (currently, \$500 per day, plus our expenses)	Each month that it applies	If you breach the Franchise Agreement or following the death or incapacity of an owner of the franchise, we may temporarily manage your Keyrenter Business.
Transfer Fee	\$12,500 plus any actual cost of a broker fee, commission, or finder's fee that we incurred.	\$1,000 non-refundable deposit at the time of your transfer application request and the remaining balance shall be due at or before the time you consummate the approved Transfer	You will pay the transfer fee to us.

Type of Fee	Amount	Due Date	Remarks
Transfer Fee to Controlled Entity	\$250	At time of transfer	You pay this fee to us if you transfer your franchise to a controlled entity more than 6 months after entering into the Franchise Agreement.
Liquidated Damages	Will vary under the circumstances.	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause. Liquidated damages are determined by multiplying the combined monthly average of Royalties and Brand Development Fund Contributions that are owed by you to us, beginning with the date you open your Keyrenter Business through the date of early termination, multiplied by the lesser of: (i) 36; or (ii) the number of months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than \$30,000.
Indemnification	All costs including reasonable attorney fees	On demand	You must defend lawsuits at your cost and hold us harmless against the operation of the Keyrenter Business
Costs and Attorney Fees	Amount incurred	On demand	You must pay our costs and attorney fees if we prevail in litigation with you.

All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer (“EFT”) or other similar means. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. Also, any fee expressed as a fixed dollar amount is subject to adjustment based on changes to the Consumer Price Index (“CPI”) in the United States. We may periodically review and increase these fees based on changes to the CPI (in addition to any other increase), but only if the increase to the CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of your Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one CPI-related fee adjustment during any calendar year.

NOTES

1. “Gross Revenue” means the total of all revenue, income and consideration from the sale of all Franchised Business products and services to your customers, whether or not sold or performed at or from the Franchised Business, and whether received in cash, coupon, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. You may deduct

from Gross Revenue for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Revenue the amount of any documented refunds, chargebacks, credits, and allowances you give in good faith to your customers. All barter or exchange transactions in which you furnish products or services in exchange for goods or services provided to you by a vendor, supplier or customer will, for the purpose of determining Gross Revenue, be valued at the full retail value of the goods or services so provided to you. Gross Revenue will also include any insurance proceeds due to business interruption as a result of your Approved Location being closed as a result of a casualty event or any other reason. Gross Revenue does not include Real Estate Sales Commissions or Referral Fees.

2. **“Real Estate Sales Commissions and Referral Fees”** means real estate sales commissions earned by you or agents within your Keyrenter real estate brokerage. Referral Fees means revenue paid to you by other brokerages for referring clients to them. If your business does not utilize the MLS for property management, and if you have no prior experience in real estate sales, you may refer clients to other brokerages for a fee or commission split. You may not sell real estate without our prior written approval and you must have two years of experience in real estate or be managing over 150 doors/units in order to do so.

3. **Late Fees.** Late fees begin five (5) days after the date payment was due, but not received, or five (5) days after the date of underpayment.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

KPM Franchise

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Franchise Fee (Note 1)	\$45,000	\$45,000	Lump Sum	At Signing of Franchise Agreement	Us
E-2 Visa Fee (Note 2)	\$0	\$10,000	Lump Sum	At Signing of Franchise Agreement	Us
E-2 Visa Deposit	\$0	\$35,000	Lump Sum	When applying for Visa status	Us (Escrow)
Training Fee (Note 3)	\$5,000	\$5,000	Lump Sum	At Signing of Franchise Agreement	Us
Start-Up Marketing Package Fee (Note 4)	\$10,000	\$10,000	Lump Sum	Upon signing of Franchise Agreement	Us
Travel and Living Expenses to Attend Initial Training (Note 5)	\$3,000	\$5,000	As Incurred	Before Training	Airlines, Hotels & Restaurants

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Real Estate/Rent (Note 6)	\$2,500	\$5,000	As Incurred	Before Beginning Operations	Lessor
Real Estate Broker Fees	\$5,000	\$10,000	As Incurred	Before Beginning Operations	Third-party vendors
Real Estate Licensure or Property Management Training	\$800	\$2,000	As Arranged	As Incurred	Third-party vendors
Utility Deposits (Note 7)	\$0	\$1,500	As Incurred	Before Beginning Operations	Utilities
Leasehold Improvements (Note 8)	\$0	\$4,000	As Arranged	Before Beginning Operations	Contractor, Suppliers
Insurance (Note 9)	\$1,500	\$4,000	As Incurred	Before Beginning Operations	Insurance Companies
Office Equipment and Supplies (Note 10)	\$1,000	\$4,000	As Incurred	Before Beginning Operations	Suppliers
Signage (Note 11)	\$500	\$5,000	As Arranged	Before Beginning Operations	Suppliers
Furniture, Fixtures and Equipment (Note 12)	\$1,500	\$2,000	As Incurred	Before Beginning Operations	Suppliers
Appfolio Software Implementation Fee (Note 13)	\$600	\$600	As Incurred	Before Beginning Operations	Us or Appfolio, Inc.
Licenses and Permits (Note 14)	\$1,650	\$3,000	As Incurred	Before Beginning Operations	Local Suppliers
Legal & Accounting (Note 15)	\$2,000	\$6,000	As Arranged	Before Beginning Operations	Attorney, Accountant
Dues and Subscriptions (Note 16)	\$1,500	\$3,000	As Incurred	Before Beginning Operations	Associations, Suppliers
Keyrenter Marketing (Note 17)	\$0	\$3,554	As Incurred	Before Beginning Operations	Us
Local Marketing and Lead Generation (Note 18)	\$0	\$8,550	As Arranged	Before Beginning Operations	Third-party vendors
Additional Funds-3 months (Note 19)	\$30,275	\$57,275	As Incurred	As Incurred	Employees, Us, Utilities, Lessor & Suppliers
TOTAL (Note 20)	\$111,825	\$229,479			

Brand Conversion

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Franchise Fee (Note 1)	\$30,000	\$30,000	Lump Sum	At Signing of Franchise Agreement	Us
E-2 Visa Fee (Note 2)	\$0	\$5,000	Lump Sum	At Signing of Franchise Agreement	Us
E-2 Visa Deposit	\$0	\$35,000	Lump Sum	When applying for Visa status	Us (Escrow)
Training Fee (Note 3)	\$5,000	\$5,000	Lump Sum	At Signing of Franchise Agreement	Us
Start-Up Marketing Package Fee (Note 4)	\$10,000	\$10,000	Lump Sum	Upon signing of Franchise Agreement	Us
Travel and Living Expenses to Attend Initial Training (Note 5)	\$3,000	\$5,000	As Incurred	Before Training	Airlines, Hotels & Restaurants
Real Estate/Rent (Note 6)	\$0	\$5,000	As Incurred	Before Beginning Operations	Lessor
Real Estate Broker	\$5,000	\$10,000	As Incurred	Before Beginning Operations	Third-party vendors
Real Estate Licensure or Property Management Training	\$800	\$2,000	As Arranged	As Incurred	Third-party vendors
Utility Deposits (Note 7)	\$0	\$1,500	As Incurred	Before Beginning Operations	Utilities
Leasehold Improvements (Note 8)	\$0	\$4,000	As Arranged	Before Beginning Operations	Contractor, Suppliers
Insurance (Note 9)	\$1,500	\$4,000	As Incurred	Before Beginning Operations	Insurance Companies
Office Equipment and Supplies (Note 10)	\$1,000	\$4,000	As Incurred	Before Beginning Operations	Suppliers
Signage (Note 11)	\$500	\$5,000	As Arranged	Before Beginning Operations	Suppliers
Furniture, Fixtures and Equipment (Note 12)	\$1,500	\$2,000	As Incurred	Before Beginning Operations	Suppliers
Appfolio Software Implementation Fee (Note 13)	\$600	\$600	As Incurred	Before Beginning Operations	Us or Appfolio, Inc.
Licenses and Permits (Note 14)	\$1,650	\$3,000	As Incurred	Before Beginning Operations	Local Suppliers
Legal & Accounting (Note 15)	\$2,000	\$6,000	As Arranged	Before Beginning Operations	Attorney, Accountant

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Dues and Subscriptions (Note 16)	\$1,500	\$3,000	As Incurred	Before Beginning Operations	Associations, Suppliers
Keyrenter Marketing (Note 17)	\$575	\$3,554	As Incurred	Before Beginning Operations	Us
Local Marketing and Lead Generation (Note 18)	\$0	\$8,550	As Arranged	Before Beginning Operations	Third-party vendors
Additional Funds-3 months (Note 19)	\$30,275	\$57,275	As Incurred	As Incurred	Employees, Utilities, Lessor & Suppliers
TOTAL (Note 20)	\$94,900	\$209,479			

Footnotes for all tables:

*None of the fees paid to us in the above tables are refundable except as follows for participants in the E-2 Visa program: if you provide proof that you applied for an E-2 Visa and were denied or otherwise unable to obtain approval of a Visa despite your reasonable and good faith efforts, then we will refund the E-2 Visa Deposit (less any amounts invested in the KPM Franchise), Training Fee, Keyrenter Marketing Fee, Start-Up Marketing Package Fee and the Appfolio Software Implementation Fee. Whether fees paid to third parties are refundable depends on their policies.

1. Franchise Fee. The franchise fee is \$45,000 for a KPM Franchise and \$30,000 for a Brand Conversion Franchise.

If you are currently in, or have been honorably discharged from any branch of the U.S. Armed Forces, the Initial Franchise Fee of your first KPM Franchise will be discounted by \$8,000.

In addition, Keyrenter employees (including employees of franchisees) looking to open a Franchise will receive a \$2,000 discount on the Initial Franchise Fee for each year the employee has worked for a Keyrenter Business.

2. E-2 Visa Fee. If you are coming to us through the E-2 Visa program, you will pay us an E-2 Visa Fee of \$10,000 to help compensate us for our extra time and work associated with this program.
3. Training Fee. You will be enrolled in our Key University training program after you sign the Franchise Agreement, which consists of both online and in-person training. Up to two people may participate in the Initial Training.
4. Start-Up Marketing Package Fee. You pay us \$10,000 upon execution of the Franchise Agreement for a Start-Up Marketing Package that includes setup of your local website, “for rent” signs, company brochures, business cards, apparel, website setup, Social sites setup, SEO setup, and other proprietary marked goods.
5. Travel and Living Expenses to Attend Initial Training. You are responsible for your travel, transportation, meals and lodging while attending training. The total cost otherwise will vary

depending on the number of people attending, how far you travel and the type of accommodations you choose.

6. Real Estate/Rent. You must lease or otherwise provide a suitable facility for the operation of the franchised business. Typically, the facility will range in size from 500 to 2,000 square feet of space. Lease costs will vary based upon local market conditions, square footage, required maintenance costs, and other factors. You may be allowed to utilize a virtual office, depending upon licensing requirements and other circumstances.
7. Utility Deposits. If you are a new customer of your local utilities, you will generally have to pay deposits to obtain services, including electric, telephone, gas and water.
8. Leasehold Improvements. To adapt a newly acquired facility for the operation of the franchised business, it may have to be renovated (typically minimally for a property management business). The cost of the leasehold improvements will vary depending on factors, including the size, condition and location of the facility, local wage rates and the cost of materials. The low estimate assumes that your landlord will provide a partial build-out allowance.
9. Insurance. You must purchase at least the minimum amounts of insurance that we specify in Item 8. Factors that may affect your cost of insurance include the size and location of the franchised business, value of the leasehold improvements, number of employees, applicable law and other factors.
10. Office Equipment and Supplies. To operate your business, you must have a smartphone, computer, printer, toner, scanner, shredder, locking cabinet, key lockboxes, and required software.
11. Signage. The signage requirements and costs will vary based upon the size and location of the franchised business, local zoning requirements, landlord requirements, real estate licensing and local wage rates for the installation, among other things.
12. Furniture, Fixtures and Equipment. You must purchase or lease and install certain furniture, fixtures and equipment to outfit and equip the franchised business as laid out in the confidential operations manual. The cost of the furniture, fixtures and equipment will vary according to local market conditions, the size of the facility, suppliers and other related factors.
13. Appfolio Software Implementation Fee. Currently, you must utilize Appfolio software for all properties/units/buildings managed, except where prohibited by law. You will pay us or Appfolio a \$400 implementation fee prior to opening.
14. Licenses and Permits. State and local government agencies typically charge fees for construction permits and operating licenses, including real estate or brokerage licenses, and contractor's or handyman's licenses for performing certain maintenance functions. Your actual costs may vary based on the requirements of state and local government agencies.
15. Legal and Accounting. You will need to employ an attorney, an accountant and other consultants to assist you in establishing your franchised business. Additionally, you are required to hire a consultant and attorney to review and possibly alter the forms or documents we provide to you for use in your franchised business to ensure that they are legal in your jurisdiction. These fees vary based upon the prevailing rates of local attorneys, accountants and consultants.

16. Dues and Subscriptions. You are expected to join the local NARPM Chapter, other local business networking organizations, and local or state real estate organizations (local MLS).
17. Keyrenter Marketing. You will begin paying this fee 90 days after signing your Franchise Agreement. The low amount assumes you open your Keyrenter Business within 90 days. The high estimate assumes you open your Keyrenter Business within 180 days and that you pay this fee by credit card and incur the 3% credit card fee. This amount has been rounded to the nearest whole dollar. Then you will continue to pay monthly at \$575 per month, which amount may increase after the first twelve months.
18. Local Marketing and Lead Generation. We require you a minimum \$1,425 Local Marketing Spend on local marketing and lead generation efforts each month, beginning 90 days after signing your Franchise Agreement. The low amount assumes you open your Keyrenter Business within 90 days. The high estimate assumes you open your Keyrenter Business within 180 days. You will pay the greater of \$1,425 or 3% of Gross Revenue each month once you open your Keyrenter Business.
19. Additional Funds- 3 months. Additional funds are to cover the first three months of expenses incurred after the franchised business is open to cover items such as the following: rental advertising, bank fees, ACH processing, additional education, internet and telephone service, technology fees, utilities, call center expenses, for leasing and after hour and emergency maintenance, lead scheduling software, property showing coordination, and payroll. These amounts also include three months of the Keyrenter Marketing fee and Local Advertising Spend paid after opening. Three months of service fees for the Appfolio software services are also included. If you are not yet licensed as a managing principal broker, you should plan on paying a supervising broker approximately \$500 or more per month until you obtain your managing principal broker license. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for Keyrenter Businesses. You may incur additional expenses if sales are low or operating costs are high.
20. Total. The tables do not include royalty fees. In compiling this data, we relied on our and our affiliates' industry knowledge and experience. We cannot guarantee that you will not have additional expenses in starting the franchised business.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The Goods or Services Required to be Purchased or Leased

Advertising Materials

You must either use advertising templates that we furnish, obtain our approval, or use pre-approved advertising made available by designated vendors.

Call Center

We recommend, but do not require that you use a call center to handle lease application inquiries and after hour emergency maintenance issues pursuant to our specifications. We have several approved call center vendors. If you do not use a call center, you must have a solution for resolving afterhours issues.

Computer Hardware and Software

You must purchase and use such computer hardware and software as we may specify, which may include vendor designations.

Furniture, Fixtures, and Equipment

You must purchase any furniture, fixtures, equipment, inventory and signage under specifications as laid out in the Confidential Operations Manual. These specifications may include standards and specifications for the appearance, quality, price, performance and functionality for the Keyrenter franchise.

Insurance

You must purchase at least the following types and amounts of insurance:

- (1) “all risk” property insurance coverage for assets of the franchised Business and adequate business interruption insurance;
- (2) workers’ compensation insurance and employer liability coverage with a minimum limit of \$100,000 or higher if your state law requires;
- (3) comprehensive general liability insurance with a minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate or higher if your state law requires;
- (4) errors and omissions insurance (E&O) professional liability insurance coverage of at least \$1,000,000 or as necessary to meet licensing regulations;
- (5) automobile liability insurance of at least \$1,000,000 (or higher if your state law requires) for any vehicles used for business purposes;
- (6) insurance coverage for contractual indemnity. (If E&O insurance does not cover contractual indemnity).

All insurance policies, except for worker’s compensation, must name us and any designated affiliates as an additional insured or loss payee and shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns. Such policies shall be written by an insurance company licensed in the state in which you operate and having at least an “A” Rating Classification as indicated in the latest issue of A.M. Best’s Key Rating Guide. You may purchase insurance from any vendor who meets these standards.

Lease and Leasehold Improvement

You may be allowed to utilize a virtual office, if it is feasible for your situation, upon written approve from us. Otherwise, you must lease office space and finish it to our specifications. You may lease from any landlord and use any contractor that you choose. You may be allowed to utilize a virtual office, depending upon licensing requirements and other circumstances.

Real Estate License and Property Management Training

You must obtain a real estate license from your state to enable you to manage, buy, and sell residential real estate. If you are not yet licensed as a real estate broker, you may be required to engage a supervising broker to obtain the necessary licensure for your business until you obtain your principal broker license. In addition, you must complete any necessary Property Management or trust account training provided by a state certified course provider. You must reconcile your trust accounts according to state guidelines at all times.

Whether the Franchisor or its Affiliates are Approved Suppliers or the Only Approved Supplier

Currently, we are an approved supplier of advertising material, as well as accounting and bookkeeping services and tenant screening under our trade name KeyAssist, but we are not the only approved supplier (except for bookkeeping services for your first year of operations). Our Confidential Operations Manual contains a list of approved suppliers of services. One of our officers own an interest in LivLabs, LLC, an approved supplier of website design and management.

Approval of Alternative Suppliers

If you would like to use any goods or services in establishing and operating the franchised business that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications or the supplier meets our approved supplier criteria. You must pay our expenses to evaluate goods, services or suppliers. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services or from the supplier. Our criteria for approving or revoking approval of suppliers includes but are not limited to: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; and dependability and general reputation.

We will notify you through the Confidential Operations Manual, Monday Keyrenter Kickstart Calls, Newsletters, or other informational bulletin if we revoke our approval of goods, services or suppliers, and you must immediately stop purchasing disapproved goods or services, or must immediately stop purchasing from a disapproved supplier.

Issuance and Modification of Specifications

We issue and modify our specifications through the Confidential Operations Manual and other informational bulletins.

Revenues From Franchisee Purchases

We earned \$398,963 from required purchases or leases by franchisees in the fiscal year ending December 31, 2023 representing 14.6% of our total revenue of \$2,733,337.

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that 50% to 75% of your purchases and leases to establish and operate the franchise will be for goods and services which are subject to sourcing restrictions (that is, which must meet our standards and specifications, or which must be purchased from suppliers which we designate or approve).

Supplier Payments to the Franchisor

Designated suppliers make payments to us from franchisee purchases of products and services such as phones and tenant screening services between 5% and 15% franchisee purchases.

Purchasing or Distribution Cooperatives

We have no purchasing or distribution cooperatives serving our franchise System.

Negotiated Purchase Arrangements

We negotiate purchase arrangements, including price terms, with suppliers, for the benefit of franchisees.

Material Benefits

We do not provide material benefits to you based upon your purchase of particular products or services or use of particular suppliers. However, you must be in compliance with your franchise agreement in order to renew it and we can terminate your franchise agreement if you purchase from unapproved sources in violation of your franchise agreement.

**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.

FRANCHISEE’S OBLIGATIONS

Obligation	Section in Franchise Agreement (“FA”)	Disclosure Document Item
a. Site selection and acquisition/lease	FA Section 7	Items 7 and 11
b. Pre-opening purchases/leases	FA Sections 7 and 19	Items 7 and 8
c. Site development and other pre-opening requirements	FA Sections 7 and 19	Items 7, 8 and 11
d. Initial and ongoing training	FA Section 8	Items 6, 7 and 11
e. Opening	FA Sections 7 and 12	Item 11
f. Fees	FA Sections 5, 6, 7, 8, 10, 12, 14, 16 and 20	Items 5, 6, 7, 8 and 11
g. Compliance with standards and policies/Franchise Operations Manual	FA Sections 9, 12 and 13	Items 8, 14 and 16
h. Trademarks and proprietary information	FA Sections 9, 14 and 17	Items 13 and 14
i. Restrictions on products/services offered	FA Section 13	Items 8 and 16
j. Warranty and customer service requirements	FA Section 13	Not applicable
k. Territorial development and sales quotas	FA Section 4	Item 12
l. Ongoing product/service purchases	FA Section 13	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	FA Section 13	Not applicable
n. Insurance	FA Section 19	Items 6, 7 and 8
o. Advertising	FA Section 12	Items 6, 7 and 11
p. Indemnification	FA Section 22	Item 6

Obligation	Section in Franchise Agreement (“FA”)	Disclosure Document Item
q. Owner’s participation/management and staffing	FA Section 10	Item 15
r. Records and reports	FA Section 20	Item 11
s. Inspections and audits	FA Section 21	Items 6 and 11
t. Transfer	FA Sections 15 and 16	Item 17
u. Renewal	FA Section 5	Item 17
v. Post-termination obligations	FA Sections 18 and 26	Item 17
w. Non-competition covenants	FA Sections 18	Item 17
x. Dispute resolution	FA Section 28	Item 17

**ITEM 10
FINANCING**

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

**ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING**

Except as listed below, Keyrenter Property Management need not provide any assistance to you under the Franchise Agreement.

A. Before the Franchised Business Opens

Before you open your franchised business:

1. If we have not already approved a site for your franchised business before signing the Franchise Agreement, we will designate your territory in which you must locate the franchised business, provide you with our criteria for site selection and evaluate sites you propose for the location of the franchised business. (Franchise Agreement, Sections 4 and 7.2)
2. We will provide training and support in your search for a broker at no additional cost. (Franchise Agreement, Section 8.1)
3. We may review and approve your lease or purchase agreement for the approved site for the franchised business. (Franchise Agreement, Section 7)
4. We may provide you with specifications for remodeling and equipping the approved location, along with a list of required supplies, equipment and improvements that you are required to purchase and install. We do not assist you in conforming the premises to local ordinance and building codes, nor do we assist you in obtaining any required permits. We do not assist you in remodeling or decorating your Keyrenter Business. We do not deliver or assist with the installation of any fixtures, furnishings, equipment, signs or other supplies (Franchise Agreement, Section 13)

5. We will provide an initial training program. (Franchise Agreement, Section 8.1). All attendees must sign a confidentiality/nondisclosure/non-compete agreement as consideration for access to the training program and our confidential information.

6. We will grant you access to an electronic copy of the “Confidential Operations Manual.” The approximate total number of pages in the Confidential Operations Manual as of the date of this Disclosure Document is 231. Exhibit D contains the Table of Contents of the Confidential Operations Manual, along with the number of pages devoted to each section. (Franchise Agreement, Section 9.1)

7. We will provide you with a custom website linked to a territory-specific URL (purchased and owned by Franchisor), provide email addresses connected to the territory-specific URL, for you. Additional email addresses for employees and agents can be obtained for a fee (Franchise Agreement, Section 6.10).

B. Other Assistance During the Operation of the Franchised Business

After the opening of the franchised business, we will:

1. Provide you assistance and guidance in operating the franchised business. (Franchise Agreement, Section 9)

2. Consult, assist, and guide you in various aspects of the operation and management of the franchised business. We may prepare written reports suggesting changes or improvements in the operations of the franchised business and provide you with a copy. We may provide advice or guidance to you relative to prices for services and products but you will have the sole right to determine the prices to be charged by your franchised business; provided, however, that we shall have the sole right to determine the prices to be charged for products sold through the Keyrenter Property Management Internet site, including products sold to persons identified as customers of your franchised business. (Franchise Agreement, Section 9)

3. Provide operations assistance, ongoing training and coaching as we deem necessary. (Franchise Agreement, Section 8)

4. Approve forms of advertising materials you will use for local advertising, and cooperative advertising. (Franchise Agreement, Section 12.4)

5. Provide modifications to the Confidential Operations Manual as they are made available to franchisees at our discretion. (Franchise Agreement, Section 9.1)

6. If necessary, and at our discretion, an affiliate of Franchisor, which we reserve the right to establish, may provide certain support of Franchisee’s clients. Franchisee agrees to reimburse Franchisor or Franchisor’s affiliate for such support as provided. (Franchise Agreement, Section 13.3)

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, pay you, in our sole discretion, a referral bonus of up to \$5,000 in cash or services credit for referring a third-party franchise prospect to us, who ultimately becomes a Keyrenter franchisee. You are authorized only to identify the prospect to our franchise sales staff. You are not authorized to act as our agent or franchise broker and may not provide any information to prospects other than our information brochure. If you receive a referral bonus, notice will be given to the prospective franchisee receiving the Franchise Disclosure Document. We retain the right in our sole discretion to modify or terminate this referral program at any time. The factors concerning our decision to start, modify, or terminate the referral program include

the number of franchises that we sell, the number of referrals that we receive from current franchisees and the quality of referrals that we receive from current franchisees (See Franchise Agreement – Section 8.7).

C. Methods Used to Select the Location of the Franchised Business

If you have a potential site for the franchised business, you may propose the location for our consideration. We may consent to the site after we have evaluated it. If you do not have a proposed site, we will designate a geographic territory in a specific Market Area in which you must locate the franchised business and we will furnish you with our general site selection criteria. You are solely responsible for locating and obtaining a site that meets our standards and criteria and that is acceptable to us.

The general site selection and evaluation criteria or factors that we consider in approving your site include the condition of the premises, demographics of the surrounding area, proximity to other Keyrenter businesses, proximity to competitive businesses, lease requirements, traffic patterns, visibility, vehicular and pedestrian access, proximity to major roads and the units you will manage, available parking and overall suitability. We will provide you with written notice of our approval or disapproval of any proposed site within a reasonable time (usually within 30 days) after receiving all requested information. If we cannot agree with you on a suitable site for the franchised business within 90 days after you sign the Franchise Agreement, we may terminate the Franchise Agreement. You may be allowed to utilize a virtual office, depending upon licensing requirements and other circumstances.

D. Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the franchise is 90 to 180 days. Factors that may affect your beginning operations include the ability to secure real estate licensing, permits, E-2 Visa approval process waiting times, zoning and local ordinances, weather conditions and delays in the installation of equipment and fixtures. You must open your franchise and be operational within 210 days after signing the Franchise Agreement.

E. Advertising and Promotion

Start-Up Marketing Package. You must pay to us \$10,000 to register your domain, obtain SSL certificate, create and optimize a local custom website that is specific to your Approved Location and the Keyrenter DBA name that is assigned specifically to your business. We will setup and manage your business directory listings and social media accounts, We also provide a start-up supply of promotional items including for-rent signs, business cards, brochures, branded shirts, etc. We will provide consultation for a local marketing and lead generation strategy. The \$10,000 Start-Up Marketing Fee does not include the cost of PPC advertising which must be paid by the Franchisee to third parties that we agree to, such as Google, Bing, or Facebook.

Keyrenter Marketing. We will host, maintain, and provide basic SEO and analytics of your local website and social media accounts for the monthly fee of \$575. We will provide ongoing assistance and consultation on your digital marketing and advertising strategy. We will also provide you with a list of approved vendors to assist with marketing, advertising and lead generation efforts.

We may hire employees, independent contractors, companies, agencies, consultants and others we deem to be experts in our endeavors to provide franchise services, including digital marketing or advertising experts. (Franchise Agreement, Sections. 9.2 and 12.3)

Local Advertising Requirement. Each month, you must spend \$1,425 or 3% of your Gross Revenue, whichever is more, on new lead generation efforts through PPC advertising, digital marketing, mailers,

promotions and public relations focused in the local market area surrounding the Keyrenter Business. This fee could change over time. You will pay for your ads and promotions directly, but we will provide you with general marketing guidelines and we will review and approve your advertisements. (Franchise Agreement, Section 12.6)

Brand Development Fund. We maintain a system-wide Brand Development Fund, and you must contribute to the fund 1% of your Gross Revenue (“Brand Development Fund Contribution”). (Franchise Agreement, Section 6.9) We reserve the right to increase the Brand Development Fund Contribution up to 3% upon written notice to you. We will administer the Brand Development Fund as follows and will give you 30 days’ notice before increasing contributions. The Brand Development Fund may allocate resources to advertise locally, regionally, and/or nationally, in printed materials, on radio, on television, and/or on the internet, at our sole discretion.

Your contribution to the Brand Development Fund will be in addition to all other advertising requirements set out in this Item 11. Certain franchisees may contribute on a different basis depending on when they signed their franchise agreement. Keyrenter Businesses owned by us, or our affiliates must contribute this same amount to the Brand Development Fund monthly.

The Brand Development Fund will be administered by us, or our affiliate or designees, at our discretion. All creative concepts, materials, and media used in these programs and their placement and allocation will be created by our in-house marketing department or by an outside third party. We may use a professional advertising agency or media buyer to assist us. The Brand Development Fund will be in a separate bank account, commercial account, or savings account. We have complete discretion on how the Brand Development Fund will be utilized. We may use the Brand Development Fund for local, regional, or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System, and any other purpose to promote the Keyrenter brand. We may reimburse ourselves, our authorized representatives, or our affiliates from the Brand Development Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes, and all other direct or indirect expenses associated with the programs funded by the Brand Development Fund. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Development Fund Contributions for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement indicating “Franchises Available” or similar phrasing or include information regarding acquiring a franchise on or as a part of materials and items produced by or for the Brand Development Fund. We typically disseminate advertising in electronic media. The Brand Development Fund periodically may give you samples of advertising, marketing, and promotional formats and materials at no cost.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Development Fund or to maintain, direct, or administer the Brand Development Fund. Any unused funds in any calendar year will be applied to the following year’s funds, and we reserve the right to contribute or loan additional funds to the Brand Development Fund on any terms we deem reasonable. The Brand Development Fund may allocate in any fiscal year more or less than the total Brand Development Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Brand Development Fund Contributions to pay costs before spending the Brand Development Fund’s other assets. We may use collection agents and institute legal proceedings to collect Brand Development Fund Contributions at the Brand Development Fund’s expense. We may also forgive, waive, settle, and/or compromise all claims by or against the Brand Development Fund. We may at any time defer or reduce a franchisee’s Brand Development Fund Contributions and, upon 30 days’ prior written notice to you, reduce or suspend Brand Development Fund Contributions and operations for one or more periods of any length and terminate and

reinstate the Brand Development Fund. If we terminate the Brand Development Fund, we will distribute all unused contributions to contributing franchisees, and to us or our affiliates, in proportion to respective contributions during the preceding 24-month period.

The Brand Development Fund is not audited. We will provide an annual accounting for the Brand Development Fund that shows how the Brand Fund proceeds have been spent for the previous year upon written request.

In the fiscal year ended December 31, 2023, the Brand Development Fund spent 97% of the funds it received on production and 3% on administrative expenses.

Use of Own Marketing Material. We permit you to use your own marketing materials only if you use our pre-approved templates or we give you prior written permission.

Brand Development Council. We have formed a brand development council known as the Keyrenter Brand Development Council (“BDC”). Members of the BDC are selected from among our franchisees by self-nomination or the nomination of another, or by appointment by our executive team, which then requires the consent of the nominated franchisee to be put on the voting list. Franchisees alone then cast votes for the persons to serve on the BDC. The BDC serves in an advisory capacity only and does not have operational or decision-making power. We have the power to form, change, or dissolve the BDC.

Advertising Cooperative. Although we are not obligated to do so, we may create a cooperative advertising program for the benefit of all KPM Franchises located in a particular region. The franchisor has the right to collect and designate all or a portion of the Local Advertising payments or contributions (\$1,425 or 3% of Gross Revenue, whichever is greater) for the funding of a Cooperative Advertising program. We will determine the geographic territory and market areas for each cooperative advertising program. You must participate in any cooperative advertising program established in your region. If cooperative advertising is implemented in a particular region, we may establish an advertising council for franchises in that region to self-administer the program. If we establish a cooperative advertising program or programs with or without an advertising council, there are no limits on our right to change, dissolve or merge such program(s) and/or council(s) at any time. If we establish a cooperative advertising program or programs with or without an advertising council, there are no limits on our right to change, dissolve or merge such program(s) and/or council(s) at any time. Your participation in any cooperative must be in compliance with the provisions of the Confidential Operations Manual, which we may periodically modify at our discretion. We have the right to determine the composition of all geographic territories and market areas for each advertising cooperative. Franchisees in each cooperative will contribute an amount to the cooperative for each Franchised Business that the franchisee owns that exists within any cooperative’s geographic area. Each Keyrenter business we or our affiliates own that exists within the cooperative’s area will contribute to the cooperative on the same basis as franchisees.

Telephone Number. We will own and provide you with a telephone number for your business. You agree to pay us or our designee the charges associated with the phone number and any listings of it. Upon your termination, non-renewal, or other departure from the franchise system, the phone number shall remain under our control.

Internet Marketing. You are restricted from marketing, using, or establishing a presence on the internet without our written consent. In other words, you may not purchase or utilize your Keyrenter Business website/splash pages or any online marketing without the franchisor’s written consent. We already have an internet website at the uniform resource locator www.keyrenter.com that provides information about the System and KPM Franchises. We may (but we are not required to) include at the Keyrenter Property Management website an interior page containing information about your franchised

business. If we include this information on the Keyrenter Property Management website, you may be requested to prepare the page, at your expense, using our template. All information must be approved by us before it is posted. We retain the sole right to market on the internet, including but not limited to the use of websites, domain names, uniform resource locators, linking, search engines (and search engine optimization techniques), banner ads, metatags, marketing, auction sites, social media, email, paid searches (including pay-per-click, display advertising, and other forms of online advertising), e-commerce and co-branding arrangements. Additionally, any social media pages, all advertisements, all reviews, blogs, or the like are the sole property of the Franchisor, and you will be required to relinquish any custody over these to Franchisor upon termination for any reason. You may be requested to provide content for our internet marketing, and you must follow our intranet and internet usage rules, policies and requirements. We retain the sole right to use the Marks on the internet, including on websites, as domain names, directory addresses, search terms and metatags, and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the Keyrenter Property Management website.

Joint-Advertising. With our consent, you may engage in joint-advertising (“Joint Advertising”) campaigns with other franchisees, wherein you may mutually agree to advertise in each other’s territories. You may propose Joint-Advertising campaigns to other franchisees, and other franchisees may propose Joint-Advertising campaigns to you. If another franchisee proposes a Joint-Advertising campaign to you and you reject it, we may consent to that franchisee undertaking that campaign, even if it results in advertising or marketing in the same territory or Market Area as your Approved Location.

F. Computer System

You must purchase and use any hardware and software programs we designate, which may change during your franchise term in accordance with the Franchise Agreement. (Franchise Agreement, Section 14.1). Currently, you must purchase a desktop or laptop computer, printer, and scanner, smart phone, along with Microsoft Office Suite software. You may purchase any make or model from any vendor that meets our specifications. At present, you must also purchase or use the following software:

Appfolio. At present, you must complete the software training provided by Appfolio and use Appfolio for property management software.

KeyAssist. KeyAssist is the trade name for the support and services we provide to franchisees. The KeyAssist program may be modified by us in our sole discretion and currently provides data entry assistance, bookkeeping assistance, ongoing training, coaching, tenant screening services and support for software, marketing and other property management functions. You must utilize KeyAssist.

KeyMarketing. Is the trade name for the marketing and website support offered by Keyrenter and/or approved partner vendors.

The cost of KeyAssist will vary depending on the number of units you manage and is paid directly to us. KeyAssist will facilitate the setup of Appfolio, provide initial training and ongoing support. The cost for this service is currently \$75 per month, and the first four months are free. Within KeyAssist, there are additional services, with additional fees, including office administration, accounting and bookkeeping, tenant screening and other services. While some services may be optional and others are required, you must use KeyAssist. We will provide bookkeeping software for a monthly fee. You must pay us a fee to provide bookkeeping services to you during your first year. The first four months of bookkeeping services are offered at no charge. We offer optional bookkeeping services for a monthly fee for the remainder of the term. After one year of operating your KPM Business, you must hire one of our approved suppliers to provide bookkeeping services. Currently, a required KeyAssist service is tenant screening which is charged

at a fee of \$20 per tenant application in addition to the cost of the reports. A copy of the tenant screening service agreement is attached to this Disclosure Document in Exhibit C-2. See Item 6 for a complete description of services and fees.

You will either pay us or pay directly to Appfolio an implementation fee of \$400 for Appfolio setup, and then a minimum of \$2,640 annually. Appfolio service agreement and fees may be subject to change. There may also be fees for e-payments, tenant application reports, and other items in Appfolio. A copy of the Appfolio service agreement and pricing sheet is attached to this Disclosure Document in Exhibit C-2.

The approximate cost of the hardware and software ranges from \$1,000 to \$4,000, not including Appfolio.

You may be required to enter into the Appfolio service agreement for ongoing maintenance of and support for the software in accordance with the Franchise Agreement. The cost of the ongoing maintenance will vary depending on the number of properties you manage. You may periodically be required to update or upgrade computer hardware and software, whenever we believe it is necessary. We may introduce new requirements or modify our specifications and requirements for computer and point-of-sale systems.

We estimate the annual cost of optional or required maintenance, updating, upgrading, or support contracts to your computer system to be \$1,500 to \$2,500.

We have the right to independently access all information you collect or compile at any time without first notifying you. There are no contractual limits on our right to do so.

G. Training

You must satisfactorily complete real estate or property management training by a state-certified real estate course provider prior to opening your business. This is necessary for you to understand state-specific regulations governing license requirements, rental income and security deposits. You must complete to our satisfaction our initial training program that covers material aspects of the operation of the franchised business. The initial training topics covered are listed in the chart below. Our initial training program is offered on an as needed basis or at our headquarters in Midvale, Utah or another designated site. At our sole discretion, training may be delivered remotely via webinar/webcam, or through an internet-based learning management system. You must designate a manager for the franchised business and s/he must satisfactorily complete the initial training prior to opening and operating the franchised business. If you replace your designated manager, your new designated manager must complete our training program. One or more assistants of your choosing may also attend at your option. We expect that your attendees will advance through the training program at different rates depending on a variety of factors, including background and experience. The time frames provided in the chart below are an estimate of the time it will take to complete training.

You will pay \$5,000 for the Initial Training for up to two persons, plus \$495 for each additional person. You must also pay for all travel costs and living expenses for yourself and any of your attendees. You may be charged fees for additional training. You are responsible for training your employees and other management personnel.

You must hold or obtain a real estate license in the state in which the Keyrenter Business operates. You must also hold or obtain a property management license if your state requires it. You must have these licenses before you open your Keyrenter Business. We require a commitment of a minimum of 20 hours per week dedicated to real estate coursework after you sign the Franchise Agreement. You will need to schedule

your exam within two weeks of completing the coursework. This is necessary for you to understand state-specific regulations governing license requirements, rental income and security deposits.

Your franchised business must at all times be under the day-to-day supervision of a designated manager who has satisfactorily completed the training program and meets any state licensing requirements.

TRAINING PROGRAM

1. You will enter a pre-onboarding phase (“Onboarding”) after you sign the Franchise Agreement. We will provide a task-focused Onboarding program that begins after you have obtained your real estate license and Visa. The order in which the following topics will be introduced may vary depending on your situation.

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
System Orientation	2	0	Remotely
Training & Resources	2	0	Remotely
Opening Game Plan	1	0	Remotely
Local Licensing Review	2	0	Remotely
Business Entity	2	0	Remotely
Branding & Trademarks	2	0	Remotely
Website & Marketing	2-5	0	Remotely
KeyWare & Templates	1-3	0	Remotely
Appfolio Setup & Orientation	1-2	0	Remotely

Information and hyperlinks to laws, rules and regulations posted on government websites will be shared during onboarding and training. We do not offer legal advice. You should consult an attorney for interpretation of any law, rule or regulation.

2. Pre-Launch Training runs concurrently with Onboarding and includes remote training through Key University. The amount of on-the-job training varies based on your experience and situation. We reserve the right to alter our training program as our System grows or depending on your prior experience.

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Appfolio	2	6-15	Remotely
Marketing	3	2-5	Remotely

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Property Management Procedures	11	3	Remotely
Maintenance & Vendors	2	1	Remotely
Office Manager Procedures	2	0	Remotely
Sales/Closing	6	2	Remotely
Total	26	7	

3. Post-Launch Training includes the On the Job Training segments listed above with KeyAssist representatives, and a four-day live training event at Key University headquarters in Midvale, Utah. The live training event includes business development, customer service, and how-to demonstration of property management processes from beginning to end. You are responsible for travel and living expenses as incurred.

4. Ongoing training and system updates are provided through the weekly Keyrenter Kickstart live PM webinar. We may invite guest trainers and vendors to provide the information necessary to operate your business.

5. We will provide a business development accountability coach at no additional cost to help you meet your performance goals and troubleshoot areas needing improvement. This consultation is provided remotely and may be offered through group webinars and mastermind events. The focus is on time management, organization, team development, and leadership.

6. The Keyrenter Group Forum will be provided to enable real-time access to veteran franchisees and the Keyrenter leadership team. Answers to questions outside the scope of normal training methods may be addressed here.

7. The Keyrenter Method manuals, training videos, and templates are available through Key University’s online Learning Management System.

8. The initial Training Fee includes registration for up to two people for the first Annual Keyrenter Summit following the signing of your Franchise Agreement. You are required to attend this event at the location of our choice. You are responsible for transportation and living expenses during the event.

Nate Tew, Ann Adel and Sarah Durbin will provide training. The nature and length of experience of the instructors is listed below:

Nate Tew: Chief Executive Officer. Mr. Tew, our Chief Executive Officer since January 2022, oversees our training program. Previously, Mr. Tew served as our President and Chief Operating Officer and is the Managing Broker for Keyrenter Salt Lake in Midvale, Utah. Mr. Tew oversees a team of property managers and approximately 300 single family homes.

Ann Adel, Learning and Education Coordinator. Ann Adel has served as the Training and Support Coordinator since January 2022. Prior to that, she served as the Onboarding Specialist for Keyrenter since

May 2018 to November 2021. From August of 2012 through April 2018, Ms. Adel worked for Concept Property Management where her responsibilities included the management of seven apartment complexes and a maintenance team. Ms. Adel also assisted with the in-house training program for new employees.

Sarah Durbin, Vice President of Franchise Success. Sarah Durbin has served as our Vice President of Franchise Success since July 2023. She was previously our Growth Consultant. Ms. Durbin owned and operated several property management companies and served as a business consultant for more than seven years.

The training will include the following instruction materials: Confidential Operation Manual, videos, webinars, conference calls, and other documents. You must also complete the training videos or webinars within Appfolio software as necessary to competently operate your business. We provide additional Appfolio training and support.

Periodically, you or your designated manager will be required to participate in additional ongoing training that we offer, including our annual Keyrenter Summit Convention which will not exceed four days. The Keyrenter Summit Convention will be conducted at our headquarters or another location we designate. You may be charged for additional training, and you are responsible for travel, transportation, food, and lodging costs.

ITEM 12 TERRITORY

You will be assigned a non-exclusive territory with a minimum population of 100,000 (“Territory”). To determine market size to designate the territory, we use population data from the U.S. Census Bureau or another source we deem reliable. It may not be redefined even if the population changes.

The non-exclusive Territory defines the area in which you must operate your Keyrenter Business. The address of your physical location must be within the boundaries of your Territory. Your Territory will be identified by city, county, state, highway, or other geographic boundaries. Once established, your Territory will typically not be changed. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we cannot control.

Your Keyrenter Business must be operated from one physical location that we approve in writing. The “Approved Location” must be within your Territory. Once established, you may not relocate your physical address without obtaining prior written approval from us.

You will operate the franchise from one physical office location that we approve, and you may operate out of only one office. If you happen to have more than one franchise, you must have one office per franchise agreement signed, as well as separate accounts for Appfolio, accounting, and other KeyWare software unless you have written permission from us.

You must receive our written permission before relocating. If you can no longer use the location due to circumstances beyond your control, including unreasonable lease terms or destruction of the premises, you may be allowed to relocate. If you relocate, you agree to pay us a \$350 Office Relocation Fee to update your Territory map, business listings, certain KeyWare accounts, and complete other SEO work associated with your website.

We do not grant options, rights of first refusal, or similar rights to acquire additional franchises. We agree not to establish another franchised or company-owned outlet offering the same or similar goods or services as you will offer under the same or similar trademarks as the ones you will operate under, within a five-mile radius of your Approved Location as long as you have met minimum performance requirements and remain compliant with your Franchise Agreement but we reserve the right to do so under different trademarks or for a dissimilar line of business. Such limitations shall be determined by us. In addition, your franchise, other franchisees, and our company or affiliated operated outlets, may manage properties located in your Territory, and you can do the same in other franchisee territories within the parameters outlined in the Confidential Operations Manual.

Except as provided below with respect to group advertising, you and other franchisees may not solicit consumers outside of your Territory, including through the use of other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing. You and your employees will focus your property management efforts within a 45-mile radius of your Approved Location, provided you do not enter into property management agreements for or service any properties located within a state that is not included in your Territory.

In select instances, according to our guidelines, we may allow you to service properties outside of the Territory, including those located in the territories of other Keyrenter Businesses. Similarly, according to our guidelines, we may permit other Keyrenter Businesses to service properties or clients located within your Territory. However, in no circumstances may you enter into property management agreements for or service any properties located outside of a state included in your Territory.

You may or may not be compensated by the receiving management company for having to turn over the management of a property.

Marketing and Solicitation Restrictions. We may allow franchisees to make group advertising purchases and list contact information for each franchisee in the advertising material. We may specify further rules on marketing and advertising in our Confidential Operations Manual or other written guidelines we may issue and you agree to abide by those rules and guidelines. If we request, you must combine advertising with other franchisees that are located in the market targeted by the advertising. All marketing is subject to our approval.

Minimum Performance Requirements.

The continuation of your franchise rights depends on your meeting a performance requirement. You must be managing at least 25 units/properties at your one-year anniversary from the date you open or begin operations. At your two-year anniversary, you must be managing at least 50 units/properties. You must be managing at least 75 units/properties at your three-year anniversary, and 100 units at your four-year anniversary. If you do not meet these performance requirements, we reserve the right to terminate your franchise.

Otherwise, we may not alter your Territory without your consent, even if the population in your Territory increases.

National Accounts. We may negotiate and enter into agreements or approve forms of agreement to provide services to National Accounts, including those you have solicited or serviced. You may not solicit any National Account that is already under contract with us or our designee. We may award you the ability to service properties owned by a National Account.

Other Franchisor Retained Rights. We retain the right to offer goods and services identified by brands we control through other channels of distribution such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales to locations and customers located anywhere, including those residing in your Territory, using our principal trademarks.


We also reserve the right to sell goods through other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales to consumers located anywhere, including within your Territory, under trademarks different from the ones you will use under the franchise agreement.

We will not compensate you for any business accounts we solicit or secure from inside or outside your Territory, including those through alternative channels of distribution, whether or not you manage or sell the property.

Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark in which such business sells or will sell goods or services similar to those you will offer.

ITEM 13 TRADEMARKS

We have a nonexclusive license agreement with our affiliate, Key IP LLC, the owner of the Marks, to use and sublicense the Marks to franchise the Keyrenter Business (“Trademark License”). The license is for 10 years beginning on May 15, 2014 with two automatic renewal terms of 10 years each. The license agreement may be terminated if we fail to correct any breach of our duties or obligations under the license agreement within 30 days of written notice. If the license agreement is terminated or expires, you must discontinue use of the Marks and we will specify other marks for you to use in the operation of your Keyrenter Business. The franchise agreement grants you the right to use the following Marks registered with the United States Patent and Trademark Office (“USPTO”) by Key IP LLC, in accordance with our specifications and standards:

Trademark	Registration Number	Effective Date	Status
	4,763,223	June 30, 2015	Registered on the Principal Register
Keyrenter	5,317,065	October 24, 2017	Registered on the Principal Register
Eviction Guard	4,628,691	October 28, 2014	Registered on the Principal Register
Rent Guard	5,122,697	January 17, 2017	Registered on the Principal Register

Trademark	Registration Number	Effective Date	Status
Tenant Guard	5,189,458	April 25, 2017	Registered on the Principal Register
DamageGuard	5,501,082	June 26, 2018	Registered on the Principal Register
Creating Wealth Through Real Estate	5,512,385	July 10, 2018	Registered on the Principal Register

We have applied for registrations for the following trademark with the USPTO:

Trademark	Serial No.	Filing Date	Status
CHANGING LIVES ONE PROPERTY AT A TIME.	98,490,763	April 9, 2024	Pending on the Principal Register

We do not have federal registrations for the principal trademark in the table above (serial number 98,490,763). Therefore, this trademark does not have the same legal benefits and rights as a federally registered trademark. If our right to use this Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits have been filed. There are currently no effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There are no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Except for the Trademark License agreement, there are no other currently effective agreements that significantly limit our right to use or license the use of our Proprietary Marks.

You do not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your franchised business. You must follow our rules when you use the Marks.

You must use the Marks as the sole trade identification of the franchised business. You cannot use a name or Mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. To the extent any fictitious or assumed name contains any Marks or portion of the Marks, you will transfer the name to us or our assignee, if permitted under applicable law, and otherwise cancel the name. You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner that we do not authorize in writing, including any alterations of the Marks in any way. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

We have no obligation but intend to protect your right to use our Marks. If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us. You must notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark licensed to the franchisee. We are not required to take affirmative action when notified of these uses or claim. We have the right to control any administrative proceeding or litigation involving a trademark licensed by us to you. The franchise agreement does not require us to participate in the defense of or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you, or if the proceeding is resolved unfavorable to you.

If we discontinue or modify our Marks, you must adopt and use any new marks as required by us. Any expenses you incur because of adopting and using these marks are your responsibility. You do not have to spend more than \$50,000 during the initial term of the franchise agreement to conform your Keyrenter Business to changes to the Marks and other System modifications. We do not know of any superior prior rights or infringing uses that could materially affect your use of our Marks anywhere.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We own copyrights in the Confidential Operations Manual, our websites, our forms, our marketing materials, and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights. You may use these items only as we specify while operating the franchised business and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain proprietary trade secrets and other confidential information, including methods of business management, methods of residential property management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a property management business. We provide our trade secrets and other confidential information to you during training, in the Confidential Operations Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your franchised business. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the franchised business. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your shareholders or members (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce the agreements.

All ideas, concepts, techniques or materials concerning the franchised business and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed. Likewise, we will disclose to you concepts

and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Confidential Operations Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Keyrenter Business shall be managed by you, or if you are an entity, one owner who is a natural person designated in writing to us as the person to make all decisions for the franchisee entity (“Designated Owner”). If you we grant you a franchise, we will be granting it to you on the basis of your character and experience, with the understanding that you or your owners will operate the KPM Business personally. We may in limited circumstances allow you to appoint a manager (“Designated Manager”) to run the day-to-day operations of the Keyrenter Business, at our sole discretion and with our prior written consent. You shall keep us informed, in writing, at all times of the identity of your Designated Manager. You (or your Designated Owner, if you are an entity) and your Designated Manager, if you have one), must successfully complete our initial training program. We may require that a Designated Manager have an ownership interest in the Franchise. You, your owners (if you are an entity) and the Designated Manager cannot have any interest in, or business relationship with, any business competitor of your Franchise. If you replace a Designated Owner, Officer, or Designated Manager, the new Designated Owner or Designated Manager must satisfactorily complete our training program at your own expense.

Any Designated Manager and, if you are an entity, any officer that does not own equity in the Franchisee entity, all of your employees, independent contractors, agents, or representatives that may have access to our confidential information must sign a Confidentiality Agreement. If you are an entity, each owner (i.e., each person holding an ownership interest in you) must sign a Guaranty guarantying the obligations of the entity (which is attached to the Franchise Agreement as Schedule 4). For purposes of this Franchise Disclosure Document, any reference to “spouse” also includes a “partner.”

Your Designated Manager of the franchised business must be properly licensed to perform real estate activities by any applicable governing body, if your state requires licensure to perform property management functions. It is your sole responsibility to research, understand, and adhere to all applicable laws, regulations, and rules. You must hold or obtain a real estate license in the state in which the Keyrenter Business operates. You must also hold or obtain a property management license if your state requires it. You must have these licenses before you open your Keyrenter Business.

Certain individuals associated with your franchised business, including your owners (and their spouses), officers, directors, partners, and your managers, executives, employees and staff are required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the independent right to enforce the agreements.

If you are a business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached to the Franchise Agreement. If your business entity is owned either in whole or in part by another business entity, anyone who owns a 5% or greater interest in that entity must personally guarantee the performance of all of your obligations under the Franchise Agreement. Unless

your spouse is an owner of this franchise, or a 5% or greater owner of an entity who owns or controls a franchisee entity, your spouse is not required to guarantee the franchisee’s obligations under the franchise agreement.

**ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer only the services, systems, and products we specify. You may not sell any products, systems, or services that we have not authorized and you must discontinue offering any products or services that we may disapprove. We may take action, including terminating your franchised business, if you purchase or sell unapproved products, systems, or services or make purchases from unapproved suppliers. We may periodically change required or authorized products, system, or services. There are no limits on our right to do so, except that your investment required to change required or authorized services will not exceed \$50,000 during the initial term of the franchise agreement.

You may not use flat rate pricing or reduce the property management agreement fee, subject to applicable law. You may not establish an account or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the KPM Franchise, us or any of our affiliates without our prior written consent and as subject to our online policy.

Periodically, we may allow certain products or services that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon such factors as we determine, including test marketing, your qualifications, and regional or local differences.

**ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

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

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 5.1	The initial term is 10 years.
b. Renewal or extension of the term	Section 5.2	If you qualify, you may renew for up to two additional terms of 10 years each. If you fail to meet any one of the conditions in (c) below, we may refuse to renew or extend the terms of your Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 5.2.	You may renew the Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have the right to maintain possession of the approved location or an approved substitute location for the term of the renewal; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all

Provision	Section in Franchise Agreement	Summary
		monetary obligations owed to us; are not in default of any provision of the Franchise Agreement or any other agreement with us; have given timely written notice of your intent to renew; sign a current franchise agreement, the terms of which may differ substantially; comply with current qualifications and training requirements; and sign a general release in a form the same as or similar to the General Release attached to the Franchise Agreement. To renew, you must sign our then-current franchise agreement which may contain materially different terms and conditions from the original contract.
d. Termination by franchisee	Section 23	You may terminate the Franchise Agreement if you are in compliance with it, and we are in material breach, and we fail to cure that breach within 60 days of receiving written notice.
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with cause	Section 24	We may terminate the Franchise Agreement only if you default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate, subject to state law.
g. "Cause" defined-curable defaults	Section 24	If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Confidential Operations Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 5 days of receiving our notice of default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined-non-curable defaults	Section 24	<p>We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to timely select an approved site for or establish, equip and begin operations of the Keyrenter Business; fail to have your Designated Manager satisfactorily complete training; made a material misrepresentation or omission in the application for the franchise; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the Keyrenter Business; after notice to cure, fails to refrain from activities, behavior or conduct likely to adversely affect the reputation of either party or the Keyrenter Business; use the Confidential Operations Manual, trade secrets or confidential information in an unauthorized manner; if required, fail to have your owners (and members of their immediate families and households), officers, directors, managers, executives, employees and professional staff, and other individuals having access to trade secrets or other confidential information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-competition agreements; abandon the Keyrenter Business for five or more consecutive days; surrender or transfer of control of the Keyrenter Business in an unauthorized manner; fail to maintain the Keyrenter Business under the supervision of a designated manager if you die or become disabled; submit reports on two or more separate occasions understating any amounts due by more than 3%; are insolvent; misuse or make unauthorized use of the Marks; fail on two or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; fail to meet Performance Requirements; if your real estate license is suspended or revoked based upon any fraudulent conduct; take any action reserved to us; fail to comply with applicable law after notice; breach the Franchise Agreement three or more times in 12 months; or default under any other agreement with us (or an affiliate) so that we (or the affiliate) have the right to terminate the Franchise Agreement.</p>

Provision	Section in Franchise Agreement	Summary
i. Franchisee’s obligations on termination/non-renewal	Sections 5.3, 18.3, 26, and 26	If the Franchise Agreement is terminated or not renewed, you must: stop operating the Keyrenter Business and transfer Trust Funds; stop using any trade secrets, confidential information, the System and the Marks; if requested, assign your interest in the franchise location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; return the Confidential Operations Manual, trade secrets and all other confidential information; assign your telephone and facsimile numbers to us; transfer any URLs and social media accounts to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.
j. Assignment of contract by franchisor	Section 15	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. “Transfer” by franchisee-definition	Section 16.1	“Transfer” includes a transfer of an interest in the franchise, the Franchise Agreement, the Approved Location, or the Keyrenter Business’s assets.
l. Franchisor’s approval of transfer by franchisee	Section 16.1	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for franchisor’s approval of transfer	Section 16.3	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all agreements related to the transfer; you or the transferee pay us a transfer fee; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement in a form

Provision	Section in Franchise Agreement	Summary
		the same as or similar to the Nondisclosure and Non-Competition attached to the Franchise Agreement; and the transferee has agreed that its designated manager will complete the initial training program before assuming management of the Keyrenter Business.
n. Franchisor’s right of first refusal to acquire franchisee’s franchised business	Section 16.2	We may match an offer for your Keyrenter Business or an ownership interest you propose to sell.
o. Franchisor’s option to purchase franchisee’s franchised business	Section 27	Except as described in (n) above, we do not have the right to purchase your Keyrenter Business; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Keyrenter Business for fair market value.
p. Death or disability of franchisee	Section 16.4	Following the death or incapacity of an owner of the Keyrenter Business or the death or incapacity of any holder of a legal or beneficial interest in the Keyrenter Business, your or his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual’s interest in the Keyrenter Business within 15 months of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 18.2	You, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff and employees are prohibited from: attempting to divert any business or customer of the Keyrenter Business to a competitive business or causing injury or prejudice to the Marks or the System; owning or working for a competitive business. (Subject to applicable state law.)

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 18.3	For two years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers or professional staff are prohibited from: owning or working for a competitive business operating within: (i) a 50-mile radius of the Approved Location, and (ii) a 50-mile radius from all other Keyrenter businesses that are operating or under development; or soliciting or influencing any of our customers or business associates to compete with us. (Subject to applicable state law.)
s. Modification of the agreement	Sections 9.1 and 30.9	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Confidential Operations Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/merger clause	Section 30.9	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by mediation and arbitration	Section 28	You must mediate any claim against us before filing a suit. Arbitration is not required except for IL and MD franchisees and as may be provided in a State Addendum to the Franchise Agreement.
v. Choice of forum	Section 28.4	Subject to applicable state law, any litigation must be pursued in courts located in Salt Lake County, Utah.
w. Choice of law	Section 30.1	Subject to applicable state law, Utah law applies.

**ITEM 18
PUBLIC FIGURES**

We do not presently use any public figures 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 and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

As of December 31, 2023, we had 54 Keyrenter Franchises (the “**Franchised Locations**”) including one Franchised Location that was operated by our affiliate until August 2023 when it was sold to a franchisee (the “**Hybrid Location**” or “**Affiliate Location**”). The financial information represented in this Item 19 includes unaudited historical data provided from income reports submitted directly to us by franchisees, or reports generated from our accounting software, for calendar year 2023. We also include comparative data from calendar year 2022 and 2021.

We use only actual historical financial figures, provided from: (a) unaudited financial and operating reports submitted to us by our Franchised Locations or (b) our accounting software for the year ending December 31, 2023, for our Affiliate Location. Franchised Locations will share many of the same characteristics as our Affiliate Location, including degree of competition and services offered, except that the Affiliate Location does not pay the Royalty Fee, Technology Fee, or the Brand Marketing Fund contribution. Franchised Locations will share many of the same characteristics as the Affiliate Location, including degree of competition and services offered, except that the Affiliate Location does not pay the Royalty, Technology Fee, or the Brand Marketing Fund contribution. We include data for the Hybrid Location when it was operated as one or two Affiliate Location(s) (as described further in note 2 below) in our 2021 and 2022 comparative data.

Based upon financial data and information for the 2023 calendar year, 2022 calendar year, and 2021 calendar year, we have created the financial performance representations made in this Item 19. The material basis for such representations is as follows:

1. For Tables 1, 2 and 3, we used data only from the 39 Franchised Locations and one Hybrid Location that were “**Open**” in calendar year 2023, meaning they were (a) fully operational for all twelve months of the 2023 calendar year; (b) had at least one property under management, and (c) had verifiable Gross Revenue for the entire twelve months of calendar year 2023 (the “**Reporting Group**”). Three Franchised Locations that were transferred to new franchisees in 2023 are included in the Reporting Group. We exclude from the Reporting Group 14 Franchised Locations that were not “**Open**” during the entire twelve months of calendar year 2023 and one Franchised Location that was terminated during the 2023 calendar year.
2. For Table 4A, we report 2023 data for the Hybrid Location and all Franchised Locations, including data from the fourteen Franchised Locations that were not “**Open**” as defined above. We do not include data from any closed Locations. For the 2023 data, we used data from 53 Locations and one Affiliate Location open for part or all of the 2023 calendar year. For the 2022 data, we used data from 43 Franchised Locations and two Affiliate Locations (which subsequently merged) open for part or all of the 2022 calendar year. For the 2021 data, we used data containing 36 Franchised Locations and two Affiliate Locations (which subsequently merged) open for part or all of the 2021 calendar year.

3. For Table 4B, we reported the annual Gross Revenue from all locations in the Reporting Group that were opened for the full year in the previous year. For the 2023 data, we used data from 38 Franchised Locations (including the Hybrid Location) “Open” for all of the 2022 calendar year. For the 2022 data, we used data from 35 locations (including one Affiliate Location and 34 Franchised Locations) open for all of the 2021 calendar year. For the 2021 data, we used data from 35 locations (including one Affiliate Location and 34 Franchised Locations that were open for all of the 2020 calendar year. We excluded two Franchised Locations that closed in 2021 and one Franchised Location that closed in 2022. For the Hybrid Location, the comparative data from 2021 and 2022 is the Gross Revenue of an Affiliate Outlet.
4. In Table 5, we report 2023 Gross Revenue data from the Hybrid Location and all Franchised Locations in the Reporting Group.
5. The following definitions apply to the Tables included in this Item 19:

“# **Represented**” means the number of Franchised Locations or Hybrid Locations/Affiliate Locations that are included in a particular analysis specific to a Table.

“**Gross Revenue**” means all revenue generated from the Franchised Locations and Hybrid Locations/Affiliate Locations in the Reporting Group, whether through property management transactions, maintenance work performed, real estate sales commissions, and referral fees including but not limited to rewards, discounts, and inducements, received from vendors, agencies, and utility companies. Gross Revenue generated from direct maintenance services paid to entities other than the Keyrenter business is not included in this Item 19 representation.

To demonstrate the financial performance of the Reporting Group, we have classified the Franchised Locations in the Reporting Groups into subsets (each, a “**Group**”) based on the number of years they have been open as of December 31, 2023. We also report the data of the Hybrid Locations/Affiliate Locations in the Reporting Group as a separate Group.

We divided the Reporting Group into the following Groups:

Affiliate/Hybrid Group includes the Hybrid Location which began operating as an Affiliate Location and has been open for more than 10 years. Two Affiliate Locations previously merged in 2022 to form the Affiliate Location prior to the transferr. The Affiliate/Hybrid Group represents 2.5% of the total number of Keyrenter Businesses included in the Reporting Group.
>1 and <3 Years includes six Franchised Locations open for more than one year and less than three years. This Group represents 15% of the Reporting Group.
>3 Years includes 34 Franchised Locations open for more than three years. This Group represents 85% of the Reporting Group.
ALL includes the entire Reporting Group.

“**Managed Door**” means a space that is managed by a Franchised Location or Hybrid Location and is available to be rented to an individual tenant, or group of tenants. Managed Doors may be a single-family home, condominium unit, or apartment in a multi-family dwelling.

“**Property Management Revenue**” means Gross Revenue through the sale of property management services and other property management transactions. Property Management Revenue does not include Gross Revenue generated from maintenance work and referral fees.

“**Total Revenue**” refers to the total system-wide Gross Revenue generated by all locations in the Reporting Group in 2022 and 2023.

“**% Change Prior Year**” refers to the year-over-year percent change in Total Revenue between calendar year 2022 and calendar year 2023.

The financial performance representations in this Item 19 do not reflect operating expenses, cost of services provided, and other costs or expenses that must be deducted from the Gross Revenue figures to obtain net income or profit, except for Table 5 which includes certain expenses and costs from a group of Franchised Locations that reported additional financial data and the Hybrid Location in the Reporting Group.

TABLE 1

Table 1 represents the high/average/median/low annual Gross Revenue generated by each Reporting Group from January 1, 2023 through December 31, 2023.

Table 1 - Average Annual Gross Revenue 2023							
Tenure of Location	Locations Included	Median Revenue	Average Revenue	High Revenue	Low Revenue	Locations Exceeding Average Revenue	% of Locations Exceeding Average Revenue
Affiliate/Hybrid	1	\$1,061,867	\$1,061,867	\$1,061,867	\$1,061,867	N/A	N/A
>1 and <3 Years	6	\$155,535	\$145,027	\$223,785	\$62,457	3 of 6	50%
>3 Years	33	\$361,754	\$640,301	\$3,594,878	\$62,454	9 of 33	27%
All	40	\$317,061	\$576,549	\$3,594,878	\$62,454	11 of 40	28%

Notes to Table 1:

- Affiliate/Hybrid Location.** The Gross Revenue for the Hybrid Location was \$1,061,867. This includes Gross Revenue generated by
- >1 and <3 Years.** The average Gross Revenue for the Franchised Locations in this Group was \$145,027. 50% (meaning 3 of the 6 franchises in the Group) attained or surpassed the average result. The median Gross Revenue of Franchised Locations in this Group was \$155,535. 50% (meaning 3 of 6 Franchised Locations in the Group) attained or surpassed the median result.
- >3 Years.** The average Gross Revenue for Franchised Locations in this Group was \$640,301. 27% (meaning 9 of the 33 Franchised Locations in this Group) attained or surpassed the average result. The median Gross Revenue of Franchised Locations in the Reporting Group was \$361,754. 49% (meaning 16 of the 33 Franchised Locations in this Group) attained or surpassed the median result.
- All.** The average Gross Revenue for All Locations in the Reporting Group was \$576,549. 28% (meaning 11 of 40 in the Reporting Group) attained or surpassed the average result. The median Gross Revenue of the Reporting Group was \$317,061. 47.5% (meaning 19 of 40 All Locations)

attained or surpassed the median result.

TABLE 2

Table 2 represents the high/average/median/low monthly Property Management Revenue Per Unit (“RPU”) generated by each Group from January 1, 2023 through December 31, 2023.

Table 2 - Average Monthly RPU For The Reporting Group In 2023 Calendar Year							
Tenure of Location	Locations Included	Median Revenue	Average Revenue	High Revenue	Low Revenue	Locations Exceeding Average Revenue	% of Locations Exceeding Average Revenue
Affiliate/Hybrid	1	\$293	\$293	\$293	\$293	N/A	N/A
>1 and <3 Years	6	\$313	\$356	\$427	\$250	2 of 6	33%
>3 Years	33	\$240	\$242	\$550	\$84	16 of 33	48%
All	40	\$255	\$261	\$550	\$84	19 of 40	48%

Notes to Table 2:

1. RPU is calculated monthly by dividing total Property Management Revenue by total occupied rental units.
2. The Industry Average RPU is \$222.11. This industry average is based on data from the NARPM Financial Performance Guide 2022. This information is available on the NARPM website: https://www.narpm.org/docs/NARPM_FinancialPerformanceGuideOverview.pdf.

TABLE 3

Table 3 shows the total/high/average/median/low number of Managed Doors reported by the Reporting Group as of December 31, 2023.

Table 3 - Managed Doors At Year-End-2023							
Tenure of Location	Locations Included	Median Doors	Average Doors	High Doors	Low Doors	Locations Exceeding Average Doors	% of Locations Exceeding Average Doors
Affiliate/Hybrid	1	336	336	336	336	N/A	N/A
>1 and <3 Years	6	61	60	92	21	4 of 6	67%
>3 Years	33	154	244	1,364	30	11 of 33	33%
All	40	135	219	1,364	21	13 of 40	33%

Notes to Table 3:

The Groups below refer to these Groups as they are defined for the Reporting Group above.

1. **Affiliate.** The total Managed Doors for the Affiliate Location was 336.
2. **>1 and <3 Years.** The average number of Managed Doors for Franchised Locations in the Reporting Group was 60. 67% (meaning 4 of the 6 Franchised Locations in the Reporting

- Group) attained or surpassed the average result. The median number of Managed Doors for Franchised Locations in the Reporting Group was 61. 60% (meaning 4 of the 6 Franchised Locations in the Reporting Group) attained or surpassed the median result.
3. **>3 Years.** The average number of Managed Doors for Franchised Locations in the Reporting Group was 244.33% (meaning 11 of the 33 Franchised Locations in the Reporting Group) attained or surpassed the average result. The median Managed Doors of Franchised Locations in the Reporting Group was 154.45% (meaning 15 of the 33 Franchised Locations in the Reporting Group) attained or surpassed the median result.
 4. **All.** The average number of Managed Doors by Franchised Locations and the Hybrid Location in the Reporting Group was 219. 33% (meaning 13 of the 40 of the Reporting Group) attained or surpassed the average result. The median number of Managed Doors of the Reporting Group was 135.50% (meaning 20 of the 40 Locations in the Reporting Group) attained or surpassed the average result.

TABLE 4

Table 4 is included to show the YOY Change for the 2021, 2022, and 2023 system-wide sales and same-location sales. Table 4A shows the Total Revenue for the entire system during the calendar years 2021, 2022, and 2023. The Total Revenue for 2021 includes data from 38 Franchised Locations and two Affiliate Locations (which subsequently merged) that reported on Gross Revenue data, some of which were not open and operational during the entire 12 months of the year. We have excluded the data of two Franchised Locations that closed in 2021 and one Franchised Location that closed in 2022. The Total Revenue for 2022 includes data from 44 Franchised Locations and one Affiliate Location, which were open or otherwise operational as of December 31, 2022. We exclude one Franchised Location that closed in 2022 from the Total Revenue. The Total Revenue for 2023 includes data from 53 Franchised Locations and one Hybrid Location, which were open or otherwise operating as of December 31, 2023.

Table 4B shows the Total Revenue for the Locations opened for a full two-year comparison during the calendar years 2021, 2022, and 2023. The Total Revenue for 2021 includes data from 33 Franchised Locations and two Affiliate Locations (which subsequently merged in 2022), which were open or otherwise operational as of January 1, 2021. The Total Revenue for 2022 includes data from 34 Franchised Locations and one Affiliate Location, which were open or otherwise operational as of January 1, 2022. The Total Revenue for 2023 includes data from 38 Franchised Locations and one Affiliate Location, which were open or otherwise operational as of January 1, 2023. We excluded two Franchise Locations that closed in 2021 and one Franchised Location that closed in 2022.

Table 4A Year Over Year (YOY)			
YOY Change In Annual Gross Revenue (System Wide Sales)			
Total Revenue 2021	Total Revenue 2022	Total Revenue 2023	% Change Prior Year
\$12,734,719	\$16,978,198	\$22,158,740	31%

Table 4B			
Year Over Year Growth of Existing Offices That Had Full Years Income In The Previous Year			
Year	Total Revenue	% Change	Locations Included
2021	\$12,652,360	44%	35
2022	\$16,630,374	33%	35
2023	\$20,793,704	24%	38

Notes to Table 4:

1. “**Total Revenue 2021**” refers to the Total Revenue reported by the 2021 Comparative Group during calendar year 2021.
2. “**Total Revenue 2022**” refers to the Total Revenue reported by all locations opened during calendar year 2022.
3. “**Total Revenue 2023**” refers to the Total Revenue reported by all locations opened during calendar year 2023.
4. “**% Change Prior Year**” refers to the percent increase from Total Revenue in 2022 to the Total Revenue in 2023. Total Revenue YOY Change is based only on the Total Revenue reported in calendar year 2022 as compared with Total Revenue reported in 2023.

TABLE 5

Included in Table 5 are 31 Franchised Locations and one Hybrid Location that submitted unaudited financial statements and were open for the entire year of 2023. This table does not include any of the 14 locations that were not “Open” in 2023 or eight locations that did not submit complete financial statements. Outlined in this Table is a comparison of annual gross revenue and certain expenses for locations open more than one year and less than three years, locations open longer than three years, and all locations represented.

Table 5 - Profit & Loss

Annual Gross Revenue							
Tenure of Location	Locations Included	Low	Median	High	Average	Locations Exceeding Average Revenue	% of Locations Exceeding Average Revenue
Affiliate/Hybrid	1	\$1,156,712	\$1,156,712	\$1,156,712	\$1,156,712	N/A	N/A
>1 and <3 Years	5	\$91,326	\$183,562	\$288,316	\$191,179	2 of 5	40%
>3 Years	26	\$62,454	\$461,989	\$3,594,878	\$772,759	7 of 26	27%
All	32	\$62,454	\$401,685	\$3,594,878	\$693,886	8 of 32	25%

General Administrative Expenses							
Tenure of Location	Locations Included	Low	Median	High	Average	Locations Exceeding Average Revenue	% of Locations Exceeding Average Revenue
Affiliate/Hybrid	1	\$917,501	\$917,501	\$917,501	\$917,501	N/A	N/A
>1 and <3 Years	5	\$38,055	\$174,342	\$242,077	\$147,741	3 of 5	60%
>3 Years	27	\$32,486	\$403,477	\$2,910,125	\$644,819	7 of 27	26%
All	32	\$32,486	\$335,733	\$2,910,125	\$567,150	8 of 32	25%

Net Income							
Tenure of Location	Locations Included	Low	Median	High	Average	Locations Exceeding Average Revenue	% of Locations Exceeding Average Revenue
Affiliate/Hybrid	1	\$240,474	\$240,474	\$240,474	\$240,474	N/A	N/A
>1 and <3 Years	5	\$9,221	\$47,815	\$97,261	\$46,172	3 of 5	60%
>3 Years	27	(\$59,692)	\$71,931	\$907,156	\$144,841	7 of 27	26%
All	32	(\$59,692)	\$68,820	\$907,156	\$129,424	7 of 32	22%

Notes to Table 5:

1. Eight Franchised Locations were excluded from our financial representation in Table 5 to ensure the data reflects true earning potential. Accuracy and completeness in financial reporting are crucial for a genuine portrayal of our franchisees' performance. Due to reasons like unfinished fiscal

periods and pending transactions, financial statements from eight out of the 40 Locations in the Reporting Group were incomplete, risking a misleading view of our system’s financial health.

2. Some franchisees report their salaries and compensation within general and administrative expenses, a legitimate accounting practice. This may result in lower net income figures in financial statements. Net Income figures may include owner compensation, not directly indicating the franchise's financial health or profitability.

TABLE 6

Table 6 includes the Gross Revenue of 40 Franchised Locations in the Reporting Group (including the Hybrid Location) that operated for all twelve months of 2023.

Location	Gross Revenue	Location	Gross Revenue	Location	Gross Revenue
033	\$3,877,978	020	\$462,585	015	\$186,608
016	\$3,344,468	044	\$417,830	059	\$180,916
019	\$2,465,587	052	\$363,860	11	\$173,904
060	\$1,430,971	046	\$361,754	047	\$172,043
010 (Hybrid)	\$1,061,867	054	\$353,550	065	\$171,561
031	\$838,359	045	\$323,576	063	\$139,508
064	\$791,106	027	\$310,546	037	\$133,182
028	\$725,589	058	\$253,069	029	\$125,489
050	\$707,271	022	\$248,586	049	\$95,873
043	\$646,068	040	\$248,308	061	\$91,933
024	\$581,482	062	\$223,785	056	\$62,457
032	\$546,257	013	\$223,201	051	\$59,132
025	\$517,358	053	\$221,879		
016	\$510,842	039	\$202,238		

1. The Hybrid Location is listed as the fifth highest Gross Revenue in table 5.
2. We present the Gross Revenue reported by the 40 Franchised Locations (including the Hybrid Location) in Table 5 from high to low.

Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

Some outlets have earned this amount. Your results may differ. There is no assurance that you will earn as much.

Other than the preceding financial performance representation, Keyrenter Franchise, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Nate Tew, Chief Executive Officer, 79 East Fort Union Blvd., Midvale, Utah 84047, (801) 316-1500, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2021	37	38	+1
	2022	38	46	+8
	2023	46	54	+8
Company-Owned*	2021	2	2	0
	2022	2	1**	-1
	2023	1	0	-1
Total Outlets	2021	39	40	+1
	2022	40	47	+7
	2023	47	54	+7

*Company-owned outlet refers to outlets operated by our affiliate Premier Management of Utah, LLC.

**The company-owned outlets merged and are operated as a single business due to the death of the operator of one outlet.

Table No. 2

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2021 to 2023

State	Year	Number of Transfers
California	2021	1
	2022	0
	2023	1
Florida	2021	0
	2022	1
	2023	0
Maryland	2021	0
	2022	0
	2023	1
Washington	2021	0
	2022	0
	2023	1
Total	2021	1
	2022	1
	2023	3

Table No. 3

Status of Franchised Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Arizona	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arkansas	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California	2021	5	0	2	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Colorado	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
District of Columbia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	4	0	0	0	0	0	4
	2022	4	0	1	0	0	0	3
	2023	3	6	0	0	0	0	9
Georgia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Idaho	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Illinois	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Indiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kansas	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Maryland	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Massachusetts	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Hampshire	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oklahoma	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Tennessee	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Texas	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Utah	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Virginia	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Washington	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wisconsin	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Totals	2021	37	3	2	0	0	0	38
	2022	38	9	1	0	0	0	46
	2023	46	9	1	0	0	0	54

Table No. 4

Status of Company-Owned Outlets*
For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Utah	2021	2	0	0	0	0	2
	2022	2	0	0	1*	0	1
	2023	1	0	0	0	1	0
Total	2021	2	0	0	0	0	2
	2022	2	0	0	1*	0	1
	2023	1	0	0	0	1	0

*Company-owned outlet refer to outlets operated by our affiliate Premier Management of Utah, LLC. The company-owned outlet that closed is now operated as a single merged outlet.

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
California	0	3	0
Florida	1	3	0
Georgia	0	2	0
Illinois	0	2	0
Kansas	1	0	0
Missouri	1	1	0
New Jersey	1	1	0
Pennsylvania	0	1	0

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Texas	1	3	0
Utah	0	1	0
Virginia	1	1	0
Washington	0	1	0
Totals	6	20	0

Exhibit E contains a list of the names of all current franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

Exhibit F contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Clauses

During the last three fiscal years, current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

Independent Trademark Specific Franchisee Organizations

We are not aware of any trademark-specific franchisee organizations associated with the franchise system being offered.

ITEM 21 FINANCIAL STATEMENTS

Exhibit G contains our audited Financial Statements for the fiscal years ending December 31, 2023, 2022, and 2021. Our fiscal year end is December 31.

ITEM 22 CONTRACTS

We attach the following agreements regarding the franchise offering:

- Exhibit B Franchise Agreement and Attachments
 - A. Franchise Data Sheet
 - B. Statement of Ownership
 - C. Franchise Owner Agreement
- Exhibit C Contracts for use with the Keyrenter Franchise
- Exhibit H Franchisee Disclosure Questionnaire

**ITEM 23
RECEIPT**

Exhibit K contains two copies of the Franchise Disclosure Document Receipts.

KEYRENTER FRANCHISE, LLC

EXHIBIT A TO THE DISCLOSURE DOCUMENT

LIST OF STATE FRANCHISE ADMINISTRATORS

AND AGENTS FOR SERVICE OF PROCESS

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

<p><u>CALIFORNIA</u></p> <p><u>State Administrator and Agent for Service of Process:</u> Commissioner Department of Financial Protection and Innovation 320 W. 4th Street, #750 Los Angeles, CA 90013 (213) 576-7500 (866) 275-2677</p> <p><u>HAWAII</u></p> <p>Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722</p> <p><u>Agent for Service of Process:</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722</p> <p><u>ILLINOIS</u></p> <p>Illinois Attorney General Chief, Franchise Division 500 S. Second Street Springfield, IL 62706 (217) 782-4465</p> <p><u>INDIANA</u></p> <p>Secretary of State Securities Division Room E-018 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681</p> <p><u>MARYLAND</u></p> <p>Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360</p>	<p><u>MARYLAND CONTINUED</u></p> <p><u>Agent for Service of Process:</u> Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020</p> <p><u>MICHIGAN</u></p> <p>Michigan Department of Attorney General Consumer Protection Division 525 W. Ottawa Street Lansing, MI 48913 (517) 373-7117</p> <p><u>MINNESOTA</u></p> <p>Department of Commerce Commissioner of Commerce 85 Seventh Place East, Suite 280 St. Paul, MN 55101-3165 (651) 539-1600</p> <p><u>NEW YORK</u></p> <p><u>Administrator:</u> NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222</p> <p><u>Agent for Service of Process:</u> Secretary of State 99 Washington Avenue Albany, NY 12231</p> <p><u>NORTH DAKOTA</u></p> <p><u>Administrator:</u> North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712</p> <p><u>Agent for Service of Process:</u> Securities Commissioner 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510</p>	<p><u>RHODE ISLAND</u></p> <p>Department of Business Regulation 1511 Pontiac Avenue, Bldg. 68-2 Cranston, RI 02920 (401) 462-9527</p> <p><u>SOUTH DAKOTA</u></p> <p>Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563</p> <p><u>VIRGINIA</u></p> <p>State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219</p> <p><u>Agent for Service of Process:</u> Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219</p> <p><u>WASHINGTON</u></p> <p><u>State Administrator:</u> Washington Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760</p> <p><u>Agent for Service for Process:</u> Director of Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501</p> <p><u>WISCONSIN</u></p> <p>Department of Financial Institutions Division of Securities 201 W. Washington Avenue Madison, WI 53703 (608) 266-3364</p>
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Rev. 090723



KEYRENTER FRANCHISE, LLC
EXHIBIT B TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT



KEYRENTER PROPERTY MANAGEMENT

FRANCHISE AGREEMENT

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ATTACHMENT A – FRANCHISE DATA SHEET

ATTACHMENT B – STATEMENT OF OWNERSHIP

ATTACHMENT C – FRANCHISE OWNER AGREEMENT

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Franchise Agreement”) is made, entered into and effective as of the “Effective Date” set forth in Attachment A to this Franchise Agreement, by and between Keyrenter Franchise LLC, a Utah limited liability company (“we,” “us,” or “our”), and the franchisee set forth in Attachment A to this Franchise Agreement (“you” or “your”). If more than one person or entity is listed as the franchisee, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Franchise Agreement.

1. INTRODUCTION

This Franchise Agreement includes several attachments, each of which are legally binding and are a part of the complete Franchise Agreement. It is your responsibility to read through the entire Franchise Agreement. This Franchise Agreement creates legal obligations you must follow. We recommend that you consult with a legal professional to ensure that you understand these obligations. If you have questions, or if you do not understand a certain provision or section, please review it with your legal and financial advisors before you sign this Franchise Agreement.

This Franchise Agreement has defined terms. A defined term is a shorthand reference within a document that refers to another name or idea in the document. Defined terms are underlined and surrounded by double quotes, typically with capitalized first letters, and may be contained in parentheses throughout the Franchise Agreement.

2. GRANT OF FRANCHISE

As a Keyrenter Property Management franchisee, you will operate a business providing a full range of real estate services, focusing primarily on real estate management and rental services to owners of single-family homes, condominiums, and multi-family properties (“Franchised Business”). The Franchised Business will operate under our service marks, trademarks, trade names, trade dress, logos, slogans and commercial symbols as we may from time to time authorize or direct you to use with the operation of the Franchised Business (the “Marks”).

We grant you a non-exclusive license to own and operate Franchise Business using the business formats, methods, procedures, signs, designs, standards, specifications, distinguishing elements, and intellectual property (the “System”) that we authorize from a single location we approve (“Approved Location”) strictly in compliance with the terms and conditions set forth in this Franchise Agreement, within the Territory or other areas we may specify in Attachment A-1 to this Franchise Agreement. You recognize and acknowledge the distinctive significance to the public of the System and Marks and acknowledge and understand our high and uniform standards of quality, appearance and service to the value of the System. You acknowledge that we may change, improve or otherwise modify the System as we deem appropriate at our discretion and you agree to promptly accept and comply with any such changes, improvements or modifications. You further acknowledge that our grant to operate a Franchised Business is based on the representations made in your application. You acknowledge and agree this Franchise Agreement does not grant you the right or option to open any additional Franchised Businesses or any right to sublicense or subfranchise any of the rights we grant you in this Franchise Agreement. You may only open an additional Franchised Business under a separate franchise agreement with us, which we may grant in our sole discretion.

In certain circumstances, we may grant you the right to convert your current residential property management business to a Franchised Business (“Conversion Franchise”). If you operate the Franchised Business as a Conversion Franchise, you and we will indicate it in Attachment A to this Franchise

Agreement. If you operate a Conversion Franchise, you agree to execute the “Addendum for Conversion Owners” (or similar agreement approved by us) provided in Exhibit C of our Franchise Disclosure Document when you execute this Franchise Agreement.

As part of accepting our grant for you to own and operate a Keyrenter Property Management Business, you hereby represent that: (i) you have received a copy of our current franchise disclosure document; (ii) you are aware of the fact that other present or future franchisees of ours may operate under different forms of agreement and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances; and (iii) you are aware of the fact that we may have negotiated terms or offered concessions to other franchisees and we have no obligation to offer you the same or similar negotiated terms or concessions.

3. FRANCHISEE AS ENTITY

3.1 Entity Representations

For the purpose of this Franchise Agreement, “Owner(s)” means any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you, this Franchise Agreement, or the Franchised Business. If you are a corporation, partnership, limited liability company or other form of business entity (“Entity”), you agree and represent that:

3.1.1 Authority. You have the authority to execute, deliver, and perform your obligations under this Franchise Agreement and all related agreements and are duly organized or formed, validly existing, and in good standing under the laws of the state of your incorporation or formation.

3.1.2 Company Documents. At our request, you will furnish copies of all documents and contracts governing the rights and obligations of your Owners (such as, Articles of Incorporation or Organization and partnership, operating or shareholder agreements or similar documents, the “Company Documents”). You will not alter, change, or amend your Company Documents, without obtaining our prior written approval, which approval we will not unreasonably deny or withhold, and will grant if such changes will not prevent you from performing your obligations under this Franchise Agreement.

3.1.3 Transfer Restrictions. Your Company Documents will recite that this Franchise Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Franchise Agreement’s restrictions.

3.1.4 Naming. You agree not to use the name “Keyrenter Property Management” or any similar wording in the name of your Entity.

3.1.5 Owner Identification. You certify that Attachment B to this Franchise Agreement completely and accurately describes all of your Owners and their interests in you as of the Effective Date. You agree to sign and deliver to us a revised Attachment B to reflect any permitted changes in the information that Attachment B now contains.

3.1.6 Single Purpose Entity. The Franchised Business will be the only business that the Entity may operate, and your organizational documents must reflect this (although the Owners in the Entity may have other business interests subject to any restrictions on competitive businesses contained in this Franchise Agreement).

3.1.7 Franchise Owner Agreement. All Owners and their spouses must sign the Franchise Owner Agreement, attached as Attachment C to this Franchise Agreement. You agree that, if any person or Entity ceases to be one of your Owners, or if any individual or Entity becomes an Owner of you (such ownership change must comply with the “Transfer Conditions” discussed later in this Franchise Agreement), you will require the new Owner (and the new Owner’s spouse) to execute all documents required by us, including the Franchise Owner Agreement. For purposes of this Franchise Agreement, any reference to “spouse” also includes a “partner.”

3.1.8 No Offerings. You agree that you will not offer any securities (in a public or private offering or otherwise) or engage in any type of fundraising (like crowdfunding) without our prior written consent, which may be withheld in our sole discretion.

4. TERRITORIAL RIGHTS AND LIMITATIONS

We will grant you a designated territory consisting of the geographic area identified in Attachment A (“Territory”). We will not operate, or grant a franchise or license to a third party to operate, a Franchised Business that is physically located in your Territory, except as otherwise provided in this Section. Your territorial rights will only be valid so long as you are meeting your Minimum Performance Requirements (defined in Section 13.13). We, and our affiliates, have the right to operate, and to license others to operate, Franchised Businesses at any location outside the Territory, even if doing so will or might affect your operation of your Franchised Business. You may not solicit from customers outside of your Territory, unless it is done in accordance with the policies in our Confidential Operations Manual (as defined below in Section 9.1), which may include permitting other franchisees to solicit and accept orders from customers within your Territory.

We and our affiliates retain all territorial rights not expressly granted to you. This includes, but is not limited to, the right to (i) to own, franchise, or operate Franchised Businesses at any location outside of the Territory, regardless of the proximity to your Franchised Business; (ii) to use the Marks and the System to sell any products or services, similar to those which you will sell, through any alternate channels of distribution within or outside of the Territory, including, but not limited to, other channels of distribution such as television, mail order, catalog sales, or over the Internet; (iii) to use and license the use of other proprietary and non-Marks or methods which are not the same as or confusingly similar to the Marks, at any location, including within the Territory, which may be similar to or different from your Franchised Business; (iv) to engage in any transaction (including purchases, mergers or conversions), involving the System or a new system, with any business, including businesses that directly or indirectly compete with your Franchised Business, regardless of their location, provided that any competing businesses located inside your Territory will not operate under the Marks; (v) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere; (vi) to provide products or services to or for National Accounts, or to grant the right to provide products or services for “National Accounts” (see below) at any location, including in the Territory, as described below; and (vii) to engage in any other business activities not expressly prohibited by this Franchise Agreement. A “National Account” means any potential or existing businesses (or such businesses’ customers) with multiple locations or operations within and outside of the Territory. We are not required to pay you compensation for soliciting or accepting orders inside your Territory, or for exercising any of our rights within or outside of your Territory. You may not solicit any National Account that is already under contract with us or our designee. We may award you the ability to service properties owned by a National Account based on the policies in our Confidential Operations Manual.

You will focus your property management efforts within a 45-mile radius of your Approved Location, provided you do not enter into property management agreements for or service any properties located within a state that is not included in your Territory. We reserve the right to require you to turn over the management of a property to another closer franchisee or company-operated outlet if the drive from your

office to the property is more than 45 miles. You may or may not be compensated by the receiving management company for having to turn over the management of a property.

5. TERM AND RENEWAL

5.1 Generally

The term of this Franchise Agreement will begin on the Effective Date and continue for 10 years (“Term”). If this Franchise Agreement is the initial franchise agreement for your Franchised Business, you may enter into a maximum of two successor franchise agreements (a “Successor Franchise Agreement”), as long as you meet the conditions for renewal specified below. The Successor Franchise Agreement shall be the current form of franchise agreement we use in granting Keyrenter Property Management franchises as of the expiration of the Term. The terms and conditions of the Successor Franchise Agreement may vary materially and substantially from the terms and conditions of this Franchise Agreement. Each successor term will be ten years. If you are signing this Franchise Agreement as a Successor Franchise Agreement, the references to “Term” shall mean the applicable renewal term of the Successor Franchise Agreement. Except as otherwise provided in this Section, you will have no further right to operate your Franchised Business following the expiration of the successor term unless we grant you the rights to enter into another franchise agreement, in our sole discretion. If you are renewing a prior franchise agreement with us under this Franchise Agreement, the renewal provisions in your initial franchise agreement will dictate the length of the Term of this Franchise Agreement, and your remaining renewal rights, if any.

5.2 Renewal Requirements

To enter into a Successor Franchise Agreement, you must:

5.2.1 Notice. Notify us in writing of your desire to enter into a Successor Franchise Agreement not less than 6 months nor more than 12 months before the expiration of the Term;

5.2.2 No Defaults. Not be in default under this Franchise Agreement or any other agreement with us or any affiliate of ours at the time you send the renewal notice or the time you sign the Successor Franchise Agreement and you must not have received a written notice of default from us in the 12 months before your renewal notice or at the time you sign the Successor Franchise Agreement;

5.2.3 Successor Franchise Agreement. Sign the Successor Franchise Agreement and all ancillary documents we require franchisees to sign;

5.2.4 General Release. Sign and have each of your Owners sign current form of general release which contains a release of all known and unknown claims against us and our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, in both their corporate and individual capacities;

5.2.5 Renewal Fee. Pay us a non-refundable renewal fee of \$2,500 (“Renewal Fee”).

5.2.6 Modifications. At least 60 days but not more than 180 days before the expiration of the Term, you must renovate, upgrade any equipment, tools, technology and other operations to comply with our then-current standards and specifications;

5.2.7 Approved Location. Have the right under your lease to maintain possession of your Approved Location for the duration of the successor term; and

5.2.8 **Renovations.** You must also make any renovations, refurbishments and modernizations to the Approved Location and the Franchised Business as necessary to meet our then-current System standards for a newly opened Franchised Business. We will provide you with the required timeframe for doing so. Such requirements could include changes to the design, equipment, signs, décor, inventory, fixtures, furnishings, trade dress, presentation of Marks, supplies and other products and materials used in the Franchised Business.

5.2.9 **Additional Actions.** Take any additional actions we reasonably require.

5.3 **Interim Term**

If you do not sign a Successor Franchise Agreement after the expiration of the Term and you continue to accept the benefits of this Franchise Agreement, then, at our option, this Franchise Agreement may be treated either as: (i) expired as of the date of the expiration meaning you are operating the Franchised Business without a valid franchise agreement in violation of our rights; or (ii) continued on a month-to-month basis (“Interim Term”) until either party provides the other party with 30 days’ prior written notice of their intention to terminate the Interim Term. In the latter case, all of your obligations will remain in full force and effect during the Interim Term as if this Franchise Agreement had not expired, and all obligations, restrictions and covenants imposed on you upon the expiration or termination of this Franchise Agreement will be deemed to take effect upon the termination of the Interim Term. Except as permitted by this Section, you have no right to continue to operate your Franchised Business following the expiration of the Term.

6. FEES

6.1 **Late Fee**

If any sums due under this Franchise Agreement have not been received by us when due then, in addition to those sums, you must pay the daily equivalent of 1.5% per month simple interest or the highest rate allowed by law, whichever is less on those unpaid sums (“Late Fees”) and collection costs. If no due date has been specified by us, then interest accrues from the original due date until payment is received in full.

6.2 **Payment Methods**

You must complete our automated clearing house (ACH) authorization form allowing us to electronically debit a bank account you designate (“Franchise Account”) for: (i) all fees payable to us under this Franchise Agreement (other than the Initial Franchise Fee); and (ii) any other amounts you owe to us or any of our affiliates including, but not limited to, those owed for the purchase of products or services. We will debit your Franchise Account for these payments on or after the due date. You must sign and deliver to us any other documents we or your bank may require authorizing us to debit your Franchise Account for these amounts.

You must deposit all revenue you generate from operating your Franchised Business into the Franchise Account. You must make sufficient funds available for withdrawal from the Franchise Account by electronic transfer before each due date. If any check or electronic payment is unsuccessful due to insufficient funds, stop payment or any similar event, any excess amounts you owe will be payable upon demand, together with a non-sufficient funds fee of \$100 per occurrence plus Late Fees. If we allow you to make any payment to us or our affiliate(s) by credit card for any fee required, we may charge a payment service fee of up to 4% of the total charge. We reserve the right to periodically specify (in the Confidential Operations Manual or otherwise in writing) different required payment methods for any payment due to us or our affiliates.

6.3 **Payment Frequency**

We reserve the right to periodically specify (in the Confidential Operations Manual or otherwise in writing) different payment frequencies (for example, weekly/biweekly/monthly payments) for any payment due to us or our affiliates.

6.4 **Application of Payments**

We have sole discretion to apply any payments from you to any past due indebtedness of yours or in any other manner we feel appropriate. We are not obligated to follow any instructions you provide for allocation of the payments.

6.5 **Payment Obligations**

Your obligations to pay us the fees under this Franchise Agreement are absolute and unconditional, and will remain in full force and effect throughout the entire duration of this Franchise Agreement, and shall continue for such period of time thereafter as you owe us fees under this Franchise Agreement. You will have no right to offset any fees paid to us and must pay us all fees regardless of any claims you may have against us. We will have the right, at any time before or after termination of this Franchise Agreement, without notice to you, to offset any amounts or liabilities you may owe to us against any amounts or liabilities we may owe you under this Franchise Agreement or any other agreement, loan, transaction or relationship between the parties. Without limiting the generality of the foregoing, you agree that you will not, on grounds of the alleged nonperformance by us of any of our obligations, withhold any fees due to us or our affiliates or amounts due to us for purchases by you or any other amounts due to us.

6.6 **Gross Revenue**

For purposes of this Franchise Agreement, “Gross Revenue” means the total of all revenue, income and consideration from the sale of all Franchised Business products and services to your customers, whether or not sold or performed at or from the Franchised Business, and whether received in cash, coupon, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. You may deduct from Gross Revenue for purposes of this computation (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority. You may also deduct from Gross Revenue the amount of any documented refunds, chargebacks, credits, and allowances you give in good faith to your customers. All barter or exchange transactions in which you furnish products or services in exchange for goods or services provided to you by a vendor, supplier or customer will, for the purpose of determining Gross Revenue, be valued at the full retail value of the goods or services so provided to you. Gross Revenue will also include any insurance proceeds due to business interruption as a result of your Approved Location being closed as a result of a casualty event or any other reason. Gross Revenue does not include Real Estate Sales Commissions or Referral Fees defined below.

For purposes of this Franchise Agreement, “Real Estate Sales Commissions” means real estate sales commissions earned by you or agents within your Franchised Business’ real estate brokerage. “Referral Fees” means revenue paid to the Franchised Business by other brokerages for referring clients to them.

6.7 **Initial Franchise Fee**

You agree to pay us the “Initial Franchise Fee” listed in Attachment A in one lump sum when you sign this Franchise Agreement. The Initial Franchise Fee is fully earned by us and is non-refundable once this Franchise Agreement has been signed. If this Franchise Agreement is the renewal of a prior franchise

agreement with us for an existing Franchised Business or the transfer of the Franchised Business from another franchisee, then no Initial Franchise Fee is due.

If you are able to show us that you have obtained the appropriate real estate license before you contacted us for the first time, and you are current in the payment of all fees as of the date you open, we will issue a \$5,000 credit to you as of the date you open for business, which can be used towards the payment of your Royalty.

6.8 Royalty

You agree to pay us a royalty fee (“Royalty”) equal to 7% of Gross Revenue plus 5% of Real Estate Sales Commissions and Referral Fees during the previous month (together, the “Percentage Royalty”). The Royalty is due on the 15th of each month (or such other date as we designate).

Beginning on the Minimum Royalty Start Date (as described below), the Royalty shall be the greater of the Percentage Royalty or the Minimum Royalty (as described below).

The “Minimum Royalty Start Date” shall mean (1) if you are on the E-2 Visa Program, the date which is nine months after you receive approval for your E-2 Visa, and (2) for all other franchisees, the date which is 12 months after the Effective Date.

The “Minimum Royalty” shall mean:

Timeframe	Minimum Royalty per month (per Territory)
Year 1 following Minimum Royalty Start Date	\$350
Year 2 following Minimum Royalty Start Date	\$700
Year 3 following Minimum Royalty Start Date	\$1,050
Year 4 and all additional years in the Term following Minimum Royalty Start Date	\$1,400

6.9 Brand Development Fund Contribution

You must pay a “Brand Development Fund Contribution” in the amount we specify in our Confidential Operations Manual, currently 1% of Gross Revenue during the previous month. The Brand Development Fund Contribution will be used for the Keyrenter Property Management brand fund (“Brand Development Fund”) to promote awareness of our brand and to improve our System. The Brand Development Fund is paid at the same time as your Royalty. We reserve the right to increase the Brand Development Fund Contribution to up to 3% of month Gross Revenue upon 30 days’ written notice to you.

6.10 Keyrenter Marketing Fee

You will pay us a “Keyrenter Marketing Fee” of \$575 per month plus a fee of 3% of the \$575 to cover credit card fees beginning 90 days after the Effective Date. The Keyrenter Marketing Fee is for ongoing website hosting and maintenance, and basic SEO and analytic services. The Keyrenter Marketing Fee does not include the cost of online advertising or additional SEO services. We may increase the Keyrenter Marketing Fee upon written notice to you.

6.11 KeyAssist Services

You will pay us for our KeyAssist Services at our then-current fees, which will include bookkeeping services (as described below), office administration, accounting, tenant screening and may include additional optional and required services. You will pay us our then-current fee for bookkeeping software and services we provide to you. After your first year of operation, our bookkeeping services are optional, and you may choose to opt out of receiving them. The bookkeeping services will include, among other things, month end accounting, vendor billing, brokerage trust account reconciliation, financial diagnostics, and audit prep. These fees will vary based on how long your Franchised Business has been open, and we reserve the right to increase these fees upon written notice to you.

6.12 Technology Fee

You must pay us our then-current “Technology Fee” (currently, \$150 per month) throughout the Term of this Franchise Agreement beginning on the date your Franchised Business opens. We may increase this fee.

The Technology Fee is an ongoing fee for the use of certain technologies used in the Franchised Business. This fee covers our expenses associated with digital content storage, the delivery of training through digital technology, and other fees associated with the KeyWare software. The Technology Fee also includes one email address and on-going email maintenance. You can obtain additional email addresses, and will pay our then-current additional fee if you choose to do so. We can change the software and technology that must be used by Franchised Business at any time we deem appropriate in our sole discretion, which may result in changes to the Technology Fee. An increase in third-party fees may also cause the Technology Fee to increase. You will be responsible for any increase in fees that result from any upgrades, modification, or additional software by us or by third-party vendors. We may modify the Technology Fee upon written notice to you.

You must also pay our then-current technology business solutions fees to approved suppliers for certain business solutions that will support your business efficiencies. These may include phone systems, security systems, scheduling software, employee shift/task management software, inventory solution and any other solutions we may require in the Confidential Operations Manual for your Franchised Business. We reserve the right to upgrade, modify and add new systems, which may result in additional initial and ongoing expenses that you will be responsible for. You will be responsible for any increase in fees that result from any upgrades, modifications or additional systems and for any increase in fees from third-party providers. We may include these third-party fees in the Technology Fee and pay suppliers directly on our behalf.

6.13 E-2 Visa Fee

If you are entering into this Franchise Agreement as part of our E-2 Visa Program, you will pay us a \$10,000 “E-2 Visa Fee” to compensate us for the time and work associated with helping you, or your Owners, obtain their E-2 Visa(s). The E-2 Visa Fee is uniform and fully earned by us once paid.

6.14 E-2 Visa Deposit

If you are entering into this Franchise Agreement as part of our E-2 Visa Program, in addition to the E-2 Visa Fee, you must deposit an additional amount in the Franchised Business based on the current requirements that the United State Citizenship and Immigration Services prescribes (“E-2 Visa Deposit”), which is typically between \$25,000 and \$35,000. If you elect to have us assist you in procuring materials for your Franchised Business, you pay the E-2 Visa Deposit directly to us. The amount of the E-2 Visa Deposit will vary based on your location and the amount of the total investment required for you to obtain your E-2 Visa.

All fees related to the E-2 Visa Program are fully earned by us once paid and will not be refunded under any circumstances, except as follows for participants in the E-2 Visa Program: 1) the E-2 Visa Fee and the Initial Franchise Fee are not refundable; and 2) if you provide proof that you applied for an E-2 Visa and were denied or otherwise unable to obtain approval of an E-2 Visa despite your reasonable and good faith efforts, then within 60 days of providing us with proof that your application was denied, we will refund the E-2 Visa Deposit (less any amounts invested in the KPM Business), the Training Fee, the Keyrenter Marketing Fee, the Start-Up Marketing Package Fee and the Appfolio Software Implementation Fee.

6.15 Non-Compliance Fee

If you are not compliant with any of our System standards, including those provided in our Confidential Operations Manual, you will pay us a fee of \$25 per day after receiving notice of your non-compliance, until you regain System compliance.

6.16 Other Fees and Payments

You agree to pay all other fees, expense reimbursements, and all other amounts specified in this Franchise Agreement in a timely manner. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon products or services you sell or based upon products or services we furnish to you (other than income taxes we pay based on amounts).

6.17 CPI Adjustments to Fixed Fees

All fees are current as of the issuance date of the Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of this Franchise Agreement. Also, any fee expressed as a fixed dollar amount is subject to adjustment based on changes to the Consumer Price Index (“CPI”) in the United States. We may periodically review and increase these fees based on changes to the Consumer Price Index, but only if the increase to the Consumer Price Index is more than 5% higher than the corresponding Consumer Price Index in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one fee adjustment during any calendar year.

7. ESTABLISHING YOUR FRANCHISED BUSINESS

7.1 Opening

You must open your Franchised Business to the public within 210 days after the Effective Date. You may not open your Franchised Business before: (i) all required attendees have successfully completed the initial training program; (ii) you purchase all required insurance, and provide us with proof of insurance; (iii) you obtain all required licenses, permits and other governmental approvals required to establish, open and operate the Franchised Business, and provide us with proof of those required approvals; (iv) we provide our written approval of the construction, buildout and layout of your Approved Location; (v) you provide us with proof of your representations made in Section 3.1.2 and 3.1.3 of this Franchise Agreement; (vi) pay any amounts owed to us; and (vii) you receive our written approval.

If you believe we have failed to adequately provide pre-opening services or training to you as provided in this Franchise Agreement, you shall notify us in writing within 30 days following the opening of the Franchised Business. If you do not provide such notice in a timely manner, it will be viewed as you conclusively acknowledging that all pre-opening and opening services and training required to be provided by us were sufficient and satisfactory in your judgment.

7.2 Site Selection

If a suitable Approved Location has not been agreed upon by the Effective Date, we will provide you with general advice and general specifications for identifying a suitable location for the Approved Location. The Approved Location must conform to our minimum site selection criteria. You must send us a complete site report (containing the demographic, commercial and other information, photographs and videos we may reasonably require) for your proposed site. We may require that you obtain a feasibility study for the proposed site at your sole cost. We may accept or reject all proposed sites in our commercially reasonable judgment. We will use our best efforts to accept or reject a proposed site within 30 days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 30-day period. If we disapprove of the proposed site, you must select another site, subject to our consent. Our approval shall be evidenced by the execution of Attachment A-1 by you and us. You must only operate the Franchised Business at the location specified in Attachment A-1 and your Franchised Business may not offer products or services from any other location. You acknowledge that our approval of a site does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for the Approved Location. Our approval of the site indicates only that the site meets our minimum criteria. You agree to locate and obtain our approval of the Approved Location within 90 days after the Effective Date.

7.3 Lease

If you lease the Approved Location, you must submit to us, in the form we specify, a description of the site, a proposed copy of the lease and such other information and materials we may reasonably require at least ten days before signing the lease. If you own, otherwise control the Approved Location, including the land, building and related real estate, or own 51% or more of an entity that owns, leases or otherwise controls the Approved Location, then you will, as the lessee, enter into a lease for the Approved Location for a term coextensive with the term of this Franchise Agreement. You will ensure the lease either: (1) contains the “Lease Addendum” that is attached to the franchise disclosure document in Exhibit C; or (2) incorporates the terms of the Lease Addendum into the lease for the Approved Location. If your landlord refuses, we have the right to disapprove of your lease, in which case you must find a new site for your Approved Location. You and the landlord must sign the lease and Lease Addendum within 90 days of the Effective Date.

We will only review the lease to determine that it complies with the terms of this Franchise Agreement and will not provide you with any business, economic, legal or real estate analysis or advice with regards to the lease. If you hire our approved vendor, they may assist you in negotiating the lease for your Approved Location. However, you are solely responsible for the terms of the lease and any site acceptance letter we provide for the lease does not provide any representation or warranty of any kind, express or implied, concerning the terms of the lease or the viability or suitability of the site for the Approved Location. You must promptly send us a copy of your fully executed lease and any Lease Addendum for our records. The lease may not be amended, assigned or terminated without our written approval. If the landlord terminates the lease for the Approved Location, that termination will constitute a breach of this Franchise Agreement.

7.4 Construction

We will provide you with specifications for the design and layout for an Approved Location. You must ensure your plans comply with all local ordinances, building codes, permits requirements, and lease requirements and restrictions applicable to the Approved Location, which may require you to hire an architect. You must submit your floor plan and any full construction drawings to us for our review and acceptance. Once we accept your floor plan and approve your construction drawings, drawings and specifications may not be changed or modified without our prior written approval. Once accepted by us,

you must, at your sole expense, construct and equip the Approved Location to the specifications contained in the Confidential Operations Manual and purchase (or lease) and install the equipment, fixtures, furnishings, signs and other items we require. All exterior and interior signs of the Approved Location must comply with the specifications we provide to you. We must approve the architects, contractors and other suppliers you use to construct your Approved Location. You agree to provide us with weekly status updates as to construction of the Approved Location. You acknowledge these requirements are necessary and reasonable to preserve the identity, reputation and goodwill we developed and the value of the Keyrenter Property Management System. We must approve the layout of your Approved Location before opening. We may conduct a pre-opening inspection of your Approved Location and you agree to make any changes we require before opening. You must complete construction of your Approved Location within 120 days of the Effective Date.

7.5 Catastrophe

If your Approved Location is destroyed or damaged by fire or other casualty and the Term of this Franchise Agreement and the lease for your Approved Location has at least two years remaining, you will: (i) within 90 days after such destruction or damage of your Approved Location, commence all repairs and reconstruction necessary to restore the Approved Location to its prior condition to such casualty; or (ii) relocate the Approved Location under the relocation provisions in this Section and the Term shall be extended for the period from the date the Approved Location closed due to the destruction or damage until it reopens.

7.6 Use of Approved Location

You may not use your Approved Location or permit your Approved Location to be used for any purpose other than offering the products and services we authorize and you may only offer the products and services we authorize from your Approved Location.

7.7 Relocation

You may relocate your Approved Location within your Territory with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate within your Territory, you must: (i) comply with all requirements of the Franchise Agreement regarding the selection, construction and decoration your new Keyrenter Property Management Premise; (ii) open your new Approved Location and resume operations within 90 days after closing your prior Approved Location; (iii) the remainder of this Franchise Agreement shall remain in full force and effect; (iv) you agree to fully de-identify the former location of the Franchised Business in accordance with our requirements and at your sole cost and expense; and (iii) pay us a \$350 relocation fee and our reasonable expenses (including attorney fees and costs). We will only charge this \$350 fee if you relocate more than once in a 12-month period. If you require our assistance to relocate your Approved Location, you must reimburse us for our costs and expenses in doing so. We may require that your Territory be modified as a condition to our approval of you relocating your Approved Location. Upon our approval of the relocation of your Approved Location, Attachment A shall be updated with the new location (and Territory, if necessary), and the remainder of this Franchise Agreement shall remain in full force and effect.

8. TRAINING AND CONFERENCES

8.1 Initial Training Program and Onboarding Program

We will provide our initial training program for up to two people, one of which must be your Designated Owner or Designated Manager. You will pay us an initial training fee of \$5,000 to cover our costs in providing the initial training program when you sign this Franchise Agreement. This fee is uniform,

fully earned by us and is non-refundable once this Franchise Agreement has been signed. The initial training program must be completed within 30 days prior to the date that your Franchised Business is scheduled to open. You must pay us our then-current training fee as specified in our Confidential Operations Manual for: (i) each additional person that attends our initial training program before you open; (ii) each additional person that attends after you open your Franchised Business (such as a replacement Designated Owner or Designated Manager); and (iii) any person who must retake training after failing to successfully complete training on a prior attempt. We reserve the right to vary the length and content of the initial training program as we deem appropriate in our sole discretion based on the experience of the attendee. We shall determine the scheduling, exact duration, contents and manner of the initial training program at our discretion and may delay your attendance until a suitable time near the grand opening date for your Franchised Business at our discretion.

We will also provide, either virtually or by telephone, you with an onboarding program that includes at least one of our representatives for the purpose of familiarizing you with our System techniques, and for the purpose of providing general assistance and guidance with the opening of your Franchised Business. Additionally, we will provide you with training and support in your search for a real estate broker at no additional cost. You must satisfactorily complete real estate or property management training by a state-certified real estate course provider and commit to a minimum of 20 hours per week dedicated to real estate coursework, all at your own expense prior to opening your business. We don't provide this training to you.

8.2 Additional Training

We may offer periodic refresher training courses or develop additional training courses. Attendance at these training programs may be optional or mandatory. You may be required to pay the then-current fee for this training as specified in our Confidential Operations Manual.

8.3 Requested Training

Upon your written request, we may provide additional assistance or training to you at a mutually convenient time. You may be required to pay the then-current fee for this training as specified in our Confidential Operations Manual.

8.4 Remedial Training

If we determine, in our sole discretion, that you are not operating your Franchised Business in compliance with this Franchise Agreement and/or the Confidential Operations Manual, we may require that you, your employees and other designees attend remedial training relevant to your operational deficiencies. You must pay us the then-current training fee as specified in our Confidential Operations Manual.

8.5 Conferences

We may hold periodic national or regional conferences, including our annual Keyrenter Summit Convention, to discuss various business issues and operational and general business concerns affecting Keyrenter Property Management franchisees. Attendance at these conferences may be mandatory or optional. You are responsible for paying our then-current conference fee if you attend (currently \$495 per person). If you do not attend a required conference, you will pay us a \$1,000 missed conference fee.

8.6 Training Expenses

You are solely responsible for all expenses and costs that your trainees incur for all trainings and conferences under this Section, including wages, travel, lodging, food and living expenses. You also agree to reimburse us for all expenses and costs we incur to travel to your Franchised Business under this Section,

including travel, food, lodging and living expenses. All training fees and expense reimbursements must be paid to us within ten days after invoicing.

9. OTHER FRANCHISOR ASSISTANCE

9.1 Confidential Operations Manual

We will lend you our confidential franchise operations manual (the “Confidential Operations Manual”) in text or electronic form for the Term of this Franchise Agreement. The Confidential Operations Manual will help you establish and operate your Franchised Business in accordance with the System. The information in the Confidential Operations Manual is confidential and proprietary and may not be disclosed to third parties without our prior written approval. The Confidential Operations Manual may be updated and modified throughout the Term, both formally through amendments to the Confidential Operations Manual and informally through email or other written materials we provide to you. You acknowledge that your compliance with the Confidential Operations Manual is vitally important to us and other System franchisees because it is necessary to protect our reputation, the goodwill of the Marks, and maintain the uniform quality of the System.

You agree to establish and operate your Franchised Business strictly in accordance with the Confidential Operations Manual. The Confidential Operations Manual may contain, among other things: (i) a description of the authorized products and services you may offer at your Franchised Business; (ii) mandatory and suggested specifications, operating procedures, and quality standards for goods, products, services, that you use or offer at your Franchised Business; (iii) policies and procedures we prescribe from time to time for our franchisees; (iv) mandatory reporting and insurance requirements; (v) policies and procedures pertaining to any gift card program we establish; and (vi) a written list of furniture, fixtures, equipment, products and services (or specifications for such items) you must purchase for the development and operation of your Franchised Business and a list of any designated or approved suppliers for such items. The Confidential Operations Manual establishes and protects our brand standards and the uniformity and quality of the products and services offered by our franchisees. We can modify the Confidential Operations Manual at any time. The modifications will become binding as soon as we send you notice of the modification. All mandatory provisions in the Confidential Operations Manual (whether they are included now or in the future) are binding on you.

While the Confidential Operations Manual is intended to protect our reputation and goodwill of the Marks, you will be responsible for the day-to-day operation of your Franchised Business, and the Confidential Operations Manual is not designed to control the day-to-day operation of the Franchised Business.

9.2 General Guidance

We will, upon reasonable request, provide advice or guidance regarding your Franchised Business’s operation based on reports or inspections or discussions with you. We will provide reasonable marketing, advertising, consulting, guidance and support throughout the Term we deem appropriate. Any advice will be given during our regular business hours and via written materials, electronic media, telephone or other methods, at our discretion. We reserve the right to refuse or charge a fee for this service should we determine you are utilizing this service too frequently or in an unintended manner.

We maintain a staff to manage and operate the Keyrenter Property Management System and our staff members can change as employees come and go. We cannot guarantee the continued participation by or employment of any of our shareholders, directors, officers, employees or staff.

9.3 Website

We will maintain a website for Franchised Businesses (“System Website”) that will include the information about your Franchised Business we deem appropriate. We may modify the content of and/or discontinue the System Website at any time in our sole discretion. We are only required to reference your Franchised Business on our System Website while you are in full compliance with this Franchise Agreement and all System standards. We must approve all content about your Franchised Business. We will own the System Website (including any webpages for your Franchised Business) and domain names. We intend that any franchisee website will be accessed only through this System Website.

9.4 Telephone Number

We will own and provide you with a telephone number for your Franchised Business. All advertising and marketing for your Franchised Business must be done using the phone number we provide you. You may not establish any other phone numbers for your Franchised Business without our express written consent. You agree to pay to us or our designee the charges associated with the phone number and any listings of it. The phone number shall remain our property and under our control, even after the termination or expiration of this Franchise Agreement.

9.5 Supplier Agreements

We may, but are not required to, negotiate agreements with suppliers to obtain products or services for our franchisees. If we negotiate an agreement, we may arrange for you to purchase the products directly from the supplier. We may receive rebates from these suppliers based on your purchases. We may also purchase certain items from suppliers in bulk and resell them to you at our cost (including overhead and salaries), plus shipping fees and a reasonable markup, at our sole discretion.

9.6 Referral Program

The Franchisor may, but is not required to, pay you a referral bonus of up to \$5,000 in cash or services credit, in our sole discretion, for each third-party franchise prospect the Franchisee refers to the Franchisor who ultimately signs a Keyrenter franchise agreement with the Franchisor and pays the Franchisor the initial franchise fee within 12 months of the Franchisee’s initial referral. The Franchisee is authorized only to identify the prospect to our franchise sales staff and must do so in writing. The Franchisee is not authorized to act as the Franchisor’s agent or franchise broker and is instructed not to provide any information to prospects other than our information brochure. The Franchisor may provide notice of the referral bonus to the prospective franchisee receiving the Franchise Disclosure Document. The Franchisor retains the right in its sole discretion to modify or terminate this referral program at any time with or without notice to the Franchisee.

10. MANAGEMENT AND STAFFING

10.1 Owner Participation

If you are an Entity, you must designate an Owner who will be principally responsible for communicating with us about the Franchised Business (“Designated Owner”). If you are an individual, you are the Designated Owner. The Designated Owner must have the authority and responsibility for the day-to-day operations of your Franchised Business and must have at least 25% equity. You acknowledge that a major requirement for the success of your Franchised Business is the active, continuing and substantial personal involvement and hands-on supervision by your Designated Owner, who must at all times be actively involved in operating the Franchised Business on a full-time basis and provide on-site

management and supervision, unless we permit you to delegate management functions to a Designated Manager, see below. If you appoint a new Designated Owner then in addition to any Transfer conditions, that person must attend and successfully complete our initial training program at your sole cost and expense.

10.2 Designated Manager

If we grant you a franchise, we will be granting it to you on the basis of your character and experience, with the understanding that you or your Owners will operate the Franchised Business personally. We may in limited circumstances allow you to appoint a manager (“Designated Manager”) to assume responsibility for the daily in-person on-site management and supervision of your Franchised Business, but only if: (i) we approve the Designated Manager in our sole discretion; (ii) the Designated Manager successfully completes the initial training program; and (iii) your Designated Owner agrees to assume responsibility for the on-site management and supervision of your Franchised Business if the Designated Manager is unable to perform his or her duties due to death, disability, termination of employment, or for any other reason, until such time that you obtain a suitable replacement Designated Manager. We may require that the Designated Manager have an ownership interest in the legal entity of the Franchise owner. If you hire a new Designated Manager, the new Designated Manager must attend and successfully complete our initial training program at your sole cost and expense.

10.3 Staff

You must determine appropriate staffing levels for your Franchised Business to ensure full compliance with this Franchise Agreement and our System standards. You are solely responsible to hire, train and supervise employees or independent contractors to assist you with the proper operation of the Franchised Business. You must pay all wages, commissions, fringe benefits, worker’s compensation premiums and payroll taxes (and other withholdings levied or fixed by any city, state or federal governmental agency, or otherwise required by law) due for your employees or as applicable, for your independent contractors. These employees and independent contractors will be your employees or contractors, not ours. We do not control the day-to-day activities of your employees or independent contractors or the manner in which they perform their assigned tasks. You agree to inform each of your employees and independent contractors you are exclusively responsible for supervising their activities and dictating the manner in which they perform their assigned tasks. In this regard, you must use your legal business entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, consulting agreements, time cards and similar items.

You have sole responsibility and authority for all employment-related decisions, including employee hiring and promotion, firing, hours worked, rates of pay and other benefits, work assignments, training and working conditions, compliance with wage and hour requirements, personnel policies, recordkeeping, supervision and discipline. We will not provide you with any advice or guidance on these matters. You must require your employees and independent contractors to review and sign any acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee or independent contractor that you are his or her sole employer. You must also post a conspicuous notice for employees and independent contractors in the back-of-the-house area explaining your franchise relationship with us and that you (and not we) are the sole employer. We may prescribe the form and content of this notice. You agree that any direction you receive from us regarding employment/engagement policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel competent in employment law.

10.4 Assumption of Management

10.4.1 Interim Manager. In order to prevent any interruption of operations which would cause harm to or depreciate the value of the Franchised Business, we have the right, but not the obligation, to step-in and designate an individual or individuals of our choosing (“Interim Manager”) for so long as we deem necessary and practical to temporarily manage your Franchised Business (“Step-In Rights”): (i) if you violate any System standard or provision of this Franchise Agreement and do not cure the failure within the time period specified by the Franchise Agreement or us; (ii) if we determine in our sole judgment that the operation of your Franchised Business is in jeopardy; (iii) if we determine in our sole discretion that operational problems require that we operate your Franchised Business; (iv) if you abandon or fail to actively operate your Franchised Business; (v) upon your Designated Owner or your Designated Manager’s absence, termination, illness, death, incapacity or disability; (vi) if we deem your Designated Owner or your Designated Manager incapable of operating your Franchised Business; or (vii) upon a “Crisis Management Event.”

A “Crisis Management Event” means any event or series of events that occurs at the Franchised Business that has or may cause harm or injury to customers or employees, or any other circumstance which may damage the System, Marks or image or reputation of the Franchised Business or us or our affiliates. We may establish emergency procedures which may require you to temporarily close the Franchised Business to the public, in which case you agree that we will not be held liable to you for any losses or costs. You agree to notify us immediately by telephone and email upon the occurrence of a Crisis Management Event.

10.4.2 Step-In Rights. If we exercise the Step-In Rights: (i) you agree to pay us, in addition to all other amounts due under this Franchise Agreement, our then-current “Management Fee” (currently equal to \$500 per day per Interim Manager that manages your Franchised Business), plus the Interim Manager’s direct out-of-pocket costs and expenses; (ii) all monies from the operation of your Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including compensation and direct out-of-pocket costs and expenses for the Interim Manager, shall be charged to said account; (iii) you acknowledge that the Interim Manager will have a duty to utilize only reasonable efforts, and will not be liable to you or your owners for any debts, losses, or obligations your Franchised Business incurs, or to any of your creditors for any supplies, products, or other assets or services your Franchised Business purchases, while Interim Manager manages it; (iv) the Interim Manager will have no liability to you except to the extent directly caused by its gross negligence or willful misconduct. We will have no liability to you for the activities of an Interim Manager unless we are grossly negligent in appointing the Interim Manager, and you will indemnify and hold us harmless for and against any of the Interim Manager’s acts or omissions, as regards to the interests of you or third parties; and (v) you agree to pay all of our reasonable attorney fees, accountant’s fees, and other professional fees and costs incurred as a consequence of our exercise of the Step-In Rights.

Nothing contained herein shall prevent us from exercising any other right which we may have under this Franchise Agreement, including, without limitation, termination.

11. BRAND DEVELOPMENT FUND

The Brand Development Fund is used to promote public awareness of our brand and to improve our System. You are required to pay the Brand Development Fund Contribution. The Brand Development Fund may be administered by us or our affiliate or designees, at our discretion. We may use the Brand Development Fund for any expenditure that we, in our sole discretion, deem necessary or appropriate to promote or improve the System or the Keyrenter Property Management brand.

To illustrate, these may include, but are not limited to, the following: (i) developing, maintaining, administering, directing, preparing or reviewing advertising and marketing materials, promotions and programs, including social media management; (ii) public awareness of any of the Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development (including social media) and search engine optimization; (vii) development and implementation of quality control programs and other reputation management functions; (viii) conducting market research; (ix) changes and improvements to the System; (x) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts; (xi) the proportionate salary share of our employees that devote time and provide services for advertising, promotion, collection, accounting or administration of the Brand Development Fund; (xii) preparing and distributing financial accountings of the Brand Development Fund; (xiii) training tools; and (xiv) our and our affiliates' expenses associated with direct or indirect labor, administrative, overhead, or other expenses incurred in relation to any of these activities. We may use national and/or regional advertising agencies for the source of advertising materials or we may prepare them ourselves.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location, and all other matters pertaining to any of the foregoing activities. Any surplus of monies in the Brand Development Fund may be invested. Any unused funds collected in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Development Fund on any terms we deem reasonable. The Brand Development Fund is not a trust, and we have no fiduciary obligations to you regarding our administration of the Brand Development Fund. An unaudited financial accounting of the operations of the Brand Development Fund, including deposits into and disbursements from the Brand Development Fund, will be prepared annually and provided to you upon written request.

We do not ensure that our expenditures from the Brand Development Fund in or affecting any geographic area are proportionate or equivalent to the Brand Development Fund Contribution by our franchisees operating in that geographic area or that any of our franchisees benefit directly or in proportion to their Brand Development Fund Contribution. We reserve the right to change, merge, re-form or dissolve the Brand Development Fund at our discretion. We will not use the Brand Development Fund for advertising principally for the solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement or website indicating "franchises available" or similar phrasing. We may, upon 30 days' prior written notice to you, reduce or suspend Brand Development Fund Contribution and operations for one or more periods of any length and terminate and/or reinstate the Brand Development Fund. If we terminate the Brand Development Fund, we will distribute all unused contributions to contributing franchisees, and to us or our affiliates, in proportion to respective contributions during the preceding 24-month period.

12. FRANCHISEE MARKETING AND ADVERTISING

12.1 Standards

All advertisements and promotions you create or use must be completely factual and conform to the highest standards of ethical advertising and comply with all federal, state and local laws, rules and regulations and our standards and requirements in the Confidential Operations Manual. You must ensure that your advertisements and promotional materials do not infringe upon the intellectual property or legal rights of others.

12.2 Promotional Programs

We may periodically create advertising and sales promotion or discount programs and materials to enhance the collective success of all Keyrenter Property Management franchisees operating under the

System. Subject to applicable law, you must participate in all such rebates, giveaways, advertising and sales promotion programs in accordance with the terms and conditions that we specify. These promotional programs may require that you offer products or services at no charge or discounted rates and may include minimum and maximum price policies, minimum advertised price policies and unilateral price policies. We may also request you purchase and use advertisements and promotional materials we designate for your Franchised Business. Without limiting the generality of the foregoing, we reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions as allowed by law.

12.3 Marketing Materials

You must order any sales and marketing material from us, or our designated suppliers (which may be an affiliate), that we require. We may create and make available to you, advertising and other marketing materials. We may charge you for these materials. We may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). We may also enter into relationships with third party suppliers who will create the advertising or marketing materials for your purchase.

12.4 Approval

We must approve all advertising and promotional materials we did not prepare or previously approve (including materials we prepared or approved and you modify) before you use them, including but not limited to, those related to any grand opening advertising, local advertising or online advertising that you wish to conduct. We will be deemed to have disapproved the materials if we fail to issue our approval within 20 days after receipt. You may not use any advertising or promotional materials that we have disapproved (including materials that we previously approved and later disapprove). You may also engage in joint advertising (“Joint Advertising”) with another Keyrenter franchisee with our prior written approval. If you utilize any advertising that we have not approved or engage in Joint Advertising without our approval, we may assess a fee of \$500 for each use of the unauthorized advertising.

12.5 Start-Up Marketing

You will pay us a “Start-Up Marketing Package Fee” of \$10,000 when you sign this Franchise Agreement, which will include us creating your local website and developing a start-up marketing and advertising strategy designed to generate leads for your Franchised Business. The Start-Up Marketing Package Fee also includes additional supplies for your Franchised Business. The Start-Up Marketing Package Fee is uniform, is fully earned by us and is non-refundable once this Franchise Agreement has been signed.

12.6 Local Advertising Requirement and Lead Generation Efforts

In addition to your required Brand Development Fund Contribution, Keyrenter Marketing Fee and other obligations described in this Franchise Agreement, beginning 90 days after the Effective Date, you must spend greater of: (i) 3% of Gross Revenue; or (ii) \$1,425 per month on local advertising and lead generation for your Franchised Business (“Local Advertising Requirement”).

If you fail to spend the Local Advertising Requirement during, you will be required to pay the difference between the amount you spent and your Local Advertising Requirement to us. You agree to participate at your own expense in all advertising, promotional and marketing programs we require, which may require that you offer products or services for sale at discounted prices or at no charge. We reserve the right to modify your Local Advertising Requirement upon 30 days’ written notice to you.

12.7 Online Advertising

You may not maintain a separate website, conduct e-commerce, or otherwise maintain a presence on the Internet in connection with your Franchised Business without our express written permission, which we may revoke at any time, in our sole discretion. Any website we permit you to establish will be subject to all of your marketing and advertising requirements under this Franchise Agreement and the Confidential Operations Manual. If you wish to utilize social media or advertise online, you must follow our online policy contained in our Confidential Operations Manual, which may include assigning ownership of such social media pages to us. Our online policy may change as technology and the Internet changes. We may require that you utilize our designated supplier for social media marketing services, at your expense. You may not use the Marks in any fundraising campaign, including crowdfunding. We may restrict your use of social media. We restrict your ability to independently market on the Internet, and we may not allow you to use any domain name, address, locator, link, metatag or search technique with words or symbols similar to the Marks.

12.8 Advertising Cooperative

You must participate in any advertising cooperative that we require for the purpose of creating and/or purchasing advertising programs for the benefit of all franchisees operating within a particular region. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member, which will be at least the members' Local Advertising Requirement. We may require that each cooperative operate with governing documents and prepare annual unaudited financial statements. We may form, change, dissolve or merge any advertising cooperative. Your participation in any cooperative must be in compliance with the provisions of the Confidential Operations Manual, which we may periodically modify at our discretion. We have the right to determine the composition of all geographic territories and market areas for each advertising cooperative. Franchisees in each cooperative will contribute an amount to the cooperative for each Franchised Business that the franchisee owns that exists within any cooperative's geographic area. Each Keyrenter Property Management business we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees.

12.9 Brand Development Council

We have formed a brand development council ("BDC") that advises us on advertising policies and to promote communications between us and all franchisees. We may change, merge or dissolve the BDC at any time, in our sole discretion. The BDC may engage in promotional and educational activities, and levy assessments for its expenses. Expenditures may be paid by participating Franchisee's Brand Development Fund Contributions. Members of the BDC are selected from among our franchisees by self-nomination or the nomination of another or by appointment by our executive team, which then requires the consent of the nominated franchisee to be put on the voting list. Franchisees alone then cast votes for persons to serve on the BDC. The BDC serves in an advisory capacity only. We may grant the BDC any operation or decision-making powers we deem appropriate.

13. BRAND STANDARDS

13.1 Generally

You agree to operate your Franchised Business: (i) in a manner that will promote the goodwill of the Marks; and (ii) in full compliance with our standards and all other terms of this Franchise Agreement and the Confidential Operations Manual. Any required standards exist to protect our interests in the System and the Marks, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be in the Confidential Operations Manual

or other written materials and may be periodically modified over the Term. To protect our interests in the System and Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

13.2 Authorized Products and Services

The products or services offered by the Franchised Business are subject to change and we do not represent that your Franchised Business will always be permitted or required to offer all of the products or services currently offered. You agree to offer all products and services we require from time to time. You may not offer any other products or services at your Franchised Business without our prior written permission. We may, without obligation to do so, add, modify or delete authorized products and services, and you must do the same upon notice from us. You may incur additional expenses to offer new products or services. Our addition, modification or deletion of one or more products or services shall not constitute a termination of this Franchise Agreement. You will not enter into any agreements with any third parties that can process orders for you on your behalf without our express written permission, which we may revoke at any time, in our sole discretion. We may, but are not required to, create Keyrenter Property Management proprietary products for sale at your Franchised Business. If we develop any of these products, you agree to maintain a reasonable inventory of these items at all times.

13.3 Suppliers and Purchasing

You agree to purchase or lease all products, supplies, equipment, services, and other items specified in the Confidential Operations Manual. You agree to maintain an adequate inventory of all items in accordance with the Confidential Operations Manual. If required by the Confidential Operations Manual, you agree to purchase or lease certain products and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliates). You acknowledge that our right to specify the suppliers you may use and add or remove suppliers is necessary and desirable so we can control the uniformity and quality of products and services used, sold or distributed in connection with the development and ongoing operation of your Franchised Business, maintain the confidentiality of our trade secrets, obtain discounted prices for our franchisees if we choose to do so, and protect the reputation and goodwill associated with the System and the Marks. If we receive rebates or other financial consideration from these suppliers based upon your purchases or any other of our franchisee's purchases, we have no obligation to pass these amounts on to you or to use them for your benefit. If we do not require you to use a designated source or approved supplier for a particular item, you may purchase the item from any vendor you choose so long as your purchases conform to our System and specifications. We may restrict the sourcing of current and future items.

If you wish to purchase any items or supplies from a supplier we have not approved or wish to offer any new product or service we have not authorized in writing, you must send us a written notice specifying the supplier's name and qualifications or product or service information and provide any additional information we request. We will approve or reject your request within 30 days after we receive your notice and all additional information (and samples) that we require. If we fail to issue our approval within the 30-day period, it will have the same effect as a rejection to the request. You must reimburse us for all costs and expenses we incur in reviewing a proposed supplier within ten days after invoicing. We may revoke approval of any supplier, product or service in our sole discretion in which case you must stop purchasing from such supplier.

Additionally, in order to protect the Marks, you must obtain our prior written approval before making any contributions or donations of items, services or funds to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any organization). You must obtain our written permission prior to allowing the

Marks to be displayed on any clothing or other items that may be used in sporting events, or in any other sponsored activity. We may withhold any such consent in our sole and absolute discretion.

13.4 **Equipment Maintenance and Changes**

You agree to keep any equipment used in the operation of your Franchised Business in good condition and promptly replace or repair any equipment that is damaged, worn out or obsolete. We may require that you add new equipment or change, upgrade or replace your equipment, which may require you to make additional investments. You acknowledge that our ability to require franchisees to make significant changes to their equipment is critical to our ability to administer and change the System, and you agree to comply with any such required change within a reasonable time period designated by us.

13.5 **Hours of Operation**

You must keep your Franchised Business open for the minimum hours and minimum days of operation as specified in the Confidential Operations Manual, which may change over the Term, including utilizing or maintaining a call service for resolving after-hours issues. Your Franchised Business must be open every day of the year, other than those approved national holidays listed in the Confidential Operations Manual, unless otherwise agreed to by us. We may require you to establish specific hours of operation and submit those hours to us for approval.

13.6 **Customer Issues**

You acknowledge the importance to the System and uniform standards of quality, service and customer satisfaction, and recognize the necessity of opening and operating a Franchised Business in conformity with the System. You agree to manage the Franchised Business in an ethical and honorable manner and ensure that all those working at the Franchised Business provide courteous and professional service to customers. If you receive a customer complaint, you must promptly follow the complaint resolution process we specify to protect the goodwill associated with the Marks. Also, if we are contacted by a customer of your Franchised Business who wishes to lodge a complaint, we reserve the right to address the customer's complaint to preserve goodwill and prevent damage to the Marks. Our right to address complaints may include refunding money to a dissatisfied customer, in which case you must reimburse us for these amounts including the value of any gift card, refund or other value we provide to the customer as part of addressing the issue.

We may contact any customer of your Franchised Business at any time for any purpose. We, or our authorized representative, shall have the right, during regular business hours, or at such other times as may be mutually agreed upon by you and us, to inspect all client lists and documents and records related to the Franchised Business. Upon reasonable request, you must furnish to us in whatever format we require, all client information and records for the Franchised Business, both active and inactive, which shall include, but not be limited to, names, addresses, and telephone numbers of such clients ("Customer List"). You acknowledge and agree that we are the sole owner of the Customer List and that you shall not use the Customer List for any purpose other than for the operation of the Franchised Business or distribute, in any form or manner, the Customer List to any third party without our prior written consent.

13.7 **Standards Compliance**

You acknowledge the importance of every standard and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks.

13.8 **Payment Vendors and Data Security**

You agree to maintain, at all times, credit card relationships with the credit and debit card issuers or sponsors, check or credit verification services, financial center services, payment providers, merchant service providers, loyalty and gift cards, and electronic fund transfer systems (together, “Payment Vendors”) that we may periodically designate as mandatory. The term “Payment Vendors” includes, among other things, companies that provide services for electronic payment. You agree not to use any Payment Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval. We may modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider. You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC, or any successor organization or standards we may reasonably specify. You agree to implement the enhancements, security requirements and other standards that PCI Security Standards Council, LLC (or its successor) requires of a merchant that accepts payment by credit and/or debit cards or electronic payments.

13.9 **Privacy**

You agree to comply with all applicable international, federal, state and local laws pertaining to the privacy of customer, employee and transactional information (“Privacy Laws”). You agree to research and proactively ensure that your Franchised Business is in compliance with Privacy Laws, which may vary depending on the location of your Franchised Business. You also agree to comply with our standards and policies pertaining to Privacy Laws. You agree to inform us of any conflict between our standards and policies and any local or state Privacy Laws that govern your Franchised Business ensure that your conduct complies with all those local or state Privacy Laws.

13.10 **Remodeling**

You agree to remodel and make all improvements and alterations to your Franchised Business we reasonably require from time to time to reflect our then-current image, appearance and Approved Location specifications. The cost of such changes, additions or modifications will not exceed: (i) \$5,000 during the first (1st) year of the Term; (ii) \$50,000 in the aggregate during the initial Term of this Franchise Agreement (which amounts may be increased consistent with increases to the Consumer Price Index discussed in Section 6.15); or (iii) \$5,000 during the final year of the Term if you provide written notice of your intention not to renew this Franchise Agreement. These changes, additions or modifications are in addition to your costs for standard repairs and maintenance described in Section 13.11. You will not cause or allow any furnishings, fixtures, equipment, signs, décor, ATM machines, vending machines, video games, juke boxes, public telephone, or other type of vending machines to be installed on the Approved Location without our prior approval. However, we will not be required to approve any proposed remodeling or alteration that would conform to our then-current standards, specifications or image requirements. You agree to complete any remodel of the Approved Location within nine months after receiving our written request specifying the requirements.

13.11 **Approved Location Maintenance**

You agree to maintain your Approved Location in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations at your sole expense, to comply with our standards and specifications. Without limiting these obligations, you agree to take the following actions at your sole expense: (i) thorough cleaning, repainting and redecorating of the interior and exterior of the Approved Location at the intervals we may prescribe (or at such earlier times that such actions are required or advisable); and (ii) interior and exterior repair of the Approved Location

as needed. You agree to comply with any maintenance, cleaning or facility upkeep schedule we prescribe from time to time.

13.12 Real Estate Sales

Your Franchised Business may not engage in real estate sales without our prior written approval, which we will not unreasonably withhold if you, or one of your Owners, has at least 2 years of qualifying experience in real estate, and your Franchised Business is managing at least 150 units/properties at the time you request our approval. If you do not meet either of the conditions listed above, we may withhold our approval in our sole discretion. All revenues your Franchised Business receives from real estate sales will be included in Real Estate Sales Commissions.

13.13 Minimum Performance Requirements

You agree to meet our “Minimum Performance Requirements” for your Franchised Business. Failing to meet your Minimum Performance Requirements is a default under this Franchise Agreement and may result in, among other things, losing the territorial rights granted to you in Section 4. In order to meet your Minimum Performance Requirements, your Franchised Business must be managing the number of units and/or properties set forth in the table below:

Years from the Date You Begin Operations	Number of Units/Properties Managed
1	25 or more
2	50 or more
3	75 or more
4+	100 or more

14. TECHNOLOGY

14.1 Technology

You must utilize the technology, including software, computer hardware and components, point of sale system, cash register(s), communication equipment, and other related accessories or peripheral equipment (collectively, “Technology”) that we require. We may change the Technology you must use for your Franchised Business at any time. You will utilize the Technology with the Franchised Business under our policies and procedures in the Confidential Operations Manual. You must pay the Technology Fee for the use of certain technologies used in the operation of your Franchised Business. For other required Technology, you agree at your expense to use any approved supplier we require. We may change or add approved suppliers of this Technology at any time, in our sole discretion. You will, at your expense, purchase and maintain any required communication services, Internet services (including the requirement to maintain a high-speed Internet connection), dedicated telephone and power lines. You acknowledge and agree that changes to Technology are dynamic and not predictable within the Term of this Franchise Agreement. To provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we may establish, in writing, reasonable new standards for implementing Technology in the System and you agree to comply with those reasonable new standards we establish as if we periodically revised this Section for that purpose. You will keep the Technology in good maintenance and repair, and you will promptly install, at your expense, any additions, changes, modifications or substitutions to Technology, as we may specify periodically. There is no limitation on the frequency and cost of your obligation to maintain, update or upgrade your Technology or its components. You acknowledge that you are solely responsible for protecting your Franchised Business from computer viruses, bugs, failures, data breaches and attacks by hackers and other unauthorized intruders in the Technology.

14.2 Proprietary Software

We may also develop proprietary software or technology that must be used by Keyrenter Property Management franchisees. If this occurs, you agree to enter into a license agreement with us (or an affiliate of ours) and pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees. The license agreement will govern the terms under which you may utilize this software or technology. We also reserve the right to enter into a master software or technology license agreement with a third-party licensor and then sublicense the software or technology to you, in which case we may charge you for all amounts we must pay to the licensor based on your use of the software or technology.

14.3 Our Access

You will provide any assistance we require to connect to the Technology. We will have the right at any time to retrieve data and other information from your Technology as we, in our sole discretion, deem necessary or desirable. You shall ensure that we have access at all times to any Technology we request, at your cost. You must provide us with any and all requested codes, passwords and information necessary to access your Technology. You must receive our prior approval before changing such codes, passwords and other necessary information.

15. TRANSFER BY US

This Franchise Agreement is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Franchise Agreement and we shall only remain responsible and liable for the performance of our obligations under this Franchise Agreement up to the effective date of the assignment. You agree to accept and continue the performance of this Franchise Agreement with any assignee(s) or other legal successor(s) to our interest and recognize and agree that the assignee(s) or other legal successor(s) shall be entitled to all rights and benefits as if it were the original franchisor under this Franchise Agreement. We may also delegate some or all of our obligations under this Franchise Agreement to one or more designees without assigning this Franchise Agreement.

We may change our ownership or form and/or assign this Franchise Agreement and any other agreement to a third party without restriction. After our assignment of this Franchise Agreement to a third party who expressly assumes the obligations under this Franchise Agreement, we no longer will have any performance or other obligations under this Franchise Agreement.

16. TRANSFER BY YOU

16.1 Approval

For purposes of this Franchise Agreement, “Transfer” means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree) assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the Franchise Agreement, the Franchised Business (or any portion thereof), or a direct or indirect ownership interest in an Entity that is the franchisee (or any interest therein), including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Entity that is the franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession).

Neither you nor any Owner may engage in any Transfer without our prior written approval. Additionally, you will not, without our prior written approval, advertise your Franchised Business as being “for sale” or any related terms, regardless of whether such advertisement is physically located on the Approved Location or in any other form of media. Any Transfer without our approval shall be void and constitute a breach of this Franchise Agreement. Our consent to a Transfer shall not constitute a waiver of

any claims we may have against you or the Owners, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the Franchise Agreement by the transferee.

16.2 Our Right of First Refusal

If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, must obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 21 days after receipt of the offer to decide whether we will purchase the Franchised Business (our “Right of First Refusal”). If we notify you that we intend to purchase the Franchised Business within such 21-day period, you or the Owner, as applicable, must sell the Franchised Business to us on the same terms as contained in the offer you received; provided that we may substitute cash for any non-cash form of payment proposed in the offer.

We will have at least an additional 30 days to conduct a due diligence review and to prepare for closing. You agree to provide us with all information and records we request about the Franchised Business, and we will have the absolute right to terminate the obligation to purchase the Franchised Business for any reason during the due diligence period. You and we will act in good faith to agree on the terms and conditions of the written offer, and closing will take place on the 61st day following receipt of your offer. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you as the seller of the assets or the Owner as the seller of the ownership interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of this Section (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the Right of First Refusal specified in this Section. If, after submitting the bona-fide, signed written offer, there is any change in the sale terms from the offer that you submitted to us in accordance with this Section then you acknowledge and agree that our Right of First Refusal will restart and you must submit us the new written offer and you further agree that cannot complete the Transfer until you have done so.

Our Right of First Refusal is fully transferable by us to any affiliate or third party.

16.3 Transfer Conditions

We will not unreasonably withhold our approval of any proposed Transfer; provided that the following conditions are all satisfied (“Transfer Conditions”):

16.3.1 Written Notice. You have provided us with written notice of the proposed Transfer at least 45 days before the transaction. You must also submit a copy of the proposed purchase agreement together with all supporting documents and schedules between you and the proposed transferee to us for our review to ensure that the Transfer does not violate any term of this Franchise Agreement.

16.3.2 Qualified Transferee. The proposed transferee is, in our opinion, an individual of good moral character with sufficient business experience, aptitude and financial resources to own and operate a Franchised Business and otherwise meets all of our then-applicable standards for franchisees and the purchase price and terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or threaten the future operation of the Franchised Business.

16.3.3 Monetary Obligations. All of your monetary obligations to us and our affiliates have been paid in full and you and the Owners are in full compliance with the terms of this Franchise Agreement and all other agreements with us or our affiliate(s) and have cured all existing defaults of this Franchise Agreement.

16.3.4 Training. The transferee has (or if the transferee is an Entity, its approved Designated Owner and any Designated Manager have) successfully completed, or made arrangements to attend, the initial training program (and the transferee has paid us the training fee for each new person who must attend training).

16.3.5 Licenses and Permits. The transferee and its owners, to the extent necessary, have obtained all licenses and permits required by applicable law to own and operate the Franchised Business.

16.3.6 New Franchise Agreement. You must request that the transferee be provided with our then-current form of franchise disclosure document. You agree that we will not be liable for any representations that you or your Owners make that are inconsistent with such franchise disclosure document. The transferee and its owners sign our then-current form of franchise agreement and related documents, including, but not limited to, our then-current form of Franchise Owner Agreement or other guaranty (unless we, in our sole discretion, instruct you to assign this Franchise Agreement to the transferee), except that: (i) the Term and successor term(s) shall be the Term and successor term(s) remaining under this Franchise Agreement; and (ii) the transferee does not need to pay a separate initial franchise fee.

16.3.7 Transfer Fee. You pay us a transfer fee of \$12,500 (“Transfer Fee”). You will pay the Transfer Fee to us as follows: (i) \$1,000 non-refundable deposit at the time of your transfer application request; and (ii) the remaining balance shall be due at or before the time you consummate the approved Transfer.

16.3.8 General Release. You and each of your Owners sign a general release in the form we prescribe for all known and unknown claims against us, our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, arising before or contemporaneously with the Transfer. If the proposed transferee has any previous relationship with us or our affiliates, then the proposed transferee must also execute a general release.

16.3.9 Right of First Refusal. We do not elect to exercise our Right of First Refusal.

16.3.10 Subordination. We may, in our sole discretion, require you to enter into an agreement with us to subordinate the transferee’s obligations to you to the transferee’s financial obligations owed to us under the Franchise Agreement.

16.3.11 Broker Costs. You must pay any broker costs, commissions or other placement fees we incur as a result of the Transfer.

16.3.12 Approved Location. Your landlord consents to your assignment of the lease for the Approved Location to the transferee, or the transferee is diligently pursuing an approved substitute location within the Territory.

16.3.13 Remodel. You must remodel your Approved Location to comply with our then-current standards and specifications, or you obtain a written commitment from the transferee to do so.

16.3.14 Other Conditions. You and each of your Owners agree to comply with all obligations that survive the termination, expiration or Transfer of this Franchise Agreement. The transfer must be made in compliance with any laws that apply to the transfer including all laws governing the offer and sale of franchises. You or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

16.4 Transfer to an Entity

If you entered into this Franchise Agreement as one or more individual(s), you may transfer your ownership interests to an Entity provided that: (i) the Owner or Owners of the Entity are the same persons who signed this Franchise Agreement and (ii) you comply with the Transfer Conditions. Our Right of First Refusal will not apply for a Transfer conducted under this Section. You will not be required to pay a Transfer Fee for a Transfer conducted under this Section, but if such transfers more than 6 months after the Effective Date, you will pay us a \$250 administrative fee. In lieu of entering into a new Franchise Agreement, you will be required to enter into any required documentation, which may include an approval of transfer agreement, a general release of claims and a Franchise Owner Agreement in the forms we prescribe.

16.5 Death or Disability

Upon the death or disability of you (if you are an individual) or of an Owner (if you are an Entity), your interest in the Franchised Business or the Owner's ownership interest in you, as applicable, must be assigned to a third party or another Owner approved by us within 15 months of such person's death or disability, as the case may be. For purposes of this Section, a person is deemed to have a disability only if the person has a medical or mental illness, problem or incapacity that would prevent the person from substantially complying with his or her obligations under this Franchise Agreement or otherwise operating the Franchised Business in the manner required by this Franchise Agreement and the Confidential Operations Manual for a continuous period of at least 90 consecutive calendar days, and from which condition recovery within 90 days from the date of determination of disability is unlikely. If the parties disagree as to whether a person is disabled, the existence of disability will be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then (for the purpose of this Section) the person automatically will be considered disabled as of the date of refusal. Your (or the deceased Owner's) estate or legal representative must apply to us for the right to Transfer to the next of kin within 12 months after your or your Owner's death or disability. We may appoint an Interim Manager and charge you the Management Fee if the death or disability of you or any Owner has any impact on the Franchised Business.

17. INTELLECTUAL PROPERTY

17.1 Ownership and Use of Intellectual Property

For purposes of this Franchise Agreement, "Intellectual Property" means the Marks, our copyrighted materials, "Confidential Information" (defined below), the System and "Improvements" (defined below). You acknowledge that: (i) we, or our affiliates, if applicable, are the sole and exclusive owner of the Keyrenter Property Management Intellectual Property and the goodwill associated with the Marks; (ii) your right to use the Intellectual Property is derived solely from this Franchise Agreement; and (iii) your right to use the Intellectual Property is limited to a license granted by us to operate your Franchised Business during the Term pursuant to, and only in compliance with, this Franchise Agreement, the Confidential Operations Manual, and all applicable standards, specifications and operating procedures we prescribe from time to time. You may not use any of the Intellectual Property in connection with the sale of any unauthorized product or service, or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Confidential Operations Manual governing your use of the Intellectual Property. This Franchise Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property. You agree that during the Term of this Franchise Agreement and after its termination, expiration or Transfer you will not, directly or indirectly, contest our interest in the Intellectual Property.

For purposes of this Franchise Agreement, "Confidential Information" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of

a Franchised Business, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System, the Confidential Operations Manual, written directives and all drawings, equipment, computer and point of sale programs (and output from such programs), and any other information, know-how, techniques, material and data imparted or made available by us to you.

For purposes of this Franchise Agreement, “Improvements” means any improvements or additions to the System, marketing, method of operation, or the products or services offered by a Franchised Business.

17.2 Changes to Intellectual Property

We may modify the Intellectual Property at any time in our sole and absolute discretion, including by changing the Marks, the System, our copyrights or the Confidential Information. If we modify or discontinue use of any of the Intellectual Property, then you must comply with any such instructions from us within 10 business days, at your expense. We will not be liable to you for any expenses, losses or damages you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.

17.3 Use of Marks

You agree to use the Marks as the sole identification of your Franchised Business; provided, however, you must identify yourself as the independent owner of your Franchised Business in the manner we prescribe. You may not use any Marks in any modified form or as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you by this Franchise Agreement). You agree to: (i) prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate, and in the manner we prescribe to give notice of trade and service mark registrations and copyrights; and (ii) obtain any fictitious or assumed name registrations required under applicable law. You may not use the Marks in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation or in any manner that is likely to confuse or result in liability to us for any indebtedness or obligation of yours. You agree that any use of the Marks by you and your Franchised Business shall contribute and inure to our benefit.

Upon our request, you agree to display in a conspicuous location in your Approved Location, a sign containing a notice stating that your Franchised Business is owned and operated independently by you.

17.4 Use of Confidential Information

You acknowledge that you will use the Confidential Information only in operating the Franchised Business, and you will not disclose Confidential Information to others, except as expressly authorized by this Franchise Agreement. You will take all actions to preserve the confidentiality of all Confidential Information, including safeguarding access to the Confidential Operations Manual. You will not copy or permit copying of Confidential Information. Your obligations under this Section begin when you sign this Franchise Agreement and continue for trade secrets as long as they remain secret, and, for other Confidential Information, for as long as we continue to use the information in confidence (even if edited or revised) plus an additional three years afterwards. We will respond promptly and in good faith to any inquiry by you about continued protection of any Confidential Information.

All data you collect, create, provide or otherwise develop (including, but not limited to, customer information and customer lists) is (and will be) owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We license use of such data back to you, at no additional cost, solely for the Term of this Franchise Agreement and solely for your use in connection with

the Franchised Business. You agree to provide us with the information we reasonably require regarding data and cybersecurity requirements. You agree to indemnify us for any loss of data, including, but not limited to, customer information resulting from a breach of such data caused, in whole or in part, by you.

The restrictions on the disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; or (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Confidential Information to an attorney, and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed pursuant to a court order.

We do not make any representation or warranty that your use of the System and Confidential Information will not infringe on the patent, copyright or other proprietary rights of third parties. You agree that we will have no liability to you if the System and/or any Confidential Information is held not to be secret or confidential or in the event that any infringement of others' proprietary rights occurs because of your use of the System and Confidential Information.

17.5 Improvements

If you conceive of or develop any Improvements, you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You must obtain our approval before using any such Improvements. Any Improvement we approve may be used by us and any third parties we authorize to operate a Franchised Business, without any obligation to pay you royalties or other fees. You must assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses. In return, we will authorize you to use any Improvements we or other franchisees develop that we authorize for general use with the operation of a Franchised Business. These obligations shall survive the termination, expiration or Transfer of this Franchise Agreement.

17.6 Notification of Intellectual Property Issues

You must notify us as soon as possible, but no later than three business days of any: (i) apparent infringement of any of the Intellectual Property; (ii) challenge to your use of any of the Intellectual Property; or (iii) claim by any person of any rights in any of the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any such litigation, Patent and Trademark Office proceeding, or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property.

18. BRAND COVENANTS

18.1 Reason for Covenants

The covenants in this Section 18 shall be referred to as the "Brand Covenants."

You acknowledge that the System is distinctive and has been developed by us and/or our affiliates at great effort, time and expense, and that the Intellectual Property and the training and assistance we provide would not be acquired except through implementation of this Franchise Agreement. You also acknowledge that competition by you, the Owners, or persons associated with you or the Owners (including family

members) could jeopardize the entire System because you and the Owners have received an advantage through knowledge of our day-to-day operations and Confidential Information related to the System. Accordingly, you and the Owners agree to comply with the covenants described in this Section to protect the Intellectual Property and our System.

18.2 **Unfair Competition During the Term**

For purposes of this Franchise Agreement, “Competitive Business” means any business that provides or offers to provide services the same as or similar to the type of services sold by you, or the products the same as or similar to the type of products sold by you, but excludes a Franchised Business operating under a franchise agreement with us. A Competitive Business shall not include ownership of up to five percent (5%) of any publicly-held company or mutual fund that owns, operates, has an interest in, or controls any business that otherwise would meet the definition of a Competitive Business.

You agree not to compete with us during the Term by engaging in any of the following activities (“Prohibited Activities”): (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in any Competitive Business; (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (iii) inducing any customer of ours (or of one of our affiliates’ or franchisees’) to transfer their business to you or to any other person that is not then a franchisee of ours.

18.3 **Unfair Competition After the Term**

For purposes of this Section, the “Restricted Period” means a period of 2 years after the termination, expiration or Transfer of this Franchise Agreement. For purposes of this Section, the “Restricted Territory” means the geographic area within: (i) a 50-mile radius of the Approved Location, and including the Approved Location; and (ii) a 50-mile radius from all other Approved Location that are operating or under development as of the date of the termination, expiration or Transfer of this Franchise Agreement.

During the Restricted Period, you agree that you will not engage in any Prohibited Activities within the Restricted Territory and that you will cause each of your Owners to not engage in any Prohibited Activities within the Restricted Territory. If you or any Owner engages in a Prohibited Activity within the Restricted Territory during the Restricted Period, then the Restricted Period applicable to you (and applicable to each non-compliant Owner under the Franchise Owner Agreement) will be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

18.4 **Employees and Others**

Any Designated Manager and, if you are an Entity, any officer that does not own equity in you must sign our current System Protection Agreement. You must ensure that all of your employees, officers, directors, partners, members, independent contractors, and other persons associated with you or your Franchised Business who may have access to our Confidential Information, and who are not required to sign a System Protection Agreement, sign the Confidentiality Agreement before having access to our Confidential Information. You must use your best efforts to ensure these individuals comply with the terms of the Confidentiality Agreements and System Protection Agreements, and you must immediately notify us of any breach that comes to your attention. You agree to reimburse us for all expenses we incur in enforcing a Confidentiality Agreement or System Protection Agreement, including reasonable attorney fees and court costs.

18.5 Covenants Reasonable

The parties agree that the Brand Covenants will be construed as independent of any other covenant or provision of this Franchise Agreement. It is the parties' intent that the provisions of this Section be judicially enforced to the fullest extent permissible under applicable law. If all or any portion of any Brand Covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, you agree to be bound by any lesser covenant subsumed within the terms of such Brand Covenant that imposes the maximum duty permitted by law, as if the resulting Brand Covenant were separately stated in and made a part of this Section. Accordingly, the parties agree that any reduction in scope or modification of any part of the non-competition provisions contained herein shall not render any other part unenforceable. You acknowledge and agree that: (i) the terms of this Franchise Agreement are reasonable both in time and in scope of geographic area; (ii) our use and enforcement of covenants similar to those described above with respect to other Keyrenter Property Management franchisees benefits you and the Owners because it prevents others from unfairly competing with your Franchised Business; and (iii) you and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Franchise Agreement. You hereby waive any right to challenge the terms of the Brand Covenants as being overly broad, unreasonable or otherwise unenforceable.

We have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any Brand Covenant without your consent (before or after any dispute arises), effective when we give you written notice of this reduction and you agree to comply with any covenant as so modified.

18.6 Breach of Covenants

You agree that failure to comply with the terms of Brand Covenants will cause substantial and irreparable damage to us and/or other Keyrenter Property Management franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Section 18 will entitle us to injunctive relief. We may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). Notwithstanding the foregoing, if a court requires the filing of a bond, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us, at law or in equity, under this Franchise Agreement are mutually exclusive, and may be combined with others, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense or cause of action you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of the Brand Covenants.

18.7 Non-Disparagement

You agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns, not to) disparage or otherwise speak or write negatively, directly, or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives or affiliates, current and former franchisees of us or our affiliates, the Keyrenter Property Management brand, the System, any Keyrenter Property Management business, any business using the Marks, any other brand or service-marked or trademarked concept of us or our affiliates, or which would subject the Keyrenter Property Management brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us, the Keyrenter Property Management brand, or such other brands.

19. INSURANCE

Within 120 days of the Effective Date, you will obtain insurance in the types and amounts specified in this Section. You will maintain all required insurance in force during the Term of this Franchise Agreement, and you will obtain and maintain any additional or substituted insurance coverage, limits and amounts as we may periodically require. Your compliance with these insurance provisions does not relieve you of any liability under any indemnity provisions of this Franchise Agreement.

We currently require you to maintain the following insurance coverages: (1) “all risk” property insurance coverage for assets of the Franchised Business and adequate business interruption insurance; (2) workers’ compensation insurance and employer liability coverage with a minimum limit of \$100,000 or higher if your state law requires; (3) comprehensive general liability insurance with a minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate or higher if your state law requires; (4) errors and omissions insurance (E&O) professional liability insurance coverage of at least \$1,000,000 or as necessary to meet licensing regulations; (5) automobile liability insurance of at least \$1,000,000 (or higher if your state law requires) for any vehicles used for business purposes; and (6) insurance coverage for contractual indemnity (if E&O insurance does not cover contractual indemnity).

Our insurance requirements are subject to change during the Term of this Franchise Agreement, and you agree to comply with each such change. You agree to provide us a copy of your Certificate of Insurance or other proof of coverage before opening, within ten days of any renewal of a policy, and at any other time on demand. You agree to obtain these insurance policies from insurance carriers rated “A” or better by A.M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Franchised Business. All insurance policies (except for employment liability insurance policies) must be endorsed to: (i) name us, any affiliate we require, and our members, officers, directors and employees as additional insureds (“Additional Insureds”); (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive 30-days’ prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet these criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. Upon ten days’ notice to you, we may increase the minimum protection requirement as of the renewal date of any policy and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards, or other relevant changes in circumstances.

If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Franchise Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within ten days after invoicing, all costs and premiums we incur, plus a twenty percent (20%) administrative surcharge.

20. REPORTING REQUIREMENTS

20.1 Books and Records

You agree to record all transactions and Gross Revenue of your Franchised Business in the manner we specify. You agree to prepare and maintain for at least seven years after their preparation, complete and accurate books, records, accounts and tax returns pertaining to your Franchised Business including a list of all customers that your Franchised Business does business with and all contracts that your Franchised Business enters into. You must send us copies of your books, records, customer data and contracts within five days of our request. This obligation survives the expiration, termination or Transfer of this Franchise Agreement.

20.2 Reports

You will prepare and submit other reports and information about your operations as we may request in writing or as required by the Confidential Operations Manual. You will submit all required reports in the formats and by the due dates specified in the Confidential Operations Manual. We may modify the deadline days and times for submission of all reports. If you do not submit any report by the due date, we will debit your Franchise Account a late fee of \$100 per occurrence and \$100 per week until you submit the required report. We may require, in our sole discretion, that certain reports be certified as accurate and complete by you, your owners or your chief financial officer, and that they be submitted in certain methods or formats. If requested by us, your profit and loss statements and balance sheets must be certified by a certified public accountant at your expense. You must also make your certified public accountant available and cover the cost for him or her to consult with us concerning these statements and balance sheets.

20.3 Financial and Tax Statements

You will deliver a balance sheet, profit and loss statement, statement of cash flows and explanatory footnotes prepared under generally accepted accounting principles applied on a consistent basis (“Financial Statements”) to us within the time period required by the Confidential Operations Manual. You must also prepare annual Financial Statements within 30 days of the end of your fiscal year. All Financial Statements must be in the form specified by us and must conform to our standard chart of accounts as prescribed by us. We have the right to use such Financial Statements in our franchise disclosure document to make financial performance representations and to share these reports on a system-wide intranet or other similar means.

You must also provide us with complete signed copies of all state sales tax returns and state and federal income tax returns covering the operation of the Franchised Business within 30 days of filing. If you do not submit the Financial Statements or tax returns to us by the deadline, you will be required to pay a late fee of \$100 per occurrence and \$100 per week until you submit required Financial Statements or tax returns.

20.4 Legal Compliance

You must secure and maintain in force all required licenses, permits and regulatory approvals for the operation of your Franchised Business, and operate and manage your Franchised Business in full compliance with all applicable laws, ordinances, rules and regulations. You are solely responsible for complying with all federal, state and local tax laws, agree to timely pay all applicable federal, state and local taxes, and timely file all returns, notices and other forms required to comply with all federal, state and local tax laws in connection with the operation of the Franchised Business. It is your responsibility to make sure that you comply with all laws that are applicable to the Technology.

You must notify us in writing within five days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Franchised Business or your financial condition. You must immediately deliver to us a copy of any inspection report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects a claim you have failed to fully comply with the law, rule or regulation.

You agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you certify, represent and warrant that none of your property or interests is subject to being blocked under, and that you and the owners otherwise are not in violation of, any of the Anti-Terrorism Laws. “Anti-Terrorism Laws” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, rules, regulations, policies, lists and other requirements

of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or the Owners, or any blocking of your or the Owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Franchise Agreement.

21. INSPECTION AND AUDIT

21.1 Inspections

To ensure compliance with this Franchise Agreement, we or our representatives will have the right to enter your Approved Location, evaluate your Franchised Business operations, and inspect or examine your books, records, accounts and tax returns. We may also interview personnel and customers of the Franchised Business. Our evaluation may include observing or participating during business hours. We may conduct our evaluation at any time and without prior notice. During the course of our inspections, we and our representatives will use reasonable efforts to minimize our interference with the operation of your Franchised Business, and you, your employees and independent contractors will cooperate and not interfere with our inspection. You consent to us accessing your Technology and retrieving any information we deem appropriate in conducting the inspection.

If any such inspection indicates any deficiency or unsatisfactory condition, including quality, cleanliness, service, health and authorized product line, we will notify you in writing of your noncompliance with the System, Confidential Operations Manual, or this Franchise Agreement and you shall promptly correct or repair such deficiency or unsatisfactory condition. In addition, if you fail any food safety inspection, cleanliness inspection or other inspection or audit that we or our designee, any public health and safety agency conducts, you will be required to undergo an additional inspection or audit at your sole expense. You agree to reimburse us or the third-party auditor directly upon invoicing. We may require you to take, and you agree to take, immediate corrective action, which action may include temporarily closing the Franchised Business.

21.2 Audit

We have the right, at any time, to have an independent audit made of the books and financial records of your Franchised Business. You agree to fully cooperate with us and any third parties we hire to conduct the audit. Any audit will be performed at our cost and expense. However, you agree to reimburse us for the cost of the audit and inspection, including reasonable accounting, legal, travel and lodging expenses if the audit: (i) is necessitated by your failure to provide the information requested or to preserve records, or file reports as required by this Franchise Agreement; (ii) is necessitated by our determination during a quality assurance check that there are signs of mismanagement of your trust accounts; or (iii) reveals an understatement of any amount due to us by at least three percent (3%) in any week, in which case you must also pay any amount owed to us, including any related expenses and Late Fees. The audit cost reimbursements will be due ten days after invoicing. Accepting reimbursements for our audit costs does not waive our right to terminate this Franchise Agreement.

22. INDEMNITY

22.1 Your Indemnification of Us

Independent of your obligation to procure and maintain insurance, you and your Owners will indemnify, defend and hold us and our affiliates, the respective officers, directors, managers, partners, shareholders, members, employees, agents and contractors of these entities, and the successors, assigns, personal representatives, heirs and legatees of all of these persons or entities (collectively, the "Indemnified Parties") harmless, to the fullest extent permitted by law, from and against all expenses, losses, payments

or obligations to make payments either (i) to or for third party claimants by any and all Indemnified Parties, including refunds, or (ii) incurred by any and all Indemnified Parties to investigate, take action, respond to or defend a matter, including investigation and trial charges, costs and expenses, fees, fees paid to professionals, attorney fees, experts' fees, court costs, settlement amounts, judgments and costs of collection (collectively, "Losses and Expenses"), incurred by any Indemnified Parties for any investigation, claim, action, suit, demand, administrative or alternative dispute resolution proceeding, actually or allegedly, directly or indirectly, relating to, arising out of, or resulting from or in connection with: any transaction, occurrence, product or service involving the Franchised Business or this Franchise Agreement; your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees; your marketing, selling, or providing of items and services; and any breach of violation of any agreement (including this Franchise Agreement), or any law, regulation or ruling, by any act, error or omission (active or passive) of you, any party associated with you, or any of your or your affiliates' owners, officers, directors, managers, employees, owners and agents, including when any of the Indemnified Parties is alleged or proven to be negligent.

You agree to give us notice of any action, suit, proceeding, claim, demand, inquiry or investigation described above. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into an agreement to settle such claim. You may participate in such defense at your own expense. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such claim, including court costs and reasonable attorney fees, within ten days of the date of each invoice delivered by such Indemnified Party to you enumerating such costs, expenses and attorney fees. You agree that your indemnification obligations under this Section 22.1 shall expressly survive the termination, expiration, non-renewal or Transfer of this Franchise Agreement.

22.2 Our Indemnification of You

Provided that you are not in default under this Franchise Agreement or any other agreement with us, we will indemnify you and hold you harmless for, from and against any and all costs and expenses incurred by you as a result of or in connection with any claim asserted against you based upon the violation of any third party's intellectual property rights caused by your use of our Marks in strict compliance with the terms of this Franchise Agreement and Confidential Operations Manual. You must promptly notify us of any such claim and fully cooperate with us in the defense of such claim. This indemnification shall not include your expenses of removing signage or discontinuance of the use of the Marks. This indemnification shall not apply to litigation between us and you where your use of the Marks is disputed or challenged by us. This indemnification shall not apply to any separate legal fees or costs incurred by you in seeking independent counsel separate from the counsel representing us and you in the event of litigation disputing our or your use of the Marks.

23. TERMINATION BY YOU

You may terminate this Franchise Agreement if you are in full compliance and we breach this Franchise Agreement and fail to cure the breach within 60 days after you send us a written notice specifying the nature of the breach. You may also terminate this Franchise Agreement if you and we mutually agree, in our sole discretion, which may be withheld, in writing to terminate this Franchise Agreement. In such an event, you and we will be deemed to have waived any required notice period. If you terminate this Franchise Agreement, you must still comply with your post-termination obligations described below and all other obligations that survive the expiration or termination of this Franchise Agreement.

24. TERMINATION BY US

The rights to terminate the Franchise Agreement in this Section shall be referred to as our “Termination Rights.”

24.1 Automatic Termination Without Notice

You shall be in default under this Franchise Agreement, and we may automatically terminate all rights granted to you by this Franchise Agreement without notice (each of which shall constitute a material event of default under this Franchise Agreement) if (i) you file or cause to be filed a petition in bankruptcy or you are adjudicated bankrupt or judicially determined to be insolvent (subject to any contrary provisions of any applicable state or federal laws); or (ii) you admit to your inability to meet your financial obligations as they become due, or make a disposition for the benefit of its creditors (unless prohibited by law); or (iii) a receiver or custodian (permanent or temporary) is appointed for any of your assets or property; or (iv) a final judgment in excess of \$10,000 against you remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment), except that we may provide you with additional time to satisfy the judgment if you demonstrate that you are using commercially reasonable efforts to resolve the issues related to the judgment.

24.2 Option to Terminate Without Opportunity to Cure

We may, in our sole discretion, terminate this Franchise Agreement immediately upon written notice to you, without opportunity to cure, upon the occurrence of any of the following events, each of which constitute material events of default under this Franchise Agreement.

24.2.1 Failure to Open. If you fail to select an Approved Location or open your Franchised Business within the time periods required.

24.2.2 Material Misrepresentation. If you or any Owner commits any fraud or makes any material misrepresentation to us, whether occurring before or after the Effective Date.

24.2.3 Violation of Law. If you fail, for a period of 10 days after having received notification of noncompliance from us or any governmental or quasi-governmental agency or authority, to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business, including those related to the handling of trust accounts.

24.2.4 Criminal Offense. If you or any of your Owners, officers, directors, or key employees is convicted of or pleads guilty or nolo contendere to a felony or any other crime or offense that is reasonably likely, in our sole opinion, to adversely affect our reputation, the System, or the Marks. If the crime or offense is committed by an Owner other than a Designated Owner, then we may, in our sole discretion, terminate if such Owner fails to sell its ownership interest in the Entity to any of the other Owners within 30 days after the conviction or guilty plea, whichever occurs first.

24.2.5 Under-Reporting. If an audit or investigation discloses that you have knowingly maintained false books or records, or submitted false reports to us, or knowingly understated its Gross Revenue or withheld the reporting of same, or, if, on two or more occasions during the Term, any audits or other investigations reveals an under-reporting or under-recording error of three percent (3%) or more, or on any single occasion any audit or other investigation reveals an under-reporting or under-recording of five percent (5%) or more.

24.2.6 Intellectual Property Misuse. If you misuse or make any unauthorized use of the Marks, make any unauthorized disclosure of Confidential Information, or otherwise impair the goodwill of our

rights, or you take any action which reflects and unfavorably upon the operation and reputation of the Franchised Business, the System, or the Keyrenter Property Management brand generally. If your employees or independent contractors engage in any of the same actions described above, unless you shall have exercised your best efforts to prevent such disclosures or use.

24.2.7 Health or Safety Violations. If you manage or operate your Franchised Business in a manner that presents a health or safety hazard to your customers, employees or the public.

24.2.8 Abandonment. If you abandon or fail to operate your Franchised Business for five consecutive days unless you had received our prior written authorization to do so.

24.2.9 Failure to Pay. If you fail to pay any amount owed to us or an affiliate of ours within five days after receipt of a demand for payment.

24.2.10 Unauthorized Transfer. If you attempt to sell, Transfer, encumber or otherwise dispose of any interest in you, this Franchise Agreement or the Franchised Business in violation of Section 16 of this Franchise Agreement.

24.2.11 Brand Covenants. If you or any of your Owners violates any of the Brand Covenants.

24.2.12 License/Permits. If a regulatory authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Franchised Business, including any required real estate licenses, even if you or the Owner still maintain appeal rights.

24.2.13 Failure to Complete Initial Training. If you or any required attendee fails to attend and complete the initial training program within the time period prescribed in this Franchise Agreement.

24.2.14 Repeated Defaults. If you commit a default of any obligation under this Franchise Agreement and have previously received two or more written notices of default from us within the preceding 12 months, regardless of whether any default is cured.

24.2.15 Cross Default. If we terminate any other agreement between you and us, or if any affiliate of ours terminates any agreement between you and the affiliate because of your default.

24.2.16 Failure to Sign. If you fail to have any Owner or other holder of legal or beneficial interest in you (and their spouses), and any officer, director, executive, manager or member of the professional staff and all employees of yours, fully execute the Franchise Owner Agreement, System Protection Agreement, or Confidentiality Agreement, as appropriate.

24.2.17 Failure to Maintain Insurance. If you fail to obtain or maintain required insurance coverages within ten days after receipt of a demand to obtain or re-obtain coverage.

24.2.18 Franchise Owner Agreement Default. If any Owner, or the spouse of any Owner, breaches a Franchise Owner Agreement.

24.2.19 Approved Location Issues. If: (i) if you fail to secure a fully executed lease within the time period required; or (ii) the Approved Location or your assets are seized, taken over or foreclosed by a government official in the exercise of its duties, or by a creditor or lienholder provided that a final judgment against you remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or (iii) a levy of execution of attachment has been made upon the license granted by this Franchise Agreement or upon any property used in the Approved Location, and it is not discharged within five days of such levy

or attachment; or (iv) you permit a mechanics lien to be recorded against the Approved Location or any equipment at the Approved Location which is not released within 60 days, or if any person commences any action to foreclose on the Approved Location or said equipment; or (v) a condemnation or transfer in lieu of condemnation has occurred; or (vi) if you default under the lease for your Approved Location and you do not cure the default within the cure period set forth by the landlord or your lease is otherwise terminated due to your default.

24.2.20 Failure to Meet Performance Requirements. If you fail to meet or exceed your Minimum Performance Requirements set forth in Section 13.13 of this Franchise Agreement.

24.3 Termination with Notice and Opportunity to Cure

In addition to our Termination Rights, we may, in our sole discretion, terminate this Franchise Agreement upon 30 days' written notice if you or an Owner fails to comply with any other provision of this Franchise Agreement (including failure to comply with any provision in the Confidential Operations Manual) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period, each of which shall constitute material events of default under this Franchise Agreement. If we deliver a notice of default to you pursuant to this Section, we may suspend performance of any of our obligations under this Franchise Agreement until you fully cure the breach.

25. LIQUIDATED DAMAGES

Upon termination of this Franchise Agreement: (i) by us due to your default of this Franchise Agreement; or (ii) following your purported termination without cause, you agree to pay to us, within 15 days after the effective date of this Franchise Agreement's termination, in addition to any other amounts owed under this Franchise Agreement, liquidated damages equal to the average monthly Royalties and Brand Development Fund Contributions you owed during the total months of operation preceding the effective date of termination multiplied by: (i) 36; or (ii) the number of months remaining in this Franchise Agreement had it not been terminated, whichever is less, but in no case will such damages be less than \$30,000.

You and we acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Franchise Agreement's termination and the loss of cash flow from Royalties and Brand Development Fund Contributions due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalties and Brand Development Fund Contributions would have grown over what would have been this Franchise Agreement's remaining Term. You and we consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalties and Brand Development Fund Contributions. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Franchise Agreement other than the Royalty payments and Brand Development Fund Contributions. You agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Franchise Agreement other than the payment of Royalties and Brand Development Fund Contributions.

26. POST TERM OBLIGATIONS

The obligations contained in this Section shall be referred to as your "Post Term Obligations." After the termination, expiration or Transfer of this Franchise Agreement, you agree to undertake each and every one of the obligations listed in this Section.

26.1 Cease Operations

Immediately cease to be a franchise owner of the Franchised Business under this Franchise Agreement and cease to operate the Franchised Business under the System. You agree to not hold yourself out to the public as a present or former franchise owner of the Franchised Business.

26.2 Intellectual Property

Immediately cease to use the Intellectual Property in any manner whatsoever and not use any trademarks or trade names that may be confusingly similar to the Intellectual Property. Without limiting the generality of anything else contained herein, to the extent any fictitious or assumed name contains any Marks or portion of the Marks, you agree to transfer such name to us or our assignee, if permitted under applicable law, and otherwise to cancel such name. You acknowledge and agree that any continued use of the Marks would constitute trademark infringement.

26.3 Monetary Obligations

Pay us all amounts you owe us and our affiliates.

26.4 Surviving Covenants

Comply with all covenants described in this Section and otherwise in this Franchise Agreement that apply after the expiration, termination or Transfer of this Franchise Agreement or of an ownership interest by an Owner.

26.5 Branded Items

Return all copies of the Confidential Operations Manual, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms and any other materials bearing or containing any of the Marks, our copyrights or other identification relating to a Franchised Business, unless we allow you to Transfer such items to an approved transferee.

26.6 Technology and Data

Return all copies of any software we license to you (and delete all such software from your computer memory and storage), provide us the then-current customer list and contracts that your Franchised Business has entered into and transfer all login information and data from any Technology, social media accounts and email addresses from your Franchised Business.

26.7 Entity Name

Ensure that any names or registrations related to your use of the Marks are canceled.

26.8 Identifiers and Advertisements

Immediately stop using all telephone numbers, advertisements, domain names and social media accounts associated with the Franchised Business. Notify all telephone companies, listing agencies, social media companies and domain name registration companies (collectively, the “Agencies”) of the termination or expiration of your right to use the following, and immediately transfer to us: (A) the telephone numbers, accounts and/or domain names, if applicable, related to the operation of your Franchised Business; and (B) any online listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate

as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so).

26.9 Modifications

Remove all trade dress, equipment, software and property owned by us and make such modifications and alterations to the Approved Location that are necessary or that we require to prevent any association between us or the System and any business subsequently operated by you or any third party using any of the inventory, Approved Location I vehicles, or equipment used in the operation of the Franchised Business; provided, however, that this subsection shall not apply if your Franchised Business is transferred to an approved transferee or if we exercise our right to purchase your entire Franchised Business. If you fail to do so, you must pay us any expenses we incur to de-identify your Approved Location.

26.10 Customers

At our instruction, you will transfer the property management accounts, trust accounts, and other accounts used in the Franchised Business to us or our designee, so that they may be reassigned to another Keyrenter business or other licensed broker. We may contact customers of your Franchised Business and offer such customers continued rights to use one or more Keyrenter Property Management franchises on such terms and conditions we deem appropriate, which in no event will include assumption of any then-existing liability arising or relating to those customers or act or failure to act by you or your Franchised Business.

26.11 Compliance Evidence

Provide us with written satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Franchise Agreement.

27. RIGHT TO PURCHASE

27.1 Generally

Upon the expiration or termination of this Franchise Agreement for any reason, we will have the right but not the obligation to purchase from you some or all of the assets used in the Franchised Business (“Acquired Assets”). We may exercise our option to begin this process by giving written notice to you at any time following expiration or termination up until 30 days after the later of: (a) the effective date of expiration or termination; or (b) the date you cease operating the Franchised Business (the “Specified Date”). We have the right to inspect the assets used in the Franchised Business in order to determine which we wish to acquire and any refusal by you to cooperate with our right to inspect will extend the Specified Date by an equal period. The term “Acquired Assets” means, without limitation, equipment, furnishings, fixtures, signs and inventory (non-perishable products, materials and supplies) used in the Franchised Business, all licenses necessary to operate the Franchised Business (if transferable) and the real estate fee simple or the lease or sublease for the Approved Location. As described in this Agreement, various assets, including telephone numbers, customer information and customer lists are owned by us and accordingly are not included within the definition of “Acquired Assets” and must be returned to us without charge upon expiration or termination. You may not sell the information or lists to a third party. We will be entitled to have the provisions in this Section enforced by a court of competent jurisdiction should you fail to meet your obligations. We will have the unrestricted right to assign this option to purchase the Acquired Assets. We or our assignee will be entitled to all customary representations and warranties, including that the Acquired Assets are free and clear (or, if not, accurate and complete disclosure) as to: (1) ownership, condition and title; (2) liens and encumbrances; (3) environmental and hazardous substances; and (4)

validity of contracts and liabilities inuring to us or affecting the Acquired Assets, whether contingent or otherwise.

27.2 Purchase Price

The purchase price for the Acquired Assets (“Purchase Price”) will be their fair market value (or, for leased assets, the fair market value of the lease), determined as of the Specified Date in a manner that accounts for reasonable depreciation and condition of the Acquired Assets; provided, however, that the Purchase Price will take into account the termination of this Franchise Agreement. The Purchase Price for the Acquired Assets will not factor in the value of any trademark, service mark, or other commercial symbol used in connection with the operation of the Franchised Business, nor any goodwill or “going concern” value for the Franchised Business. We may exclude from the Acquired Assets purchased in accordance with this Section any equipment, furnishings, fixtures, signs, and inventory that are not accepted as meeting then-current standards for a Franchised Business or for which you cannot deliver a Bill of Sale in a form satisfactory to us.

If you and we cannot agree upon a fair market value, we shall appoint an independent, third-party appraiser with experience appraising businesses comparable to your Franchised Business in the United States (“Qualified Appraiser”) within 30 days after the Specified Date. We shall pay for 50% of the cost of this Qualified Appraiser, and you shall pay the other 50% of the cost.

The Qualified Appraiser shall appraise the Acquired Assets as described above (“Appraised Value”). If you agree with the Appraised Value, the Appraised Value shall be the Purchase Price. If you disagree with the Appraised Value, upon written notice to us, you may hire an additional Qualified Appraiser at your expense. In such situation, the Qualified Appraiser chosen by you shall appraise the Acquired Assets at fair market value determined as described above. The average of the two values provided by the Qualified Appraisers shall be the Purchase Price.

27.3 Access to Franchised Business

The Qualified Appraiser will be given full access to the Franchised Business, the Approved Location and your books and records during customary business hours to conduct the appraisal and will value the leasehold improvements, equipment, furnishings, fixtures, signs and inventory in accordance with the standards of this Section.

27.4 Exercise of Option; Operation

Within 10 days after the Purchase Price has been determined, we may fully exercise our option to purchase the Acquired Assets by notifying you of our decision in writing (“Purchase Notice”). The Purchase Price will be paid in cash or cash equivalents at the closing of the purchase (“Closing”), which will take place no later than 60 days after the date of the Purchase Notice. From the date of the Purchase Notice until Closing, you will operate the Franchised Business and maintain the Acquired Assets in the usual and ordinary course of business and maintain in full force all insurance policies required under this Franchise Agreement. During such time, we may exercise Step-in Rights, and be entitled to the Management Fee. Alternatively, we may require you to close the Franchised Business during that time period without removing any Acquired Assets from the Franchised Business.

27.5 Due Diligence

For a period of 30 days after the date of the Purchase Notice (“Due Diligence Period”), we will have the right to conduct such investigations as we deem necessary and appropriate. You will grant us and our representatives access to the Franchised Business and the Approved Location at all reasonable times for the

purpose of conducting inspections of the Acquired Assets; provided that such access does not unreasonably interfere with your operations of the Franchised Business.

Prior to the end of the Due Diligence Period, we will notify you in writing of any objections that we have to any finding disclosed in any title to lien search, survey, environmental assessment or inspection. If you cannot or elect not to correct any such title defect, environmental objection or defect in the working condition of the Acquired Assets, we will have the option to either accept the condition of the Acquired Assets as they exist or rescind our option to purchase on or before the Closing.

27.6 Closing

We will have the right to set off against and reduce the Purchase Price by any and all amounts owed by you to us or our affiliates, and the amount of any encumbrances or liens against the Acquired Assets or any obligations assumed by us. If you cannot deliver clear title to all of the purchased Acquired Assets as indicated in this Section, or if there are other unresolved issues, the Closing will be accomplished through an escrow.

28. DISPUTE RESOLUTION

28.1 Internal Dispute Resolution

You will notify us within one hundred and eighty (180) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages. You must first bring any claim to us to resolve the dispute internally, before you may bring your claim before a third party.

28.2 Mediation Requirement

Except for any “Litigation Exceptions” as defined below, without limiting our Termination Rights, all claims or disputes between you and us or our affiliates arising out of, or in any way relating to, this Franchise Agreement, or any of the parties’ respective rights and obligations arising out of this Franchise Agreement, shall be submitted first to non-binding mediation (“Required Mediation”) prior to a hearing in binding arbitration. Before commencing any mediation against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. Such mediation shall take place in the city closest to our principal place of business (currently Midvale, Utah) under the auspices of the American Arbitration Association (“AAA”), or other mediation service acceptable to us in our sole discretion, in accordance with AAA’s Commercial Mediation Procedures then in effect. You may not commence any action against us or our affiliates with respect to any such claim unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by AAA and the mediator’s fees. We reserve the right to specifically enforce our right to mediation.

28.3 Disputes Not Subject to Mediation

If any of the following exceptions occur, either party may immediately file a lawsuit in accordance with this Section without going through the Required Mediation (for purposes of this Franchise Agreement, the following shall be referred to as the “Litigation Exceptions”): (i) any action that involves an alleged breach of any Brand Covenant; (ii) any action petitioning specific performance to enforce your use of the Marks or the System or to prevent unauthorized duplication of the Marks or the System; (iii) any action for equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, or other relief in the nature of equity, including an action to enjoin an alleged violation or

harm (or imminent risk of violation or harm) to any of our rights in the Intellectual Property, our copyrighted works, Marks, the System, or in any of our specialized training, trade secrets, or other Confidential Information, brought at any time, including prior to or during any pending mediation or arbitration proceedings; (iv) any action seeking compliance with the Post Term Obligations; or (v) any action in ejectment or for possession of any interest in real or personal property.

28.4 Venue

All disputes and claims must be mediated, arbitrated and, if applicable, litigated in the principal city (and, if applicable, court) closest to our principal place of business (currently Midvale, Utah); provided that for claims brought under the Litigation Exceptions, we have the option to bring suit against you in any state or federal court within the jurisdiction where your Franchised Business is or was located, or where any of your owners lives. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Franchise Agreement, and the parties waive any objections that they would otherwise have in this regard. Each of the parties specifically waives any defense of inconvenient forum, and waives any bond, surety, or other security that might be required of any other party with respect to venue.

28.5 Fees and Costs

If you breach any term of this Franchise Agreement or any other agreement with us or an affiliate of ours, you agree to reimburse us for all reasonable attorneys' fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings.

If we or you must enforce this Franchise Agreement in an arbitration or judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable fees for accountants, attorneys, and expert witnesses, costs of investigations and proof of facts, court costs, travel and living expenses, and other dispute-related expenses.

If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has substantially prevailed over the other party using reasonable business and arbitrator's judgment. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding for such arbitration proceeding to take place, and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with this Section. If either party commences any legal action or proceeding in any court in contravention of the terms of this Section, that party shall pay all costs and expenses that the other party incurs in the action or proceeding, including, without limitation, costs and attorneys' fees as described in this Section.

28.6 Jury Trial and Class Action Waiver

WE AND YOU IRREVOCABLY WAIVE: (I) TRIAL BY JURY IN ANY PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRING SUIT; AND (II) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

28.7 Limitation of Actions and Waiver of Punitive Damages

We and you agree that any legal action of any kind by a party arising out of or relating to this Franchise Agreement or a default of this Franchise Agreement must be commenced within one (1) year from the occurrence of the facts giving rise to any such claim or action or such claim or action will be

barred provided, however, that the forgoing limitation shall not apply where required by applicable law, to the parties indemnification obligations under this Franchise Agreement or to the Litigation Exceptions. You and we, for yourselves, ourselves and on behalf of the Owners respectively, hereby waive to the fullest extent permitted by applicable law, any right to, or claim for, punitive or exemplary damages against the other, and agree that except to the extent provided to the contrary in this Franchise Agreement, in the event of a dispute you and we shall each be limited to recovering only the actual damages proven to be sustained any legal action of any kind.

28.8 Confidentiality

Except as required by applicable law, including the required disclosure in our franchise disclosure document, the entire mediation, arbitration or litigation proceedings and related documents are confidential. Except as necessary to enforce the decision of the arbitrator hereunder, all conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the arbitration by any of the parties, their agents, employees or representatives and by the arbitrator, are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness, or representative for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration.

28.9 Acknowledgment

The parties acknowledge that nothing herein shall delay or otherwise limit our Termination Rights. A notice or request for arbitration or mediation will have no effect on the status of any demand for performance or notice of termination under this Franchise Agreement.

28.10 Survival

We and you agree that the provisions of this Section shall apply during the Term of this Franchise Agreement and following the termination, expiration, Transfer or non-renewal of this Franchise Agreement. You agree to fully perform all obligations under this Franchise Agreement during the entire mediation, arbitration or litigation process.

29. SECURITY INTEREST

You grant to us a security interest (“Security Interest”) in all of the furniture, fixtures, equipment, signage and real estate (including your interests under all real property and personal property leases and all improvements to real estate) of the Franchised Business, together with all similar property now owned or hereafter acquired, including additions, substitutions, replacements, proceeds and products thereof, wherever located, used in connection with the Franchised Business.

You are prohibited from granting a security interest in the Franchised Business or in any of your assets without our prior written consent, which shall not be unreasonably withheld. We may take a subordinate position in the security interest if a Small Business Administration-participating or third-party lender requires a first or senior lien, and the appropriate subordination documentation is executed by all parties. This security interest shall be security for any and all Royalties, damages, expenses or other sums owed to us hereunder and for any other amounts you owe to us. You agree to execute any documents, including but not limited to, a UCC-1 (or replacements or extensions for the UCC-1) that we reasonably believe to be necessary to perfect said security interest prior to the opening of the Franchised Business, and hereby appoint us as its attorney-in-fact for the purpose of executing such documents should you fail to do so. Except with respect to your sales of inventory in the ordinary course of business, you shall not sell, transfer, lease, sublease, assign, remove, waste, destroy, encumber or relocate any of the property described

herein as subject to our security interest. Further, you shall take no other action which interferes with our security interest in said property, unless and until we release our security interest in the same.

30. GENERAL PROVISIONS

30.1 Governing Law

Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Franchise Agreement and the franchise relationship shall be governed by the laws of the State Utah (without reference to its principles of conflicts of law), but any law of that State that regulate the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

30.2 Relationship of the Parties

You understand that you are an independent contractor and are not authorized to make any contract, agreement, warranty or representation or create any obligation on our behalf under this Franchise Agreement. You understand and agree that nothing in this Franchise Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as a franchisee of ours and the independent owner of your Franchised Business. You agree to place such other notices of independent ownership on such forms, stationery, advertising, business cards and other materials as we may require from time to time. Neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that our relationship is other than franchisor and franchisee. In addition, neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Franchise Agreement. You further agree that fulfillment of any and all of our obligations written in the Franchise Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

30.3 Severability and Substitution

Each section, subsection, term and provision of this Franchise Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Franchise Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Franchise Agreement. If a court concludes that any promise or covenant in this Franchise Agreement is unreasonable and unenforceable, including without limitation, the Brand Covenants: (i) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (ii) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable and consistent with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate your obligations under the Franchise Agreement to the fullest extent permitted by law), and you agree to be bound by the modified provisions.

30.4 Waivers

We and you may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall apply only to the specifically waived provisions and shall not affect any other rights we may have. We and you shall not be deemed to have waived or impaired any

right, power or option reserved by this Franchise Agreement (including the right to demand exact compliance with every term, condition and covenant in this Franchise Agreement, or to declare any breach of this Franchise Agreement to be a default, and to terminate the Franchise Agreement before the expiration of its Term) by virtue of: (i) any custom or practice of the parties that varies with the terms of this Franchise Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Franchise Agreement or to insist upon exact compliance by the other with its obligations under this Franchise Agreement, including any mandatory specification, standard or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other Keyrenter Property Management franchisees; or (iv) the acceptance by us of any payments due from you after breach of this Franchise Agreement.

30.5 Approvals

Whenever this Franchise Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Franchise Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have denied your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. Except where this Franchise Agreement states that we may not unreasonably withhold our approval or consent, we may withhold such approval or consent, in our sole discretion. You are not entitled to any other relief or damages for our denial of approval.

30.6 Force Majeure

No party shall be liable for any loss or damage that arises directly or indirectly through or as a result of any failure or delay in the fulfillment its obligations in whole or in part (other than the payment of money as may be owed by a party) under this Franchise Agreement where the delay or failure is due to “Force Majeure.” In the event of Force Majeure, the parties shall be relieved of their respective obligations only to the extent each party, respectively, is prevented or delayed in performing its obligations during the period of Force Majeure. As used in this Franchise Agreement, the term “Force Majeure” shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond the party’s control and cannot be overcome by use of normal commercial measures. The party whose performance is affected by an event of Force Majeure shall give prompt notice of such event to the other party, which in no case shall be more than 48 hours after the event, and provide them with the information regarding the nature of the event and its estimated duration. The affected party will provide the other party with periodic reports regarding the status and progress of the Force Majeure event. Each party must use its best efforts to mitigate the effect of the event of Force Majeure upon its performance of the Agreement and to fulfill its obligations under the Franchise Agreement.

Upon completion of a Force Majeure event, the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Franchise Agreement. Any delay resulting from an event of Force Majeure will extend performance accordingly or excuse performance (other than payment of money), in whole or in part, only to the extent reasonable under the circumstances. However, in the event the Force Majeure continues for a period of six months or more, then the unaffected party may, at its option, terminate this Franchise Agreement by thirty (30) days prior written notice to the party asserting such Force Majeure. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under the Franchise Agreement or to indemnify us, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect your obligations to comply with any restrictive covenants in this Franchise Agreement during or after the Force Majeure event.

30.7 **Delegation**

We have the right in our sole and absolute discretion to delegate to third party designees, whether these designees are our agents or independent contractors with whom we have contracted the performance of any portion or all of our obligations under this Franchise Agreement, and any right that we have under this Franchise Agreement. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Franchise Agreement.

30.8 **Binding Effect**

This Franchise Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Franchise Agreement is binding upon the parties to this Franchise Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Franchise Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Franchise Agreement; provided, however, that the Additional Insureds and the Indemnified Parties are intended third party beneficiaries under this Franchise Agreement with respect to indemnification obligations of the franchisee.

30.9 **Integration**

This Franchise Agreement constitutes the entire agreement between the parties and may not be changed except by a written document signed by both parties. Any email correspondence or other form of informal electronic communication shall not be deemed to modify this Franchise Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Franchise Agreement. The attachment(s) are part of this Franchise Agreement, which, together with any amendments or addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Franchise Agreement. No provision herein expressly identifying any term or breach of this Franchise Agreement as material shall be construed to imply that any other term or breach which is not so identified is not material. As referenced above, all mandatory provisions of the Confidential Operations Manual are part of this Franchise Agreement; however, notwithstanding the foregoing, we may modify the Confidential Operations Manual at any time.

Any representations made before entering into this Franchise Agreement are not enforceable unless they are specifically contained in this Franchise Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, and serves to show that there is no intention to enter into contract relations other than the terms contained in this Franchise Agreement. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Franchise Agreement, would affect the economic terms of this bargain. Nothing in this Franchise Agreement is intended to disclaim any of the representations we made in the franchise disclosure document.

30.10 **Covenant of Good Faith**

If applicable law implies a covenant of good faith and fair dealing in this Franchise Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Franchise Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Franchise Agreement (and the relationship of the parties that is inherent in this Franchise Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Franchise Agreement that may favorably or adversely affect your interests; (ii) we will use our judgment in exercising that discretion

based on our general assessment of our own interests and balancing those interests against the general interests of our franchisees (including ourselves and our affiliates if applicable), and not based on your or any other franchisee’s specific individual interests; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

30.11 Cumulative Rights

The rights of the parties under this Franchise Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Franchise Agreement will preclude any other right or remedy available under this Franchise Agreement or by law.

30.12 Survival

All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Franchise Agreement (or the Transfer of an ownership interest in the Franchised Business) will continue in full force and effect, even after the termination, expiration or Transfer of the Franchise Agreement, until they are fully satisfied or expire by their own terms.

30.13 Construction

The headings in this Franchise Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Franchise Agreement unless otherwise specified. All references to days in this Franchise Agreement refer to calendar days unless otherwise specified. The term “you” as used in this Franchise Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other, the feminine and the possessive.

30.14 Time is of the Essence

Time is of the essence in this Franchise Agreement and every term thereof.

30.15 Notice

All notices given under this Franchise Agreement must be in writing and shall be considered given at the time delivered by hand, or one business day after sending by email or comparable electronic system, one business day after delivery by a reputable overnight delivery service, or one business day after delivery confirmation by certified mail addressed to: (a) to us at 79 East Fort Union Blvd., Midvale, Utah 84047, unless written notice is given of a change of address; and (b) to you at the address set forth on Attachment A of this Franchise Agreement, unless written notice is given of a change of address.

(Signature Page Follows)

The parties to this Franchise Agreement have executed this Franchise Agreement effective as of the Effective Date set forth in Attachment A.

FRANCHISOR:
KEYRENTER FRANCHISE LLC,
a Utah limited liability company

Sign: _____

Printed Name: _____

Title: _____

FRANCHISEE:
[INSERT NAME OF FRANCHISEE]
a(n) [state] [limited liability company /
partnership / corporation]

Sign: _____

Printed Name: _____

Title: _____

Or if Franchisee is an individual(s)

Sign: _____
individually

Printed Name: _____

Sign: _____
individually

Printed Name: _____

ATTACHMENT A
TO THE FRANCHISE AGREEMENT
FRANCHISE DATA SHEET

1. **Effective Date.** The Effective Date of the Franchise Agreement is: _____, 20____.
2. **Franchisee.** The Franchisee identified in the introductory paragraph of the Franchise Agreement is: _____

3. **Notice Address.** Franchisee Notice Address is:

Attn: _____

4. **Initial Franchise Fee.** The “Initial Franchise Fee” is: (check one):

_____ \$45,000 for a single Franchise.

_____ \$37,000 for a single Franchise with a veteran’s discount.

_____ \$30,000 for a Conversion Franchise.

_____ Not applicable; this Franchise Agreement is signed as a Successor Franchise Agreement or as a result of a Transfer.

Note: No more than one discount or credit for your Initial Franchise Fee will apply.

5. **Credit:**

_____ Eligible for \$5,000 credit if it is determined at opening that you have paid all then-current amounts owed to Franchisor and have obtained the appropriate real estate license prior to contacting Franchisor.

6. **E-2 Visa Applicant:** _____ Yes _____ No

7. **Location.** If a particular site for the Approved Location has been selected and approved at the time of the signing of this Franchise Agreement, it shall be entered in Attachment A-1 as the Approved Location, and the Territory shall be as listed in Attachment A-1, if applicable. If a particular site has not been selected and approved at the time of the signing of this Franchise Agreement, once we have approved a location for your Approved Location, you and we will execute Attachment A-1.

FRANCHISOR:
KEYRENTER FRANCHISE LLC,
a Utah limited liability company

FRANCHISEE:
[INSERT NAME OF FRANCHISEE]
a(n) [state] [limited liability company /
partnership / corporation]

Sign: _____

Printed Name: _____

Title: _____

Sign: _____

Printed Name: _____

Title: _____

Or if Franchisee is an individual(s)

Sign: _____
individually

Printed Name: _____

Sign: _____
individually

Printed Name: _____

ATTACHMENT A-1
TO THE FRANCHISE AGREEMENT

APPROVED LOCATION AND TERRITORY

You have received acceptance for site location for the Approved Location that satisfies the demographics and location requirements minimally necessary for an Approved Location and that meets our minimum current standards and specifications for the buildout, interior design, layout, floor plan, signs, designs, color and décor of an Approved Location. You acknowledge that our acceptance of the site location for the Approved Location is in no way a representation by us that your site will be successful. You and we have mutually agreed upon a Territory based on the site for the Approved Location which is indicated below. You acknowledge that the Territory is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.

Location for the Approved Location:

The Approved Location for your Franchised Business as provided in Section 2 of the Franchise Agreement is:

Territory:

The Territory for your Franchised Business as provided in Section 4 of the Franchise Agreement is:

(Signature Page Follows)

FRANCHISOR:
KEYRENTER FRANCHISE LLC,
a Utah limited liability company

Sign: _____

Printed Name: _____

Title: _____

FRANCHISEE:
[INSERT NAME OF FRANCHISEE]
a(n) [state] [limited liability company /
partnership / corporation]

Sign: _____

Printed Name: _____

Title: _____

Or if Franchisee is an individual(s)

Sign: _____
individually

Printed Name: _____

Sign: _____
individually

Printed Name: _____

ATTACHMENT B
TO THE FRANCHISE AGREEMENT
STATEMENT OF OWNERSHIP

Franchisee: _____

**Form of Ownership
(Check One)**

___ **Individual(s)** ___ **Partnership** ___ **Corporation** ___ **Limited Liability Company**

INSTRUCTIONS: If the franchisee is an individual (or individuals), please complete section I below only. If the franchisee is a business entity, please complete sections II and III below.

SECTION I (For Individual(s)*):

Name	Address

*If you plan to operate your Franchised Business through a business entity in the future, you will need to notify us, transfer this Franchise Agreement to the Entity, and sign all of our transfer documents.

SECTION II (For Entities):

A. State and date of Formation/Incorporation: _____

B. Management (managers, officers, board of directors, etc.):

Name	Title

C. Owners (Members, Stockholders, Partners):**

Please include each person or entity who is a direct and indirect owner of franchisee (attach additional sheets if necessary). If any of the owners are also business entities, please list the entities and owners of each of those business entities also.

Name	Address	Percentage Owned

**If any members, stockholders or partners are entities, please list the entities and owners of such entities up through the individuals.

SECTION III (For Entities):

A. Identification of Designated Owner. Your Designated Owner is _____
 _____. You may not change the Designated Owner without
 prior written approval.

B. Identification of Designated Manager. Your Designated Manager, if applicable, is _____
 _____. You may not change the Designated
 Manager without prior written approval.

This form is current and complete as of _____, 20__.

FRANCHISEE:

 a(n) _____

Sign: _____

Printed Name: _____

Title: _____

ATTACHMENT C
TO THE FRANCHISE AGREEMENT
OWNERS AGREEMENT

As a condition to the granting by Keyrenter Franchise LLC (“we” or “us”) of a franchise agreement with _____ (“Franchisee”), each of the undersigned individuals (“Owners”), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement (“Franchise Owner Agreement”).

1. Acknowledgments.

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of _____, 20__ (“Franchise Agreement”). Capitalized words not defined in this Franchise Owner Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Owners’ Role. Owners are the beneficial owners or spouses of the beneficial owners of all of the direct and indirect equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives, and assigns. Franchisee’s obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee’s direct and indirect owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Franchise Owner Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Franchise Owner Agreement.

2. Non-Disclosure and Protection of Confidential Information.

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee’s non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Franchise Owner Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Franchise Owner Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Franchise Owner Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will also be deemed Confidential Information for purposes of this Franchise Owner Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

3. Covenant Not to Compete.

3.1 Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures, and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration, termination or transfer of the Franchise Agreement are hereby incorporated into this Franchise Owner Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Franchise Owner Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Franchise Owner Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Franchise Owner Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to remain bound to the maximum extent permitted by law, as if that covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Franchise Owner Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

4. Continuing Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement whether now or in the future on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement whether now or in the future on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend, and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for, whether now or in the future, by reason of: (i) Franchisee's failure to pay the amounts owed (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (ii) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we are not obligated to exhaust all remedy (whether legal or equitable) against or pursue relief from the Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Franchise Owner Agreement. The enforcement of Owners' obligations can take place before, after, or simultaneously with the enforcement of any of the Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or

compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death, and the obligations of any other Owners will continue in full force and effect.

4.7 Waiver of Acceptance, Default and Defenses. Owners waive: (i) acceptance and notice of acceptance by us of the forgoing undertakings; (b) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; and (c) any and all other notices and legal or equitable defenses, right of setoff, claim or counterclaim whatsoever to which they may be entitled at any time hereunder.

4.8 Continuing Nature. Owners agree that each of the obligations in this Section 4 shall be continuing and shall not be discharged by: (i) the insolvency of Franchisee or the payment in full of all of the obligations at any time; (ii) the power or authority or lack thereof of Franchisee to incur the obligations; (iii) the validity or invalidity of any of the obligations; (iv) the existence or non-existence of Franchisee as a legal entity; (v) any statute of limitations affecting the liability of Owners or the ability of us to enforce this Franchise Owner Agreement or the obligations; or (vi) any right of offset, counterclaim or defense of any Owner, including, without limitation, those which have been waived by Owners pursuant to this Franchise Owners Agreement.

5. Transfers. Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources, and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge, or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding Transfers. Owners acknowledge and agree that attempting to Transfer an interest in the Franchisee without our express written consent, except those situations provided in the Franchise Agreement where our consent is not required, will be a breach of this Franchise Owner Agreement and the Franchise Agreement. We may, from time to time, without notice to Owners, assign or transfer any or all of Owners' rights, duties and obligations or any interest therein in this Owners Agreement and, notwithstanding any assignment(s) or transfer(s), the rights, duties and obligations shall be and remain for the purpose of this Owners Agreement. Each and every immediate and successive assignee or transferee of any of the rights, duties or obligations of any interest therein shall, to the extent of such party's interest in the rights duties and/or obligations, be entitled to the benefits of this Owners Agreement to the same extent as if such assignee or transferee were us.

6. Notices.

6.1 Method of Notice. Any notices given under this Franchise Owner Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Franchise Owner Agreement is:

Keyrenter Franchise LLC
79 East Fort Union Blvd.
Midvale, Utah 84047

The current address of each Owner for all communications under this Franchise Owner Agreement is designated on the signature page of this Franchise Owner Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. Enforcement of This Franchise Owner Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Franchise Owner Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Franchise Owner Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Franchise Owner Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Franchise Owner Agreement, and any other claim or controversy between the parties, will be governed by the choice of law, jurisdiction, and venue provisions of the Franchise Agreement.

7.3 Equitable Remedies. Owners acknowledge and agree that the covenants and obligations of the Owners relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations will cause us irreparable injury for which adequate remedies are not available at law. Therefore, Owners agree that we shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Owners from committing any violation of the covenants and obligations contained in this Franchise Owner Agreement. If equitable relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If equitable relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

8. Miscellaneous.

8.1 No Other Agreements. This Franchise Owner Agreement constitutes the entire, full, and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings, or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Franchise Owner Agreement, other than those in this Franchise Owner Agreement. No other obligations, restrictions, or duties that contradict or are inconsistent with the express terms of this Franchise Owner Agreement may be implied into this Franchise Owner Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Franchise Owner Agreement), no amendment, change, or variance from this Franchise Owner Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Franchise Owner Agreement, and any portions thereof, will be considered severable. If any provision of this Franchise Owner Agreement or the application of any provision to any person, property, or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Franchise Owner Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement to the fullest extent permitted by law), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Franchise Owner Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors, and assigns) any rights or remedies under or by reason of this Franchise Owner Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Franchise Owner Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Franchise Owner Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Franchise Owner Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

8.5 Binding Effect. This Franchise Owner Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Franchise Owner Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors, and (permitted) assigns.

8.6 Successors. References to “Franchisor,” “Owners,” “the undersigned,” or “you” include the respective parties’ heirs, successors, assigns, or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Franchise Owner Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Franchise Owner Agreement shall be cumulative.

8.8 No Personal Liability. Owners agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Franchise Owner Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to Owners for any reason.

8.9 Franchise Owner Agreement Controls. In the event of any discrepancy between this Franchise Owner Agreement and the Franchise Agreement, this Franchise Owner Agreement shall control.

IN WITNESS WHEREOF, the parties have entered into this Franchise Owner Agreement as of the Effective Date of the Franchise Agreement.

OWNER(S):

SPOUSE(S):

Sign: _____
Printed Name: [Insert Name of Owner]
Address: [Insert Address of Owner]

Sign: _____
Printed Name: [Insert Name of Spouse]
Address: [Insert Address of Spouse]

Sign: _____
Printed Name: [Insert Name of Owner]
Address: [Insert Address of Owner]

Sign: _____
Printed Name: [Insert Name of Spouse]
Address: [Insert Address of Spouse]

Sign: _____
Printed Name: [Insert Name of Owner]
Address: [Insert Address of Owner]

Sign: _____
Printed Name: [Insert Name of Spouse]
Address: [Insert Address of Spouse]

Rev.030824

KEYRENTER FRANCHISE, LLC

EXHIBIT C TO DISCLOSURE DOCUMENT

CONTRACTS FOR USE WITH THE KEYRENTER FRANCHISE

The following contracts contained in Exhibit C are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Keyrenter Business. The following are the forms of contracts that Keyrenter Franchise LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked “Sample,” they are subject to change at any time.

EXHIBIT C-1

KEYRENTER FRANCHISE

GENERAL RELEASE

THIS RELEASE is made and given by _____,
("Releasor") with reference to the following facts:

1. Releasor and Keyrenter Franchise, LLC (Releasee) are parties to one or more franchise agreements.
2. The following consideration is given:

_____ the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise"); or

_____ Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

_____ Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

_____ [insert description]

3. Release- Franchisee and all of Franchisee's guarantors, members, officers, directors, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.
4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.
5. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

6. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island Investment Act, and the Washington Franchise Investment Protection Act.
7. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.
8. Releasor agrees to comply with all of its applicable post-termination or post-transfer obligations (as the case may be) in the Franchise Agreement described above.

Releasor:

Releasee: Keyrenter Franchise, LLC

By: _____

By: _____

Nate Tew, Chief Operating Officer

Printed Name: _____

Date: _____

Title: _____

EXHIBIT C-2

KEYRENTER FRANCHISE

**SAMPLE APPFOLIO SERVICE AGREEMENT, PRICING SHEET
AND KEYASSIST TENANT SCREENING SERVICE AGREEMENT**



Sales Rep: Travis Hodge
Call 805.617.2167 if you have any questions

Bill To:	Date:
	Must Accept By:
	Bill Date:
	Terms: One year

Available AppFolio Services

AppFolio Property Manager

- Up to 200 units, flat fee, billed annually	\$2,640.00 <i>Annually</i>
- Implementation Fee	\$400.00 <i>One-time</i>
- Unlimited Technical Support & Training	FREE

Website Services

- Professional Website	\$1,000 One Time Setup Fee \$50 Monthly
------------------------	--

Tenant Online Payment Services

- Setup Fee	FREE
- Accept Tenant Payments	Free via ACH; Credit Card and Cash payments billed to tenant based on usage
- Accept Rental App Fees via Credit Card	\$5 per App (billed to tenant)
- Make Owner/Vendor Payments via ACH	\$0.50 per Transaction

Screening Services

- Underwriting	FREE
- Credit & Eviction	\$10 per Screen
- Credit, Criminal, & Eviction	\$15 per Screen

Insurance Services

- Setup Fee	FREE
- Tenant Liability Insurance	\$9.50 per Unit Enrolled (billed to tenant)

Maintenance Contact Center

- Setup Fee	FREE
- Maintenance Contact Center	\$1 per Unit Monthly (min \$200 Monthly)

Premium Leads

- Setup Fee	FREE
- Premium Placement on Listing Sites	\$10 per Lead



Sales Rep: Travis Hodge
Call 805.617.2167 if you have any questions

Payment Schedule for Subscribed Services

Due Upon Signature	Due 01/01/2017	Due April 1, 2017
\$400.00	\$2,640.00	\$0.00
\$400.00 Implementation Fee	\$2,640.00 Property Manager	

The Services are subject to the terms contained in this Order Form and AppFolio's Terms of Service, which are located at www.appfolio.com/terms, and incorporated by reference into this Order Form ("**AppFolio Terms of Service**"). AppFolio reserves the right to change the AppFolio Terms of Service at any time, without notice. By executing this Agreement, the undersigned certifies that (i) the undersigned is a duly authorized agent of Customer, and (ii) the Customer has read the AppFolio Terms of Service and will take all reasonable measures to enforce them within the Customer's organization. May be subject to taxes and fees pursuant to our terms and conditions.

Payment Authorization

The undersigned hereby authorizes AppFolio, Inc. to collect any and all amounts due under any written agreements between Company and AppFolio, Inc. according to the following payment election. This includes both one time and periodic fees as they become due. In the event AppFolio, Inc. is unable to collect any sums due, Company agrees to pay such sums, together with any costs incurred by AppFolio in collecting such sums, including reasonable attorneys' fees, and interest at the lower of 1.5% per month or the highest rate permitted by law. The undersigned hereby certifies that they are duly authorized to execute this form on behalf of the above listed account.

Name: <input type="text"/>	Date: <input type="text"/>
Title: <input type="text"/>	Signature: <input type="text"/>
Name: <input type="text"/>	Date: <input type="text"/>
Title: <input type="text"/>	Signature: <input type="text"/>

AppFolio services

A powerful cloud-based property management software that allows apartment, residential, commercial, HOA, and student housing property managers to more effectively market, manage and grow their business.

Residential	\$1.40/unit per month
Commercial	\$1.50/unit per month
HOA	\$0.80/unit per month
Monthly minimum	\$280 (at least 50 units required)
Onboarding fee	\$2/unit (\$400 minimum)

Includes free unlimited technical support & training

AI Leasing assistant

Respond instantly to leasing inquiries 24/7 with an AI Leasing Assistant powered by artificial intelligence. Automatically book showings, qualify leads, cross-sell units, and more.

Monthly fee	\$2.50/unit
Monthly minimum	500 residential units

Professional websites

Benefit from modern and professional designs, 100% integrated with AppFolio Property Manager.

Monthly hosting fee	\$99.00 per site
Setup, 1st website	Fixed \$1,200
	Flexible \$3,500
	Custom \$10,000+

Tenant screening

Built-in screening provides simple reports with fast results. Includes RentBureau rental payment history. **Free setup and underwriting.**

Income Verification Screening can be added to either package for an additional \$12 per completed application.

Credit + Payment history + Nationwide eviction + Rental history verification	\$15.00 per screen*
Credit + Payment history + Nationwide eviction + Rental history verification + Criminal	\$20.00 per screen*

*Volume discounts apply

Insurance services

Mitigate risk and eliminate headaches from resident caused damage. **Free setup.** These offerings are made available through our licensed insurance subsidiary, AppFolio Insurance Services.

Liability insurance monthly fees <i>(fees passed to tenant)</i>	Pricing available upon request
Renter insurance <i>(billed directly to tenant)</i>	Premiums vary by location & coverage

Online payments

Streamline your payments to and from your tenants, owners and vendors, with AppFolio's payment platform options. **Free setup and underwriting.**

Transaction fees <i>(fees passed to tenant)</i>	ACH - free Credit Card - 2.99% of transaction amount Electronic Cash Payment - \$3.99
Application fee	\$5.00
Admin fee	\$10.00
Pay owners & vendors	ACH - \$1.00 per transaction Bill Pay - \$1.00 per transaction

Utility management

Automate utility invoice processing and resident billing to eliminate manual processes. Best in class analytics help catch leaks fast and bring costs down.

Monthly fee	\$3.00/unit
Onboarding fee	\$3.00/unit
Monthly minimum spend	\$600

Maintenance contact center

This 24/7 contact center service can be set up in a matter of hours and becomes an extension of your office, supporting your maintenance needs. **Free setup.**

Monthly fees	\$1.50/unit
Monthly minimum	\$300

Mailing service

Create, customize, and send mail to your community associations through fully integrated service, all the while boosting efficiency and streamlining communication.

For community association customers only.

Price per page	\$0.90 first black & white page with address page, envelope, postage (\$0.15 per additional page)
	\$1.00 first color page with address page, envelope, postage (\$0.30 per additional page)
Add-ons	\$5.75 for certified mail

Automated AP

Streamline your invoice processing and ensure that your invoices are processed, entered, and paid accurately and on-time, saving your business time and money.

Monthly fees	\$1.50 per item processed
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TENANT SCREENING SERVICE AGREEMENT

This Agreement is effective _____ between Keyrenter Franchise LLC (“Franchisor”) and _____ (“Franchisee”) and _____ (“Guarantor”) (collectively “The Parties”) (“Agreement”).

Franchisor offers an optional Tenant Screening Services program to assist Franchisees with the processing of rental applications and Franchisee chooses to participate in the program.

1. Services

Upon execution of this Agreement, Franchisor agrees to:

- a. Provide rental application assistance.
- b. Process applications using Keyrenter’s 21-point screening process as outlined in the Confidential Operations Manual. The process is subject to change without notice.
- c. Calculate Renter Scores using the same set of criteria approved by Franchisee.

2. Term and Termination

- a. The initial term is 6 months.
- b. After the initial term, this Agreement will renew automatically for a term of 1 year each and every year thereafter unless terminated by Franchisee with 60 advance written notice.
- c. Consequence of Termination. Franchisee must maintain Keyrenter service standards as outlined in the Confidential Operations Manual and utilize only approved vendors.

3. Fees

- a. Franchisee acknowledges that the fees and services associated with the program are separate and in addition to the regular franchise fees outlined in the Franchise Disclosure Document.
- b. A \$20 fee will be paid to Franchisor for each individual application submitted for processing.
- c. If an applicant does not have a Social Security number, Western Reporting will be used to perform the background check and Franchisee will pay Franchisor an additional \$30 fee. The service fee is subject to change without notice.
- d. Payment to Franchisor will be due and payable by Franchisee on the 10th day of the calendar month via ACH at the same time royalties are paid. In the event of billing errors, Franchisor reserves the right to invoice Franchisee for any fee or service.

4. Terms and Conditions

- a. Franchisee is solely responsible for the decision to offer a lease and will notify applicants in case of denial in accordance with best practices and laws within its jurisdiction.
- b. Franchisor reserves the right to discontinue services at any time, for any reason.
- c. Franchisor is not responsible or liable in any way for any financial loss to Franchisee resulting from its participation in the Program.

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Agreement and consents to be bound by all of its terms.

Franchisee:

Franchisor:

Name
Company
And Individually as Guarantor

Nate Tew, President & COO
Keyrenter Franchise LLC

EXHIBIT C-3

KEYRENTER FRANCHISE

BRAND CONVERSIONS ADDENDUM TO THE FRANCHISE AGREEMENT

This Addendum modifies the Franchise Agreement dated _____ between _____ (“Franchisee”) (“Guarantor”) and Keyrenter Franchise LLC (“Franchisor”) (“Franchise Agreement”).

To the extent of any conflict between the following and the provisions of the Franchise Agreement, this Addendum to the Franchise Agreement shall control:

Franchisee represents and agrees that it has approximately _____ properties currently under management and has the full authority and intent to convert all management and lease agreements to its Keyrenter business, at which time revenue from said contracts shall be subject to royalties per the Franchise Agreement.

Franchisee agrees to produce documents to verify the management of properties stated above to Keyrenter before closing on this franchise purchase.

Except to the extent modified above, the Franchise Agreement remains in full force and effect.

FRANCHISEE:

By: _____

FRANCHISOR:

Keyrenter Franchise LLC

By: _____

Nate Tew, President and Chief Operating Officer

Effective Date: _____

EXHIBIT C-4

KEYRENTER FRANCHISE

NONDISCLOSURE AND NON-COMPETITION AGREEMENT

This “Agreement” made as of the ____ day of _____, 20____, is by and between _____, (“Franchisee”) (d/b/a a KPM Franchise) and _____ (“Individual”).

W I T N E S S E T H:

WHEREAS, Franchisee is a party to that certain Franchise Agreement with Keyrenter Franchise, LLC, (“Company”) dated _____, 20__ herewith (“Franchise Agreement”); and

WHEREAS, Franchisee desires Individual to have access to and/or to review certain Trade Secrets, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to said Trade Secrets; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in any business (i) that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) property management services, or offers other services or products the same as or similar to those provided by Franchisee or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or Company, any affiliate of Company or Company’s other franchisees (hereinafter, “Competitive Business”); provided, however, that the term “Competitive Business” shall not apply to any business operated by Franchisee under a Franchise Agreement with Company.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

a) For the purposes of this Agreement, a “Trade Secret” is information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in Keyrenter Property Management Businesses that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement “Confidential Information” means technical and non-technical information used in or related to Keyrenter Property Management Businesses that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the Confidential Operations Manual and training guides and materials. In addition, any other information identified as confidential when delivered by Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Individual; (ii) Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

c) Any information expressly designated by Company or Franchisee as “Trade Secrets” or “Confidential Information” shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee’s providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

a) Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, Individual must take all steps reasonably necessary and/or requested by Franchisee to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. Individual must comply with all applicable policies, procedures and practices that Franchisee has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

b) Individual’s obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual’s relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual’s obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Keyrenter Property Management Business.

3. Non-Competition

a) During the term of Individual’s relationship with Franchisee and for a period of one (1) year after the expiration or termination of Individual’s relationship with Franchisee, regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, divert or attempt to divert any business or customer of Franchisee to any Competitive Business, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Company.

b) During the term of Individual’s relationship with Franchisee, Individual shall not, directly or indirectly, in the United States, operate or engage in any Competitive Business. For a period of two (2) years after termination of employee with Franchisee, regardless of the cause of termination, within

Franchisee's Keyrenter Territory and a 25 mile radius of the boundaries of such Territory, Individual shall not, directly or indirectly, operate or engage in any Competitive Business.

c) During the term of Individual's relationship with Franchisee and for a period of two (2) years thereafter, regardless of the cause of termination, Individual shall not, in the United States, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee, Company or any other Keyrenter Property Management Business to compete against Franchisee, Company or any other Keyrenter Property Management Business.

4. Reasonableness of Restrictions

Individual acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

6. Miscellaneous

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

b) Except to the extent this Agreement or any particular dispute is governed by federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Utah (without reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

c) Any action brought by either party may be brought in the appropriate state or federal court located in or serving Salt Lake County, Utah.

d) Individual agrees if any legal proceedings are brought for the enforcement of this Agreement, the Company and Keyrenter Franchise, LLC, if they are the substantially prevailing party, they shall be entitled to recover attorney fees and costs.

e) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the confidentiality and non-competition provisions contained herein.

f) The failure of either party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

g) Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the terms and conditions of this Agreement.

h) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

i) This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

j) The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement.

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one (1) original being delivered to each party as of the day and year first above written.

FRANCHISEE:

By: _____

Its: _____

INDIVIDUAL:

Signature: _____

Printed Name: _____

EXHIBIT C-5

KEYRENTER FRANCHISE

AUTOMATED CLEARING HOUSE AUTHORIZATION



AUTOMATED CLEARING HOUSE AUTHORIZATION

AUTHORIZATION FORM FOR DIRECT PAYMENT ACH DEBITS

Franchise Name: _____ ID #: _____

I hereby authorize Keyrenter Franchise LLC (the “Company”), to initiate debit entries for payments due, to my account indicated below and the financial institution, hereinafter called _____, to debit the same to such account. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law.

This authority is to remain in full force and effect until mutual written termination.

Company may debit my account for the amounts becoming due by me on a monthly basis, according to an applicable contract.

Financial Institution Name: _____

Branch: _____

Address: _____

Please Circle Type of Account: Checking or Savings

Account Name: _____

Routing Number: _____

Account Number: _____

Print Individual Name: _____

Signature: _____

Date: _____

EXHIBIT C-6

KEYRENTER FRANCHISE

LEASE ADDENDUM

This Addendum to Lease (“**Addendum**”), dated _____, 20____, is entered into by and between _____ (“**Landlord**”), _____ (“**Tenant**”) and Keyrenter Franchise LLC (“**Franchisor**”), collectively referred to herein as the “**Parties**.”

A. Landlord and Tenant have entered into a certain Lease Agreement dated _____, 20____, and pertaining to the premises located at _____ (“**Lease**”).

B. Landlord acknowledges that Tenant intends to operate a franchised business from the leased premises (“**Premises**”) pursuant to a Franchise Agreement (“**Franchise Agreement**”) with Franchisor under Franchisor’s trademarks and other names designated by Franchisor (herein referred to as “**Franchised Business**” or “**Franchise Business**”).

C. The parties now desire to supplement the terms of the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed among the Parties as follows:

1. Use of the Premises. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Franchised Business.

2. Franchise System. Landlord hereby consents to Tenant’s use of such proprietary marks, signs, interior and exterior décor items, color schemes and related components of the Franchised Business required by Franchisor. Tenant’s use of such items shall at all times be in compliance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Premises.

3. Assignment. Tenant shall have the right, without further consent from Landlord, to sublease or assign all of Tenant’s right, title, and interest in the Lease to an assignee of the Tenant or the Franchised Business (“**Franchise Assignee**”) at any time during the term of the Lease, including any extensions or renewals thereof. In addition, if Tenant fails to timely cure any default under either the Lease or the Franchise Agreement, Franchisor or a Franchise Assignee that Franchisor designates, will, at its option, have the right, but not the obligation, to take an assignment of Tenant’s interest under the Collateral Assignment of Lease or other form of assignment and assumption document reasonably acceptable to Landlord, provided such Franchise Assignee cures a default of the Lease no later than ten days following the end of Tenant’s cure period. No assignment shall be effective until: (i) a Franchise Assignee gives Landlord written notice of its acceptance of the assignment and assumption of the Lease; and (ii) Tenant or the Franchise Assignee has cured all material defaults of the Lease for which it has received notice from Landlord. Nothing contained herein or in any other document shall create any obligation or liability of Franchisor, any Franchise Assignee, or guarantor thereof under the Lease unless and until the Lease is assigned to, and accepted in writing by a Franchise Assignee. In the event of any assignment or purported assignment under this Addendum, Tenant shall remain liable under the terms of the Lease and the assignee or subtenant shall retain all of the Tenant’s rights granted in the Lease including without limitation: (x) any

grant of a protected territory or use exclusivity; and (y) the renewal or extension of the Lease term. With respect to any assignment proposed or consummated under this Addendum, Landlord hereby waives any rights it may have to: (A) recapture the Premises; (B) terminate the Lease; or (C) modify any terms or conditions of the Lease. If Franchisor accepts an assignment and assumes the Lease under this section, Franchisor shall have the right to further sublet or reassign the Lease to another Franchise Assignee without Landlord's consent in which event Franchisor shall be released from any obligation or liability under the Lease. As used in this Addendum, "**Franchise Assignee**" means: (i) Franchisor or Franchisor's parent, subsidiary, or affiliate; or (ii) any franchisee of Franchisor or of Franchisor's parent, subsidiary, or affiliate.

4. Default and Notice.

a. If Tenant defaults on or breaches the Lease and Landlord delivers a notice of default to Tenant, Landlord shall contemporaneously send a copy of such default notice to Franchisor. Franchisor shall have the right, but not the obligation, to cure the default during Tenant's cure period plus an additional ten (10) day period. Franchisor will notify Landlord whether it intends to cure the default prior to the end of Tenant's cure period.

b. All notices to Franchisor shall be sent by a reputable overnight delivery service to the following address:

Keyrenter Franchise LLC
79 East Fort Union Blvd.
Midvale, Utah 84047

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

c. Tenant and Landlord agree not to terminate, or materially amend the Lease during the term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent. Any attempted termination, or material amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

5. Termination or Expiration.

a. If Franchisor does not elect to take an assignment of the Tenant's interest, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Franchisor's trademarks and franchise system and to distinguish the Premises from a Franchised Business provided that Franchisor repairs any damage caused to the Premises by exercise of its rights hereunder.

b. If any Franchise Assignee purchases any assets of Tenant, Landlord shall permit such Franchise Assignee to remove all the assets being purchased, and Landlord waives any lien rights that Landlord may have on such assets.

6. Consideration; No Liability.

a. Landlord acknowledges that the Franchise Agreement requires Tenant to receive

Franchisor’s approval of the Lease prior to Tenant executing the Lease and that this Addendum is a material requirement for Franchisor to approve the Lease. Landlord acknowledges Tenant would not lease the Premises without this Addendum. Landlord also hereby consents to the Collateral Assignment of Lease from Tenant to Franchisor as evidenced by Attachment 1.

b. Landlord further acknowledges that Tenant is not an agent or employee of Franchisor, and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any Franchise Assignee, and that Landlord has entered into this with full understanding that it creates no duties, obligations, or liabilities of or against any Franchise Assignee.

7. Amendments. No amendment or variation of this Addendum shall be valid unless made in writing and signed by the Parties hereto.

8. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions, and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Addendum as though copies herein in full.

IN TESTIMONY WHEREOF, witness the signatures of the Parties hereto as of the day, month, and year first written above.

LANDLORD:

TENANT:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

FRANCHISOR:

KEYRENTER FRANCHISE LLC

By: _____

Printed Name: _____

Title: _____

Rev. 022324

EXHIBIT C-6 Attachment 1

ATTACHMENT 1 TO LEASE ADDENDUM

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the ___ day of _____, 20___ (“**Effective Date**”), the undersigned, _____ (“**Assignor**”) hereby assigns, transfers and sets over unto _____ (“**Assignee**”) all of Assignor’s right, title, and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A (“Lease”)** with respect to the premises located at _____.

This Collateral Assignment of Lease (“**Assignment**”) is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee expressly assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein, and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under that certain franchise agreement for a franchise between Assignee and Assignor (“**Franchise Agreement**”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered, in Assignee’s sole discretion, to: (i) cure Assignor’s default of the Lease; (ii) take possession of the premises demised by the Lease; (iii) expel Assignor from the premises, either temporarily or permanently; (iv) terminate Assignor’s rights, title, and interest in the Lease; and/or (v) assume the Lease. If Assignee expends sums to cure a default of the Lease, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of two percent per month, or the highest rate allowed by law.

Assignor agrees it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest to exercise the extension or renewal options in the name, place, and stead of Assignor for the sole purpose of effecting the extension or renewal.

(Signatures on following page)

IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

ASSIGNOR:

By: _____

Printed Name _____

Its: _____

ASSIGNEE:

By: _____

Printed Name _____

Its: _____

Rev. 022324

KEYRENTER FRANCHISE, LLC

EXHIBIT D TO THE DISCLOSURE DOCUMENT

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Keyrenter Property Management
Confidential Operations Manual

Handbook One - Business Owners Only

1. The Manual	Page 7
2. The Keyrenter Difference	Page 8
3. Keyrenter Definitions	Page 10
4. Starting your Business	Page 12
5. Business Structure	Page 31
6. Business Measurements	Page 35
7. Obligations	Page 41
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Handbook Two - General Operations Manual

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4. Meetings and Collaboration	Page 12
5. Company Culture	Page 14
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11. Marketing	Page 30
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19. Lease-to-Purchase	Page 68
20. Tenant Applications and Screening	Page 70
21. Tenant Move-In	Page 75
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25. Property Insps. / Conditions Reports	Page 91
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KEYRENTER FRANCHISE, LLC
EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES

The following is a list of the names of all current franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

Operational Outlets:

Arizona

Keyrenter Premier Property Management
Jim Elfine
8426 E Shea Blvd., Ste 8
Scottsdale, AZ 85260 (480) 400-6040

Arkansas

Keyrenter Arkansas Property Management
Mat Zalk
70 N College Ave
Fayetteville, AR 72701
(479) 662-1800

California

Keyrenter Silicon Valley
Leo Poon
900 E Hamilton, Ste 100
Campbell, CA 95008 (480) 809-5000

Keyrenter Sacramento
Jack Zhang, Mollie Howell, Eli Shannon (Transferred)
6524 Lonetree Blvd
Rocklin, CA 95675
(916) 407-4000

Keyrenter San Diego
Fariba Kharazmi
1455 Frazee Road, Suite 500, PMB61
San Diego, CA 92108
(619) 404-4000

Keyrenter Contra Costa
Joe Grammatico & Nour Tweimeh
2603 Camino Ramon, Ste. 200
San Ramon, CA 94583
(480) 400-6040



Colorado

Keyrenter Property Management Denver
Brandon Scholten
2600 W 29th Ave #B
Denver, CO 80211
(720) 739-3000

Keyrenter Boulder
Brandon Scholten
2600 W 29th Ave #B
Denver, CO 80211
(720) 739-3000

Keyrenter Highlands Ranch
Daniel & Nicole Pinette
8955 S Ridgeline Blvd., #1300
Highlands Ranch, CO 80129
(720) 699-1000

District of Columbia

Keyrenter Washington DC Debbie Gomes
5913 Georgia Ave NW
Washington, DC 20011
(202) 838-6000

Florida

Keyrenter Fort Myers
Francis Bourassa
9160 Forum Corporate Pkway, Ste. 350
Fort Myers, FL 33905
(239) 900-9077

Keyrenter Fort Lauderdale
Danny Schwab
5300 Powerline Road, Suite 207
Ft. Lauderdale, FL 33309
(954) 613-6000

Keyrenter Jacksonville
Danny Schwab
5300 Powerline Road, Suite 207
Ft. Lauderdale, FL 33309
(954) 613-6000

Keyrenter Broward
Steve Chamberland
2719 Hollywood Blvd, Suite 153
Hollywood, FL 33020
(954)7518888

Keyrenter St Pete
Sammerleigh Becchetti
15235 Gulf Blvd Suite B
Madeira Beach, FL. 33708
(727)2022700

Keyrenter Miami West
Roel van de Ven
8350 NW 52nd Terrace Suite 301
Miami, FL 33166
(305)522-6005

Keyrenter South Florida
Danny Schwab
154 Sedona Way
Palm Beach Gardens, FL 33418
(561) 331-6000

Keyrenter Sarasota
Danny Schwab and Kevin Hase
677 N Washington Blvd
Sarasota, FL 34236
(941)233-5200

Keyrenter Tampa
John Sloan
615 Channelside Dr., Ste. 207
Tampa, FL 33602
(813) 510-6022

Georgia

Keyrenter Atlanta
Edd Stanley
3355 Lenox Road NE #1000
Atlanta, GA 30326
(404) 490-1111

Idaho

Keyrenter Boise
Chapin Hemphill
999 W. Main St., Ste 100
Boise, ID 83702
(208) 856-8000



Illinois

Keyrenter Chicago Metro
Mary Gilardi
3608 Vernon Avenue
Brookfield, IL 60513
(773) 351-3510

Keyrenter Chicago North
John Golden
5875 N Lincoln Ave, Suite LL42
Chicago, IL 60659 (312) 967-3111

Keyrenter Northwest Chicago
Tony Matthews
2300 Barrington Rd, Ste. 400
Hoffman Estates, IL 60169
(847) 407-1212

Indiana

Keyrenter Indianapolis North aka Indi North
Blue Dog Ventures, LLC
Michael Simmons
550 Congressional Blvd., Suite 115
Carmel, IN 46032
(619) 876-0465

Maryland

Keyrenter Annapolis
Ryan Davis and Rodney Fentress
1997 Annapolis Exchange Parkway Suite 300 PMB # 141
Annapolis, MD 21401 (410) 834-5555

Keyrenter Metro
Shayla Humphrey
9701 Apollo Dr., Suite 100, MB #166
Largo, MD 20774 (301) 818-3000

Massachusetts

Keyrenter Merrimack Valley
Andrew Logan
1 Centennial Place, 49 Blanchard St. Suite 206-7
Lawrence, MA 01843 (978) 653-0000

Missouri

Keyrenter St Charles
Danielle Ohlms
5377 State Hwy N, Ste 322
St. Charles, MO 63304
(636) 707-2000

New Hampshire

Keyrenter New England
Megan O’Leary & Chapin Hemphill
15 Constitution Drive, Suite 1A Bedford, NH 03110
(603) 641-4000

North Carolina

Keyrenter Raleigh
Alex Chapin-Koppel
4242 Six Forks Road
Raleigh, NC 27609
(919) 518-9800

Oklahoma

Keyrenter Oklahoma City
Mathew Zalk
1141 Sheridan Ave, Suite Z2
Oklahoma City, OK 73106
(405) 757-2149

Keyrenter Tulsa Mathew Zalk
12150 E 96th St N #202
Owasso, OK 74055
(918) 351-7000

Pennsylvania

Keyrenter Buxmont
Kristine Graham & Benjamin Graham
54 E Oakland Ave #1C
Doyleston, PA 18901
(267) 405-5000

Keyrenter Main Line Steve Leberstien
2929 Arch St. #1700, PMB 1793
Philadelphia, PA 19104 (215) 586-8000

Tennessee

Keyrenter Chattanooga
Dana T. Templeton
701 Cherokee Blvd., Suite 131
Chattanooga, TN 37405 (423) 460-6000

Keyrenter Knoxville
Dan McKee
11020 Kingston Pike, #330
Knoxville, TN 37934
(865) 405-8414

Texas

Keyrenter Austin
Jonathan Sempsrott
12710 Research Blvd., Ste 115
Austin, TX 78759
(512) 596-0055

Keyrenter North Dallas
David Triebel
5050 Quorum Dr., Suite 700 MB #237
Dallas TX 75254
(972) 752-2345

Keyrenter Uptown Dallas
Rodney Thomas
1722 Routh Street, Ste. 900
Dallas TX 75201
(469) 751-6100

Keyrenter Houston
Abhi Sreerama
2626 S Loop W #511
Houston, TX 77054 (713) 322-7368

Keyrenter DFW Mid Cities
Richard Groehler
6565 North MacArthur Blvd., Suite 225
Irving, TX 75039
(469) 414-1000

Keyrenter South Texas (aka Keyrenter McAllen)
Carl Milkie
2112 S Shary Road, Ste 35
Mission, TX 78572 (956) 257-9900

Keyrenter San Antonio
Robert Gutierrez, Jr.
3740 Colony Drive, #LL101
San Antonio, TX 94704 (210) 503-8000

Utah

Keyrenter Provo
Arlyn Jason Rounds & Jason Caldwell
183 East 840 South Suite #100
Orem, UT 84058 (801) 614-2000

Keyrenter St. George
Adam Marshall
2385 East La Grasse Dr.
St. George, UT 8790 (801) 997-5520

Virginia

Keyrenter Alexandria
Ryan Davis
5680 King Centre Drive, Suite 600
Alexandria, VA 22315 (703) 520-5000

Keyrenter Richmond
Calvin & Ashley Davis
9025 Forest Hill Ave Suite 2-A
Richmond, VA 23235
(804) 299-5100

Keyrenter Coastal Virginia
Jay Hassell
409 S Church St. B
Smithfield, VA 23430
(757) 542-0000

Keyrenter Hampton Roads
Rodney Fentress
800 Seahawk Circle, Unit 102
Virginia Beach, VA 23452
(757) 346-4000

Keyrenter Solutions
Bill Russell
421 W Main Street, #204
Waynesboro, VA 22980 (540) 987-6000

Washington

Keyrenter Tacoma
Zach Goldfinch/Peter Hansen
2367 Tacoma Ave S. #C222
Tacoma, WA 98402
(253) 449-3000

Franchise Agreements Signed but Outlet Not Yet Open (as of December 31, 2023)

Florida

Keyrenter Sunrise
Tessia Beausoleil and Philip Reeve
(TBD) E2 Visa

Kansas

Keyrenter Wichita
Matthew Zalk
334 St. Francis Avenue, Ste. 357
Wichita, KS 67202
(316) 391-7000

Missouri

Keyrenter St Louis West
Steve Tlapek and Chris Berra
7733 Forsyth Blvd 11th floor
Clayton, MO 63105
(314)9881008

New Jersey

Keyrenter North Jersey
Ayelet and Menachem Wiedermann
100 Main Ave
Passaic, NJ 07055
(201)242-2423

Texas

Keyrenter Dallas Forth Worth South (DFWSouth)
Michael Janczak and Mary Palma
7636 Country Rd 526
Mansfield, TX 76063
(817)405-6200

Virginia

Keyrenter Chester
Steven Pierce
13223 Rivers Bend Blvd.
Chester, VA 23836
(804) 796-0011

KEYRENTER FRANCHISE, LLC
EXHIBIT F TO THE DISCLOSURE DOCUMENT

LIST OF FORMER FRANCHISEES

The following is a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

California

Fariba Kharazmi
3508 Cody Way # 250
Sacramento, CA 95864 (916) 407-4000

Maryland

Mark Miller
1600 Bentley Road
Edgewater, MD 21037
410-507-0953

Utah

Alan Crookston (this franchise agreement was mutually terminated before the outlet opened)
762 W. 1300 N
West Bountiful, UT 84087
801-309-4458

Washington

Gayle Snyder
7613 Kona Lane SE
Port Orchard, WA 98367
263-380-2627

Wisconsin

Smartner LLC
1910 Thomas Ave.
Cheyenne, WY 82001-3527 (508) 589-4710

KEYRENTER FRANCHISE, LLC

EXHIBIT G TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

KEYRENTER FRANCHISE LLC

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023, 2022, AND 2021



KEYRENTER FRANCHISE LLC

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Independent Auditor's Report

To the Member
Keyrenter Franchise LLC
Midvale, Utah

Opinion

We have audited the accompanying financial statements of Keyrenter Franchise LLC, which comprise the balance sheets as of December 31, 2023, 2022, and 2021, and the related statements of operations, member's deficit, 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 Keyrenter Franchise LLC as of December 31, 2023, 2022, and 2021, 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, including omissions, 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.

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.

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezar ¹/₁ Dunlay

St. George, Utah
April 12, 2024

KEYRENTER FRANCHISE LLC
BALANCE SHEETS
As of December 31, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 227,356	\$ 226,345	\$ 217,606
Accounts receivable, net	171,454	149,887	133,517
Deferred commissions, current	88,172	28,679	38,468
Notes receivable, current	24,000	7,651	112,012
Total current assets	<u>510,982</u>	<u>412,562</u>	<u>501,603</u>
Non-current assets			
Right of use asset	66,494	84,291	-
Deferred commissions, non-current	234,823	296,484	236,245
Total non-current assets	<u>301,317</u>	<u>380,775</u>	<u>236,245</u>
Total assets	<u>\$ 812,299</u>	<u>\$ 793,337</u>	<u>\$ 737,848</u>
Liabilities and Member's Deficit			
Current liabilities			
Accounts payable	\$ 117,244	\$ 49,565	\$ 77,881
Credit card liability	70,142	27,348	30,220
Due to affiliates	66,858	66,858	67,101
Due to member	147,358	147,358	147,358
Line of credit	-	-	23,884
Deferred revenue, current	169,032	69,330	71,110
Operating lease liability, current	18,449	16,943	-
National advertising fund liability	44,841	107,313	106,918
Total current liabilities	<u>633,924</u>	<u>484,715</u>	<u>524,472</u>
Non-current liabilities			
Operating lease liability, non-current	49,740	68,189	-
Deferred revenue, non-current	520,456	722,448	559,511
Total non-current liabilities	<u>570,196</u>	<u>790,637</u>	<u>559,511</u>
Total liabilities	<u>1,204,120</u>	<u>1,275,352</u>	<u>1,083,983</u>
Member's deficit			
Member's interests	557,895	557,895	557,895
Accumulated member's deficit	(949,716)	(1,039,910)	(904,030)
Total member's deficit	<u>(391,821)</u>	<u>(482,015)</u>	<u>(346,135)</u>
Total liabilities and member's deficit	<u>\$ 812,299</u>	<u>\$ 793,337</u>	<u>\$ 737,848</u>

The accompanying notes are an integral part of these financial statements.

KEYRENTER FRANCHISE LLC
STATEMENTS OF OPERATIONS
For the years ended December 31, 2023, 2022, and 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating revenue			
Initial franchise fees	\$ 398,963	\$ 132,851	\$ 187,804
Royalty fees	1,240,068	967,566	852,237
Service revenue	1,094,306	574,635	242,865
Total operating revenue	<u>2,733,337</u>	<u>1,675,052</u>	<u>1,282,906</u>
Cost of revenues	220,668	61,550	51,031
Gross profit	<u>2,512,669</u>	<u>1,613,502</u>	<u>1,231,875</u>
Operating expense			
Advertising and marketing	319,740	94,381	201,951
General and administrative	1,836,990	1,280,936	769,197
Professional fees	170,817	216,266	350,971
Total operating expense	<u>2,327,547</u>	<u>1,591,583</u>	<u>1,322,119</u>
Income (loss) from operations	185,122	21,919	(90,244)
Other income (expense)			
Interest income	1,892	1,309	793
Interest expense	(943)	(4,824)	(5,876)
Bad debt	(7,651)	(43,478)	(13,175)
Other income	23,455	17,694	9,546
Total other income (expense)	<u>16,753</u>	<u>(29,299)</u>	<u>(8,712)</u>
Net income (loss)	<u>\$ 201,875</u>	<u>\$ (7,380)</u>	<u>\$ (98,956)</u>

The accompanying notes are an integral part of these financial statements.

KEYRENTER FRANCHISE LLC
STATEMENTS OF MEMBER'S DEFICIT
For the years ended December 31, 2023, 2022, and 2021

	Member's Interests	Accumulated Member's Deficit	Total
Balances as of January 1, 2021	\$ 437,821	\$ (715,624)	\$ (277,803)
Contributions from member	120,074	-	120,074
Distributions to member	-	(89,450)	(89,450)
Net loss	-	(98,956)	(98,956)
Balances as of December 31, 2021	<u>557,895</u>	<u>(904,030)</u>	<u>(346,135)</u>
Distributions to member	-	(128,500)	(128,500)
Net loss	-	(7,380)	(7,380)
Balances as of December 31, 2022	<u>557,895</u>	<u>(1,039,910)</u>	<u>(482,015)</u>
Distributions to member	-	(111,681)	(111,681)
Net income	-	201,875	201,875
Balances as of December 31, 2023	<u><u>\$ 557,895</u></u>	<u><u>\$ (949,716)</u></u>	<u><u>\$ (391,821)</u></u>

The accompanying notes are an integral part of these financial statements.

KEYRENTER FRANCHISE LLC
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022, 2021, and 2020

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities			
Net income (loss)	\$ 201,875	\$ (7,380)	\$ (98,956)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Bad debt	7,651	43,478	13,175
Amortization of right of use asset	17,797	11,411	-
Change in operating assets and liabilities:			
Accounts receivable	(21,567)	(16,370)	(29,584)
Operating notes receivable	(24,000)	60,883	(99,100)
Due from/due to affiliate	-	(243)	37,982
Deferred commissions	2,168	(50,450)	(168,019)
Accounts payable	67,679	(28,316)	77,881
Credit card liability	42,794	(2,872)	(9,401)
Deferred revenue	(102,290)	161,157	307,659
Operating lease liabilities	(16,943)	(10,570)	-
National advertising fund liability	(62,472)	395	52,226
Net cash provided by operating activities	<u>112,692</u>	<u>161,123</u>	<u>83,863</u>
Cash flows from financing activities			
Distributions to member	(111,681)	(128,500)	(89,450)
Contributions from member	-	-	120,074
Net change in line of credit	-	(23,884)	23,884
Net cash provided (used) by financing activities	<u>(111,681)</u>	<u>(152,384)</u>	<u>54,508</u>
Net change in cash and cash equivalents	1,011	8,739	138,371
Cash and cash equivalents at beginning of period	<u>226,345</u>	<u>217,606</u>	<u>79,235</u>
Cash and cash equivalents at end of period	<u>\$ 227,356</u>	<u>\$ 226,345</u>	<u>\$ 217,606</u>
Supplemental disclosures of cash flow:			
Cash paid for interest	\$ 943	\$ 4,824	\$ 5,876

The accompanying notes are an integral part of these financial statements.

KEYRENTER FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022, and 2021

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Keyrenter Franchise LLC (the “Company”) was formed on December 10, 2013 as a Utah Limited Liability Company. The Company franchises the right to operate a business that provides property management services for single-family and condominium homeowners, including maintenance, repair management services, and rent collection. The franchised entity does business under the trade name “Keyrenter Property Management” and uses the Company’s other related service marks, registered trademarks, and logos.

The Company has four affiliates. Premier Management of Utah, LLC (“PMU”) was organized in the state of Utah on December 5, 2007 as a limited liability company. Key IP, LLC (“KIP”) was organized in Utah on December 30, 2013 as a limited liability company. Key Assist, LLC (“KA”) was organized in Utah on April 17, 2017 as a limited liability company. PM Software, LLC (“PMS”), DBA YoGrow Marketing, was organized in Utah on April 29, 2014 as a limited liability company.

PMU operates a business of the type being franchised by the Company. KIP is the holder of the intellectual property that the Company sublicenses to its franchisees to utilize in Keyrenter Property Management franchised business. KA is the provider of office administration and other assistance for the Keyrenter Property Management franchised business. PMS provides internet marketing and other services for the Keyrenter Property Management franchised business.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (“SEC”), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Reclassification

Certain items from the prior year have been reclassified to conform to the current year’s presentation.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2023, 2022, and 2021, the Company had cash and cash equivalents of \$227,356, \$226,345, and \$217,606, respectively.

KEYRENTER FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022, and 2021

(f) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and service fees. These receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. Management regularly evaluates individual customer receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. As of December 31, 2023, 2022, and 2021, the Company had net receivables of \$171,454, \$149,887, and \$133,517, respectively. As of December 31, 2023, 2022, and 2021, the Company had no allowance for uncollectible accounts.

(g) National Advertising Fund

The Company's franchisees are required to contribute 1% of their monthly gross revenue to the national advertising fund. Advertising fees paid by the franchisees are held by the Company in a separate bank account and are recorded as a liability until the related advertising services have been performed. The Company's national advertising fund liability as of December 31, 2023, 2022, and 2021 was \$44,841, \$107,313, and \$106,918, respectively.

(h) Revenue Recognition

The Company's revenues consist of initial franchise fees, royalty fees, and service fees. The Company has adopted ASC 606, *Revenue from Contracts with Customers*. 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 considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchisee, the Company enters into a formal franchise agreement that clearly outlines the transaction price and the Company's performance obligations. Upon evaluation of the five-step process, the Company has determined that royalties and marketing fees are to be recognized in the same period as the underlying revenues upon which they are based. Technology and service revenues are recognized in the period that services are provided. The Company recognizes revenue attributable to pre-opening services when the franchisee has begun operations. The remaining initial fee is then recognized on a straight-line basis over the life of the agreement, which is generally ten years.

(i) Income Taxes

The Company has elected to be taxed as a Sub Chapter S Corporation under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of its member and no provisions for federal or state franchise taxes has been recorded on the accompanying balance sheet.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2023, the 2022, 2021, and 2020 tax years are subject to examination.

(j) Leasing

The Company adopted ASC 842, *Leases* as of January 1, 2022. As of January 1, 2022, the Company was not party to any long-term leases. On May 1, 2022, the Company entered into a long-term lease, at which time the Company

KEYRENTER FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022, and 2021

recorded an operating lease liability and corresponding right of use asset of \$95,702. The lease liability reflects the present value of the Company's estimated future minimum lease payments over the lease term, discounted using a collateralized incremental borrowing rate. The impact of ASC 842 is non-cash in nature and does not affect the Company's cash flows.

On January 1, 2022, the Company adopted ASC 842, *Leases*, which supersedes ASC 840, *Leases*. The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any of its short-term leases. All leases with a term of 12 months or less at commencement, for which the Company is not reasonably certain to exercise available renewal options that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

(k) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses for the fiscal years ended December 31, 2023, 2022, and 2021 were \$319,740, \$94,381, and \$201,951, respectively.

(l) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, long term notes receivable, accounts payable and accrued expenses, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

(m) Concentration of Risk

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Notes Receivable

The Company accepts promissory notes as part of its initial franchise sales. These notes are generally paid monthly over 5 years at 8 - 10% interest per annum. As of December 31, 2023, 2022, and 2021, the notes receivable balance was \$24,000, \$7,651, and \$112,012, respectively. Interest income earned on notes receivable for the years ended December 31, 2023, 2022, and 2021 was \$1,892, \$1,309, and \$793, respectively.

(3) Due To Affiliates

From time to time, the Company may advance funds to affiliates or receive advances of funds from affiliates. As of December 31, 2023, 2022, and 2021, net advances from affiliates were \$66,858, \$66,858, and \$67,101, respectively. These advances do not bear interest and are due upon demand.

(4) Due to Member

During the year ended December 31, 2019, the Company's member advanced \$150,000 to the Company. The loan does not accrue interest and is due upon demand. As of December 31, 2023, 2022, and 2021, the balance on this loan was \$147,358.

KEYRENTER FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022, and 2021

(5) Operating Lease

The Company is the lessee in an operating lease, which expires in 2027. As the Company adopted ASC 842, *Leases*, on January 1, 2022, there are no right of use assets or operating lease liabilities on the balance sheet as of December 31, 2021. As of December 31, 2023 and 2022, the Company recorded a right of use asset of \$66,494 and \$84,291, respectively. As of December 31, 2023 and 2022, the Company had the following operating lease liability:

	2023	2022
Operating lease liability, current	\$ 18,449	\$ 16,943
Operating lease liability, non-current	49,740	68,189
	<u>\$ 68,189</u>	<u>\$ 85,132</u>

As of December 31, 2023, the maturities of the Company's lease liability were as follows:

For the year ended December 31,	
2024	\$ 18,449
2025	20,051
2026	21,755
2027	7,934
	<u>\$ 68,189</u>

(6) Line of Credit

During the year ended December 31, 2021, the Company obtained a \$50,000 line of credit with a third-party financial institution. The line of credit charges interest at a rate of 11.24% per annum and matures on September 9, 2024. As of December 31, 2023 and 2022, there was no balance due on the line of credit. As of December 31, 2021, the balance due on the line of credit was \$23,884.

(7) Franchise Agreements

The Company's franchise agreements generally provide for the payment of initial fees as well as continuing royalties and marketing fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Keyrenter system for a period of ten years. Under the Company's revenue recognition policy, the Company allocates a portion of the initial franchise fee to initial training, which is recognized when the franchisee begins operations. The remainder is deferred, and the revenue is amortized over the life of the contract. In addition, the Company defers related contract costs such as broker commissions over the same period and records them as deferred contract costs.

The Company has estimated the following current and non-current portions of deferred revenue as of December 31, 2023, 2022, and 2021:

	2023	2022	2021
Deferred revenue – current	\$ 169,032	\$ 69,330	\$ 71,110
Deferred revenue – non-current	520,456	722,448	559,511
	<u>\$ 689,488</u>	<u>\$ 791,778</u>	<u>\$ 630,621</u>

The Company has estimated the following current and non-current portions of deferred commissions as of December 31, 2023, 2022, and 2021:

	2023	2022	2021
Deferred commissions – current	\$ 88,172	\$ 28,679	\$ 38,468
Deferred commissions – non-current	234,823	296,484	236,245
	<u>\$ 322,995</u>	<u>\$ 325,163</u>	<u>\$ 274,713</u>

KEYRENTER FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023, 2022, and 2021

(8) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(9) Subsequent Events

The Company has evaluated subsequent events through April 12, 2024, the date on which the financial statements were available to be issued.

KEYRENTER FRANCHISE, LLC

EXHIBIT H TO DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)

You and we are preparing to enter into a Franchise Agreement. This Acknowledgement is to determine whether any statements or promises were made to you that we did not authorize or are untrue, inaccurate or misleading, to ensure you have been properly represented, and that you understand the limitations on claims you may make relating to your franchise. **You cannot sign or date this Acknowledgement the same day as the Receipt for the Franchise Disclosure Document. You must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses.

Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.

- Yes__ No__ 1. Have you received and personally reviewed the Franchise Agreement and each attachment or schedule attached to it?
- Yes__ No__ 2. Do you understand all the information contained in the Franchise Agreement?
- Yes__ No__ 3. Have you received and personally reviewed the Franchise Disclosure Document we provided?
- Yes__ No__ 4. Do you understand all the information contained in the Franchise Disclosure Document?
- Yes__ No__ 5. Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?
- Yes__ No__ 6. Do you understand the risks of developing and operating this franchise?
- Yes__ No__ 7. Do you understand that your investment involves substantial business risks and that there is no guarantee that your business will be profitable?
- Yes__ No__ 8. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, the economy, labor and supply costs and other relevant factors?
- Yes__ No__ 9. Do you acknowledge that the success of your franchise in large part relies upon your ability as an independent business person and your active participation in the day to day operation of the business?

Yes__ No__ 10. Do you agree that no employee or other person speaking on our behalf has made any statement, promise, or agreement, that is contrary to or different from what is stated in the Franchise Disclosure Document and Franchise Agreement?

Yes__ No__ 11. Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue you will generate, that is not contained in Item 19 of the Franchise Disclosure Document or that is contrary to, or different from, the information contained in Item 19 of the Franchise Disclosure Document, and that you have not made a decision to purchase your franchise based on any such representations?

Yes__ No__ 12. Do you understand that the Franchise Agreement and attachments to the Franchise Agreement contain the entire agreement between us and you concerning this franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments to the Franchise Agreement will not be binding?

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any 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.

By signing below, you are representing that you have responded truthfully to the above questions.

Signature

Name of Franchisee/Applicant

Date _____

Explanation of any negative responses (Refer to Question Number):

KEYRENTER FRANCHISE, LLC

EXHIBIT I TO THE DISCLOSURE DOCUMENT

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR KEYRENTER FRANCHISE LLC

The following modifications are made to the Keyrenter Franchise LLC (“**Franchisor**,” “**us**,” “**we**,” or “**our**”) Franchise Disclosure Document (“**FDD**”) given to franchisee (“**Franchisee**,” “**you**,” or “**your**”) and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20__ (“**Franchise Agreement**”). When the term “**Franchisor’s Choice of Law State**” is used, it means Utah. When the term “**Supplemental Agreements**” is used, it means none.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum (“**State Addendum**”) will modify these agreements to comply with the state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD 14 days prior to execution of agreement.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Utah. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 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 contains a mediation provision. The parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator’s fees.

The Franchise Agreement requires the application of the law of Utah. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD 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 persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement provides for termination upon bankruptcy. Any such 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 provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

California law sets forth licensing requirements for residential property managers. Section 10131 of the California Business and Professions Code requires property managers to have a broker's license, and may require other licensing.

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.

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60 day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

Any provisions of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; and (d) violations of any provisions of this

division.

Fee Deferral

Item 5 of the Franchise Disclosure Document and Section 6.7 of the Franchise Agreement are amended by the addition of the following language: The Department of Financial Protection and Innovation has determined that either the franchisor has not demonstrated it is adequately capitalized or that the franchisor must rely on franchise fees to fund 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.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

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

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

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

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.

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed in Exhibit J of the FDD on the page entitled, "State Effective Dates."
2. States which have refused, by order or otherwise, to register these Franchises are:
None
3. States which have revoked or suspended the right to offer the Franchises are:
None
4. States in which the proposed registration of these Franchises has been withdrawn are:
None

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 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. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

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.

Fee Deferral

Item 5 of the Franchise Disclosure Document and Section 6.7 of the Franchise Agreement are amended to state: Payment of Initial Franchise Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial status.

See the last page of this Exhibit I for your required signature.

INDIANA

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two years within the Territory.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor’s Choice of Law State law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision

violates the Indiana Deceptive Franchise Practices 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.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Keyrenter Franchise LLC, 79 East Fort Union Blvd., Midvale, UT 84047 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

Item 17 of the FDD and the Franchise Agreement are amended to state: “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Representations in the Franchise Agreement 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.

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the Franchise.

The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state that 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.

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.).

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

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.

Fee Deferral

Item 5 of the Franchise Disclosure Document and the Franchise Agreement is modified to state: “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.”

MICHIGAN

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

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

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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 us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us 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 five years; and (ii) you are prohibited by the Franchise Agreement 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 you do not receive at least six months’ advance notice of our intent not to renew the Franchise.
- (e) A provision that permits us 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 the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us 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 our then-current reasonable

qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

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

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you 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:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

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.

MINNESOTA

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.
4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you 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.
5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.
6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.
8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.
9. 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.
10. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400(J). Also, a court will determine in a bond is

required.

11. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.
12. Fee Deferral: Items 5 and 7 of the Disclosure Document and Section 6.7 of the Franchise Agreement are amended to also add the following: The franchisor defers the receipt of the initial franchise fee until the franchised business is open.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer:**”

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum,**” and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements - 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. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any section of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section 18.2 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

The provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language: "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

North Dakota law governs any cause of action arising out of the franchise agreement.

Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

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.

Fee Deferral

Item 5 of the Franchise Disclosure Document and Section 6.7 of the Franchise Agreement are amended to state that you do not pay to us initial fees until all initial obligations owed by us to you under the franchise agreement or other documents have been fulfilled by us and you have commenced doing business pursuant to the franchise agreement.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials _____ Date _____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller’s receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller’s expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Keyrenter Franchise LLC, 79 East Fort Union Blvd., Midvale, UT 84047 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____

By: _____

Print Name: _____

Its: _____

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent

required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including, but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

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.

SOUTH DAKOTA

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.

VIRGINIA

Item 17(h). The following is added to Item 17(h):

“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 to him under the

franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable.”

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Keyrenter Franchise LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does 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.

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.

Fee Deferral

The following statement is added to Item 5 of the Franchise Disclosure Document and Section 6.7 of the Franchise Agreement: The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

WASHINGTON

ADDENDUM TO FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent

counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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 provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

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. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

-Section 30.5 of the Franchise Agreement is hereby revised to state: Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees, and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

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.

The following risk factor is added to the Special Risks About This Franchise page:

Use of Franchise Brokers. The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

Item 1 of the FDD is revised to state: Franchisees who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington State.

Fee Deferral

Items 5 and 7 of the Franchise Disclosure Document and Section 6.7 of the Franchise Agreement are amended to state: In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the franchise agreement or disclosure document, and (b) is open for business.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

This provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

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.

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

- | | | | | | |
|--------------------------|------------|--------------------------|--------------|--------------------------|--------------|
| <input type="checkbox"/> | California | <input type="checkbox"/> | Michigan | <input type="checkbox"/> | Rhode Island |
| <input type="checkbox"/> | Hawaii | <input type="checkbox"/> | Minnesota | <input type="checkbox"/> | South Dakota |
| <input type="checkbox"/> | Illinois | <input type="checkbox"/> | New York | <input type="checkbox"/> | Virginia |
| <input type="checkbox"/> | Iowa | <input type="checkbox"/> | North Dakota | <input type="checkbox"/> | Washington |
| <input type="checkbox"/> | Indiana | <input type="checkbox"/> | Ohio | <input type="checkbox"/> | Wisconsin |
| <input type="checkbox"/> | Maryland | | | | |

Dated: _____, 20____

FRANCHISOR:

KEYRENTER FRANCHISE LLC

By: _____

Title: _____

FRANCHISEE:

By: _____

Title: _____

Rev. 071823

KEYRENTER FRANCHISE, LLC

EXHIBIT J TO THE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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

This 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
Illinois	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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.

KEYRENTER FRANCHISE, LLC

EXHIBIT K TO THE DISCLOSURE DOCUMENT

RECEIPT

RECEIPT
(Retain This 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 Keyrenter Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Keyrenter Franchise, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Keyrenter Franchise, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Keyrenter Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 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 is:
Nate Tew, 79 East Fort Union Blvd., Midvale, UT 84047; (801) 316-1500
Paola Hall , 79 East Fort Union Blvd., Midvale, UT 84047; (801) 316-1525

Issuance Date: April 19, 2024

I received a disclosure document issued April 19, 2024, which included the following exhibits:

- Exhibit A List of State Administrators and Agents for Service of Process
- Exhibit B Franchise Agreement
- Exhibit C Contracts for Use with the Keyrenter Franchise
- Exhibit D Confidential Operations Manual Table of Contents
- Exhibit E List of Current Franchisees
- Exhibit F List of Former Franchisees
- Exhibit G Financial Statements
- Exhibit H Franchisee Disclosure Questionnaire
- Exhibit I State Addenda and Agreement Riders
- Exhibit J Effective Dates
- Exhibit K Receipt

Date Signature Printed Name

Date Signature Printed Name

Rev. 012417

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.



RECEIPT
(Our Copy)

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- Exhibit H Franchisee Disclosure Questionnaire
- Exhibit I State Addenda and Agreement Riders
- Exhibit J Effective Dates
- Exhibit K Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name Rev. 012417

Please sign this copy of the receipt, date your signature, and return it to Keyrenter Franchise, LLC, 79 East Fort Union Blvd., Midvale, Utah 84047.

