

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 \$104,625 and \$220,279 . This includes \$55,000 to \$101,777 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a brand conversion Keyrenter Business is \$86,700 to \$197,279. This includes \$40,000 to \$86,777 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 20, 2023

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 F and G.
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 I 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 F and G 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.

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
ITEM 1 THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES.....	1
ITEM 2 BUSINESS EXPERIENCE	3
ITEM 3 LITIGATION	3
ITEM 4 BANKRUPTCY	3
ITEM 5 INITIAL FEES	4
ITEM 6 OTHER FEES.....	5
ITEM 7 ESTIMATED INITIAL INVESTMENT.....	10
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	15
ITEM 9 FRANCHISEE’S OBLIGATIONS	18
ITEM 10 FINANCING	19
ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING.....	19
ITEM 12 TERRITORY	28
ITEM 13 TRADEMARKS.....	30
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	31
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	32
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	33
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	34
ITEM 18 PUBLIC FIGURES	39
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	39
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION	46
ITEM 21 FINANCIAL STATEMENTS	50
ITEM 22 CONTRACTS	50
ITEM 23 RECEIPT	51

EXHIBITS

Exhibit A	List of State Administrators and Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Secured Promissory Note
Exhibit D	General Release
Exhibit E	Appfolio Service Agreement, Pricing Sheet, and KeyAssist Tenant Screening Agreement
Exhibit F	Confidential Operations Manual Table of Contents
Exhibit G	List of Current Franchisees
Exhibit H	List of Former Franchisees
Exhibit I	Financial Statements
Exhibit J	Franchisee Disclosure Questionnaire
Exhibit K	State Addenda and Agreement Riders
Exhibit L	Effective Dates
Exhibit M	Receipt

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 or commercial units under management.

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: Chief Development Officer

Mr. Hicks has served as Chief Development Officer of Keyrenter in Midvale, Utah since April 2022. 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. Prior to that, he was Chief Financial Officer for Estudios Clinicos Internacionales in Puebla, Mexico from January 2017 to January 2019.

**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 \$40,000 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 or commercial units under management and would like to purchase a KPM Franchise, the Initial Franchise Fee is \$25,000 regardless of the population of the Territory. It is in 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, you will be given a 20% discount on the Initial Franchise Fee of your first KPM Franchise. 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.

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-\$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. We will refund the E-2 Visa Fee and E-2 Deposit if you can 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.

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.

Initial Fees. 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 E-2 Visa Fee as discussed above.

**ITEM 6
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty Fee on Gross Revenues other than Real Estate Sales (Notes 1 and 2)	7% of Gross Revenues	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 Referrals (Note 2)	5% of such revenues	Same as Royalty Fee.	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 Fee on Gross Revenues.
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.

Type of Fee	Amount	Due Date	Remarks
Technology Fee	\$150 per month	Same as Royalty Fee	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	\$6-\$12 per month for each additional email address	Same as Royalty Fee	The Technology Fee includes one email address and associated maintenance. Additional email addresses can be obtained from us for a fee of \$6 per email address per month, or \$12 per email address per month if you upgrade to Google Standard.
Office Relocation Fee	\$350	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.
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	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	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.
Annual Keyrenter Summit Convention Attendance Fee	\$495 per person at present; may vary in the future	Time of program	Your attendance will be required at our annual Keyrenter Summit, which will not exceed four days. If you do not attend, you must pay \$1,000, which we will contribute to the Keyrenter Summit and/or Brand Development Fund.

Type of Fee	Amount	Due Date	Remarks
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	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 Revenues.	Same as Royalty Fee	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	\$575 per month + 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. This fee is also referred to as the “ <u>Keyrenter Web Presence Fee.</u> ”
Local Advertising Fee	The difference between the amount you spent on local advertising each month and your Local Advertising Spend 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 Spend on local marketing and lead generation efforts within your local market area. If you do not meet your Local Advertising Spend, you will pay the difference into the Brand Development Fund. Your local spending requirement will begin 90 days after signing the Franchise Agreement.
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.

Type of Fee	Amount	Due Date	Remarks
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 or you underreported amounts you owe us by 3% or more.
Approval of Products or Suppliers (Note 4)	\$100 to \$1,000	Time of evaluation	Applies to our evaluation of new suppliers you wish to purchase from or products you wish to purchase.
Customer Service	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.
KeyAssist Services	KeyAssist Base Services: \$75 per month, first four months free Business Bookkeeping: \$25 per month for software \$40 per month for the first year for bookkeeping services \$250 per month for optional bookkeeping services after the first year. Tenant Screening: \$20 per application	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. You must use KeyAssist, except that the bookkeeping services are optional after your first year of operation, provided that you are still required to pay for business bookkeeping software. Bookkeeping services are mandatory during your first year. We may increase these fees upon written notice.

Type of Fee	Amount	Due Date	Remarks
Insurance Policies	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies	On demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Temporary Management Assistance	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.	At the time of transfer	Transfer fee paid to Franchisor.
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.
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.

NOTES

1. “Gross Revenues” means all revenue generated from the franchised business or any affiliates thereto, whether through property management transactions, maintenance work performed, real estate sales, commissions, and referral fees or any other income including but not limited to rewards, discounts, and inducements, received from vendors, agencies, and utility companies. Gross Revenues do not include sales tax or use tax.
2. “Real Estate Sales 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.
4. Approval of Products or Suppliers. Costs vary depending on the type of product or service under review, whether the product or supplier has been rated, and other similar factors. You pay our actual costs only.

**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)	\$40,000	\$40,000	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
Real Estate/Rent (Note 6)	\$2,500	\$5,000	As Incurred	Before Beginning Operations	Lessor
Real Estate Broker Fees	\$3,000	\$6,000	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

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
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)	\$400	\$400	As Incurred	Before Beginning Operations	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)	\$104,625	\$220,279			

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)	\$25,000	\$25,000	Lump Sum	At Signing of Franchise Agreement	Us

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
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)	\$2,000	\$3,000	As Incurred	Before Training	Airlines, Hotels & Restaurants
Real Estate/Rent (Note 6)	\$0	\$5,000	As Incurred	Before Beginning Operations	Lessor
Real Estate Broker	\$3,000	\$6,000	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)	\$400	\$400	As Incurred	Before Beginning Operations	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)	\$575	\$3,554	As Incurred	Before Beginning Operations	Us

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
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)	\$86,700	\$198,279			

Footnotes for all tables:

*None of the fees paid to us in the above tables are refundable. Whether fees paid to third parties are refundable depends on their policies.

1. Franchise Fee. The franchise fee is \$40,000 for a KPM Franchise and \$25,000 for a Brand Conversion Franchise.
2. We may finance up to 50% of the initial franchise fee. The annual interest rate is 10%. For a three-year \$20,000 loan, your monthly payments would be approximately \$568.

If you are currently in, or have been honorably discharged from any branch of the U.S. Armed Forces, you will be given a 20% discount on the Initial Franchise Fee of your first KPM Franchise.

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.

3. 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.
4. 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.
5. 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.
6. 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.
7. 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.

8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. Appfolio Software Implementation Fee. Currently, you must utilize Appfolio software for all properties/units/buildings managed, except where prohibited by law. You will pay Appfolio a \$400 implementation fee prior to opening.
15. Licenses & 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.
16. 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.
17. 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).
18. 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.

19. Local Marketing Spend. 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 Revenues each month once you open your Keyrenter Business.
20. 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.
21. Total. The tables do not include royalty fees. In compiling this data, we relied on our and our affiliates' industry knowledge and experience. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. 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, but not the only approved supplier. We are also the only approved supplier of tenant screening, accounting and bookkeeping services under our trade name KeyAssist. None of our officers own an interest in any approved supplier.

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 \$224,008 from required purchases or leases by franchisees in the fiscal year ending December 31, 2022 representing 12.36% of our total revenue of \$1,812,958.

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 phones and tenant screening services in the amount of 5% of franchisee phone purchases and 15% of franchisee tenant screening services 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	Disclosure Document Item
a. Site selection and acquisition/lease	Section 5	Items 7 and 11
b. Pre-opening purchases/leases	Sections 5 and 14	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 5 and 8	Items 7, 8 and 11
d. Initial and ongoing training	Section 8	Items 6, 7 and 11
e. Opening	Sections 5 and 8	Item 11
f. Fees	Sections 3, 4, 5, 8, 11, 13, 14, 16, and 18	Items 5, 6, 7, 8 and 11
g. Compliance with standards and policies/Franchise Operations Manual	Sections 6, 7, 9, 10, and 13	Items 8, 14 and 16
h. Trademarks and proprietary information	Sections 6, 7 and 9	Items 13 and 14
i. Restrictions on products/services offered	Sections 5, 6 and 13	Items 8 and 16
j. Warranty and customer service requirements	Section 13.8	Not applicable
k. Territorial development and sales quotas	Section 2.2	Item 12
l. Ongoing product/service purchases	Section 13	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 5, 10 and 13	Not applicable
n. Insurance	Section 15	Items 6, 7 and 8
o. Advertising	Section 11	Items 6, 7 and 11
p. Indemnification	Section 21.3	Item 6
q. Owner’s participation/management and staffing	Section 13.3	Item 15
r. Records and reports	Section 12	Item 11

Obligation	Section in Franchise Agreement	Disclosure Document Item
s. Inspections and audits	Sections 6.6 and 12	Items 6 and 11
t. Transfer	Sections 18 and 19 and <u>Exhibit D</u>	Item 17
u. Renewal	Section 4.2 and <u>Exhibit D</u>	Item 17
v. Post-termination obligations	Section 17 and Schedule 3	Item 17
w. Non-competition covenants	Sections 7 and 17 and Schedule 3	Item 17
x. Dispute resolution	Section 23	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.

F. 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 2 and 5.1)

2. We will provide training and support in your search for a broker at no additional cost. (Franchise Agreement, Section 8.2)

3. We may review and approve your lease or purchase agreement for the approved site for the franchised business. (Franchise Agreement, Section 5.3)

F. 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. (Franchise Agreement, Section 5.4)

4. 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.

5. 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 F 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)

6. 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, Sections 11.4 and 13.12).

B. Other Assistance During the Operation of the Franchised Business

After the opening of the franchised business, we will:

F. Provide you assistance and guidance in operating the franchised business. (Franchise Agreement, Sections 8.2 and 14.2)

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, Sections 14.2 and 14.4)

3. Provide operations assistance, ongoing training and coaching as we deem necessary. (Franchise Agreement, Sections 8.2 and 8.5)

F. Approve forms of advertising materials you will use for local advertising, and cooperative advertising. (Franchise Agreement, Section 11.1)

F. Provide modifications to the Confidential Operations Manual as they are made available to franchisees at our discretion. (Franchise Agreement, Section 9.2)

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 13.8)

7. We encourage our franchisees to refer prospective franchisees to us and to describe their experiences with us. To compensate for time expended, if you or another person directly refers a prospective franchisee to us, and said prospect purchases a Keyrenter franchise, we will pay you or the referring party a one-time fee of \$5,000 for the referral, for the first location only. The determination of whether or not you or another party directly referred the prospect to us, however, is solely at our discretion.

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, 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, Section. 11.4)

Local Advertising Spend. Each month, you must spend \$1,425 or 3% of your Gross Revenues, 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 11.1)

Brand Development Fund. We maintain a system-wide Brand Development Fund, and you must contribute to the fund 1% of your Gross Revenues (“Brand Development Fund Contribution”). (Franchise Agreement, Section 11.2.) 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, 2022, 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 your 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, 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 Revenues, 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 12.5). 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. We offer optional bookkeeping services for a monthly fee for the remainder of the term. 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 E. See Item 6 for a complete description of services and fees.

You will pay directly to Appfolio an implementation fee of \$400 for Appfolio setup, and then \$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 E.

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 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
Property Management Procedures	11	3	Remotely
Maintenance & Vendors	2	1	Remotely

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
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 and Ann Adel 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.

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 population of 100,000 or greater (“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.

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.

The Territory will contain a population of approximately 100,001 to 300,000 people or more.

To determine population 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.

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, you and other franchisees may not solicit or accept orders from 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 marketing and management efforts within a 45-mile radius of your Approved Location. You may not enter into property management agreements for or service any properties located outside of the state in which your Territory is located.

In select instances, according to our guidelines, you may service properties outside of the Territory, including those located in the territories of other Keyrenter Businesses. In such instances, according to our guidelines, you shall permit other Keyrenter Businesses to service properties or clients located within the 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.

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 sign the Franchise Agreement. 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
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

Trademark	Registration Number	Effective Date	Status
Creating Wealth Through Real Estate	5,512,385	July 10, 2018	Registered on the Principal Register

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. 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”). We may allow you to appoint a manager (“Designated Manager”) to run the day-to-day operations of the Keyrenter Business. 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 do not 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).

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 members of their immediate families and households), 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. You may not reduce the property management agreement fee. 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 or Other Agreement	Summary
a. Length of the franchise term	Section 4.1	The initial term is 10 years.
b. Renewal or extension of the term	Section 4.2	There is no limit on the number of times you may renew for 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 4.2.	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 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	Not Applicable	You may terminate the Franchise Agreement under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable.

Provision	Section in Franchise or Other Agreement	Summary
f. Termination by franchisor with cause	Section 16	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 16.1	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.
h. "Cause" defined-non-curable defaults	Section 16.1	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

Provision	Section in Franchise or Other Agreement	Summary
		<p>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>
<p>i. Franchisee’s obligations on termination/non-renewal</p>	<p>Section 17</p>	<p>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.</p>
<p>j. Assignment of contract by franchisor</p>	<p>Section 18.1</p>	<p>There are no restrictions on our right to assign our interest in the Franchise Agreement.</p>

Provision	Section in Franchise or Other Agreement	Summary
k. “Transfer” by franchisee-definition	Section 18.2	“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 18.2	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 18.2	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 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 19	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 19.2	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.

Provision	Section in Franchise or Other Agreement	Summary
p. Death or disability of franchisee	Section 18.6	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 180 days of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Sections 7.3 and 7.4 and Schedule 3	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.)
r. Non-competition covenants after the franchise is terminated or expires	Sections 17.2 and 17.3 and Schedule 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 50 miles of the franchise location , or within 50 miles of any other Keyrenter business; 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 9.2, 22.5 and 22.6	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 22.5	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.

Provision	Section in Franchise or Other Agreement	Summary
u. Dispute resolution by mediation and arbitration	Section 23.8; Schedule 3	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 23.2	Subject to applicable state law, any litigation must be pursued in courts located in Salt Lake County, Utah.
w. Choice of law	Section 23.1	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, 2022, we had 43 KPM Franchises (the “**Franchised Locations**”) and one Keyrenter Business outlet operated by our affiliate (the “**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 2022. We also include comparative data from calendar year 2021. The Affiliate Location was previously operated as two Affiliate Locations. Operations of the two Affiliate Locations merged upon the death of the operator and the transfer was effective in January 2023. The Affiliate Location operates in the equivalent of one franchised territory.

We use only actual historical financial figures, provided from either (a) unaudited financial and operating reports submitted to us by our Franchised Locations, or (b) our accounting software for the year ending December 31, 2022 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.

Based upon financial data and information for the 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 only data from the 38 Franchised Locations and one Affiliate Location that were “**Open**” in calendar year 2022 meaning they were (a) fully operational for all twelve months of the 2022 calendar year; (b) had at least one property under management, and (c) had verifiable Gross Revenue for the entire twelve months of calendar year 2022 (the “**Reporting Group**”). One Franchised Location was transferred to a new franchisee in 2022. This outlet is included in the Reporting Group. We do not include the data of six Franchised Locations that were not Open during the entirety 2022 calendar year in the Reporting Group and one Franchised Location that was terminated during the 2022 calendar year. We do include one outlet that opened in 2022 and was “Open” for all twelve months of 2022.
2. We report 2022 data in Table 4, including data from five Franchised Locations that were not “Open” as defined above. We do not include data from any closed Franchised Locations or Affiliate Locations. For the 2022 data in Table 4, we used data from a comparative reporting group containing 43 Franchised Locations and one Affiliate Location that was open for part or all of the 2022 calendar year (the “**2022 Comparative Group**”). For the 2022 data in Table 4, we used data from a comparative reporting group containing 37 Franchised Locations and one Affiliate Location that were open for part or all of the 2022 calendar year (the “**2021 Comparative Group**”).
3. The following definitions apply to the Tables included in this Item 19:

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

“**Gross Revenue**” means all revenue generated from the Franchised Locations and 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 franchise 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, 2022. We also report the data of the Affiliate Locations in the Reporting Group in a separate Group.

We divided the Reporting Group into the following Groups:

<p>Group A includes one Affiliate Location. The Affiliate Location has been open for more than 10 years. Group A represents 3% of the total number of Keyrenter Businesses included in the Reporting Group.</p>
--

Group B includes 5 Franchised Locations open more than 1 year and less than 3 years. Group B represents 13% of the Reporting Group.
Group C includes 32 Franchised Locations open more than 3 years. This group represents 84% of the Reporting Group.
Group D includes the entire Reporting Group.

“**Managed Door**” means a space that is managed by a Franchised Location or Affiliate 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.

“**Occupied Door**” means a Managed Door that has been rented to an individual tenant, or group of tenants, or identified in a lease agreement for occupancy.

“**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 the 2022 Comparative Group or 2021 Comparative Group.

“**YOY Change**” refers to the year-over-year percent change in Total Revenue between calendar year 2021 and calendar year 2022.

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. You should conduct an independent investigation of the costs and expenses you will incur in operating your Keyrenter Business.

TABLE 1

Table 1 represents the high/average/median/low annual Gross Revenue generated by each Group in the Reporting Group from January 1, 2022 through December 31, 2022.

TABLE 1 – ANNUAL GROSS REVENUE SYSTEMWIDE 2022 FOR THE MATURE REPORTING GROUP				
Group	A	B	C	D
Type	Affiliate Location	>1 and <3 yrs	>3 years	All
# Represented	1 Outlet	5 Outlets	32 Outlets	38 Outlets
High	\$865,117*	\$335,616	\$2,144,182	\$2,144,182
Average	\$865,117*	\$181,719	\$443,183	\$419,884
Median	\$865,117*	\$130,171	\$300,954	\$300,954

Low	\$865,117*	\$31,092	\$34,650	\$31,092
Franchises that attained or surpassed the average Annual Gross Revenue by Group				
% Attained Avg.	n/a	40%	22%	18%
# Franchises	n/a	2 of 5	7 of 32	7 of 38
Franchises that attained or surpassed the median Annual Gross Revenue by Group				
% Attained	n/a	60%	50%	47%
# Represented	n/a	3 of 5	16 of 32	18 of 38

*The high/average/median/low data for “Group” A is provided for illustrative purposes only and reflects the performance of a single Affiliate Location.

Notes to Table 1:

1. **Group A.** The Gross Revenue for the Affiliate Location in Group A was \$865,117.

4. **Group B.** The average Gross Revenue for the Franchised Locations in Group B was \$181,719 40% (meaning 2 of the 4 franchises in Group B attained or surpassed the average result). The median Gross Revenue of Franchised Locations open longer than 1 year and less than 3 years was \$130,171. 60% (meaning 3 of 5 Franchised Locations in Group B) attained or surpassed the median result.

1. **Group C.** The average Gross Revenue for Franchised Locations in Group C was \$443,183. 67% (meaning 16 of the 32 Franchised Locations in Group C) attained or surpassed the average result. The median Gross Revenue of Franchised Locations that opens longer than 3 was \$300,954. 47% (meaning 18 of the 32 Franchised Locations in Group C) attained or surpassed the median result.

1. **Group D.** The average Gross Revenue of the Affiliate Location and Franchised Locations in the Reporting Group regardless of years open was \$419,884. 47% (meaning 18 of 38 Franchised Locations) attained or surpassed the stated result. The median Gross Revenue of Franchised Locations regardless of years open was \$193,289. 52% (meaning 17 of 33 Franchised Locations) attained or surpassed the stated result.

TABLE 2

Table 2 includes data from the Reporting Group by Group and shows the high/average/median/low average monthly Property Management Revenue generated per Occupied Door during the 2022 calendar year.

TABLE 2 – AVG MONTHLY PROPERTY MANAGEMENT REVENUE PER OCCUPIED DOOR FOR THE MATURE REPORTING GROUP IN 2022 CALENDAR YEAR				
Group	A	B	C	D
Type	Affiliate Location	>1 and <3 yrs	>3 years	All
# Represented	1 Outlet	5 Outlets	32 Outlets	38 Outlets
High	\$240*	\$229	\$517	\$517
Average	\$240*	\$173	\$238	\$229
Median	\$240*	\$164	\$221	\$212
Low	\$240*	\$137	\$100	\$100
Franchises that attained or surpassed the average Monthly Property Management Income by Group				
% Attained Avg.	n/a	40%	44%	42%
# Franchises	n/a	2 of 5	14 of 32	16 of 38
Franchises that attained or surpassed the median Monthly Property Management Income by Group				
% Attained	n/a	n/a	60%	53%
# Represented	n/a	n/a	3 of 5	17 of 32

*The high/average/median/low data for “Group” A is provided for illustrative purposes only and reflects the performance of a single Affiliate Location.

Note to Table 2:

1. “**Monthly Property Management Revenue Per Occupied Door**” is calculated by dividing the total Monthly Property Management Revenue reported in calendar year 2022 and by the total number of Occupied Doors reporting in calendar year 2022, and dividing this number by twelve.

TABLE 3

Table 3 shows the total/high/average/median/low number of Managed Doors reported by the Reporting Group as of December 31, 2022.

TABLE 3 – MANAGED DOORS AT YEAR-END FOR THE MATURE REPORTING GROUP – 2022

Group	A	B	C	D
Type	Affiliate Location	>1 and <3 yrs	>3 years	All
# Represented	1 Outlet	5 Outlets	32 Outlets	38 Outlets
High	328*	127	612	612
Average	328*	79	173	178
Median	328*	83	132	132
Low	328*	26	16	16
Franchises that attained or surpassed the average Managed Doors at year end:				
% Attained Avg.	n/a	60%	28%	26%
# Franchises	n/a	3 of 5	9 of 32	10 of 38
Franchises that attained or surpassed the median Managed Doors by Group				
% Attained	n/a	60%	53%	47%
# Represented	n/a	3 of 5	17 of 32	18 of 38

*The high/average/median/low data for “Group” A is provided for illustrative purposes only and reflects the performance of a single Affiliate Location.

Notes to Table 3:

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

4. **Group A.** The Affiliate Location in Group A reported 328 Managed Doors.
4. **Group B.** The average number of Managed Doors for Franchised Locations in Group B was 79. 60% (meaning 3 of the 5 Franchised Locations in Group B) attained or surpassed the average result. The median Managed Doors for Franchised Locations in Group B were 83. 60% (meaning 3 of the 5 Franchised Locations in Group B) attained or surpassed the median result.
4. **Group C.** The average number of Managed Doors for Franchised Locations in Group C was 173. 28% (meaning 9 of the 32 Franchised Locations in Group C) attained or surpassed the average result. The median Managed Doors of Franchised Locations open longer than 3 and less than 5 years was 117. 53% (meaning 17 of the 32 Franchised Locations in Group C) attained or surpassed the median result.
4. **Group D.** The average number of Managed Doors by Franchised Locations in Group D was

178. 26% (meaning 10 of the 38 Franchised Locations in Group D) attained or surpassed the average result. The median Managed Doors of Franchised Locations open 5 years or longer was 132. 47% (meaning 18 of the 38 Franchised Locations in Group D) attained or surpassed the average result.

TABLE 4

Table 4 is included to show the YOY Change for the 2021 and 2022 Comparative Reporting Groups. Table 4 shows the Total Revenue for the entire system during the calendar years 2021 and 2022. The Total Revenue for 2021 includes data from 36 Franchised Locations and two Affiliate Locations (which have now 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 43 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..

TABLE 4 - YOY CHANGE IN ANNUAL GROSS REVENUE FOR THE 2021 COMPARATIVE GROUP AND 2022 COMPARATIVE GROUP		
Total Revenue 2021	Total Revenue 2022	Total Revenue YOY Change*
\$12,344,898	\$16,141,762	33%

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 the 2022 Comparative Group during calendar year 2022.
3. **“Total Revenue YOY Change”** refers to the percent increase from Total Revenue 2021 to the Total Revenue 2022. Total Revenue YOY Change is based only on the Total Revenue reported in calendar year 2021 as compared with Total Revenue reported in 2022.

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 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2020	33	36	+3
	2021	34	37	+3
	2022	37	43	+5
Company-Owned*	2020	2	2	0
	2021	2	2	0
	2022	2	1**	0
Total Outlets	2020	34	37	+3
	2021	37	38	+1
	2022	39	44	+5

*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 2020 to 2022

State	Year	Number of Transfers
California	2020	0
	2021	1
	2022	0
Florida	2020	0
	2021	0
	2022	1
Utah	2020	0
	2021	0
	2022	1
Washington	2020	0
	2021	0
	2022	1
Total	2020	1
	2021	1
	2022	2

Table No. 3

Status of Franchised Outlets
For Years 2020 to 2022

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	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arkansas	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
California	2020	4	2	1	0	0	0	5
	2021	5	0	2	0	0	0	3
	2022	3	1	0	0	0	0	4
Colorado	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
District of Columbia	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	1	0	0	0	3
Georgia	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Idaho	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Illinois	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Indiana	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Maryland	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Massachusetts	2020	1	0	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
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Missouri	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Hampshire	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
North Carolina	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Oklahoma	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Pennsylvania	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Tennessee	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Texas	2020	5	1	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	1	0	0	0	0	7
Utah	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	2
Virginia	2020	4	0	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Washington	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Totals	2020	33	4	1	0	0	0	36
	2021	37	3	2	0	0	0	38
	2022	38	6	1	0	0	0	43

Table No. 4

Status of Company-Owned Outlets*
For Years 2020 to 2022

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	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	1*	0	1
Total	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	1	1

*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, 2022

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	2	3	0
Colorado	0	0	0
Florida	4	3	0
Georgia	0	2	0
Idaho	1	2	0
Illinois	1	0	0
Indiana	1	0	0
Kansas	1	2	0
Missouri	0	1	0
North Carolina	1	1	0
Pennsylvania	2	1	0
Tennessee	1	0	0
Texas	1	3	0
Utah	1	1	0
Virginia	0	1	0
Washington	1	1	0
Totals	17	20	0

Exhibit G 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 H 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 I contains our audited Financial Statements for the fiscal years ending December 31, 2022, 2021, and 2020. Our fiscal year end is December 31.

ITEM 22 CONTRACTS

We attach the following agreements regarding the franchise offering:

Exhibit B	Franchise Agreement and Schedules
	<ol style="list-style-type: none">1. Territory Description2. Brand Conversion Addendum3. Nondisclosure and Non-Competition Agreement4. Unlimited Guaranty and Assumption of Obligations5. Holders of Legal or Beneficial Interest in Franchisee; Officers; Directors6. Automated Clearing House Authorization7. State Addenda to the Franchise Agreement
Exhibit C	Secured Promissory Note
Exhibit D	General Release
Exhibit E	Appfolio Service Agreement, Pricing Sheet, and KeyAssist Tenant Screening Service Agreement
Exhibit J	Franchisee Disclosure Questionnaire

**ITEM 23
RECEIPT**

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

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**

CALIFORNIA

State Administrator and Agent for Service of Process:

Commissioner
Department of Financial Protection and Innovation
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677

HAWAII

Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Agent for 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, HI 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
Chief, Franchise Division
500 S. Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA

Secretary of State
Securities Division
Room E-018
302 W. Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

MARYLAND CONTINUED

Agent for Service of Process:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48913
(517) 373-7117

MINNESOTA

Department of Commerce
Commissioner of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101-3165
(651) 539-1600

NEW YORK

Administrator:

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

Agent for Service of Process:

Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA

Administrator:

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Agent for Service of Process:

Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510

RHODE ISLAND

Department of Business Regulation
1511 Pontiac Avenue, Bldg. 68-2
Cranston, RI 02920
(401) 462-9527

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Agent for Service of Process:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON

State Administrator:

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507
(360) 902-8760

Agent for Service for Process:

Director of Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

WISCONSIN

Department of Financial Institutions
Division of Securities
201 W. Washington Avenue
Madison, WI 53703
(608) 266-3364

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

TABLE OF CONTENTS

<u>SECTION</u>		<u>PAGE</u>
1.	DEFINITIONS	2
2.	GRANT OF FRANCHISE; APPROVED LOCATION; AND TERRITORY	5
3.	FEEES.....	7
4.	TERM AND RENEWAL.....	10
5.	APPROVED LOCATION	12
6.	PROPRIETARY MARKS	16
7.	TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION	19
8.	TRAINING AND ASSISTANCE.....	21
9.	CONFIDENTIAL OPERATIONS MANUAL	23
10.	FRANCHISE SYSTEM.....	24
11.	ADVERTISING AND PROMOTIONAL ACTIVITIES.....	25
12.	ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS	29
13.	STANDARDS OF OPERATION	31
14.	FRANCHISOR’S ADDITIONAL OPERATIONS ASSISTANCE	36
15.	INSURANCE	37
16.	DEFAULT AND TERMINATION	39
17.	RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION.....	42
18.	TRANSFERABILITY OF INTEREST.....	45
19.	RIGHT OF FIRST REFUSAL	48
20.	BENEFICIAL OWNERS OF FRANCHISEE	49
21.	RELATIONSHIP AND INDEMNIFICATION.....	50
22.	GENERAL CONDITIONS AND PROVISIONS.....	51
23.	DISPUTE RESOLUTION	54
24.	ACKNOWLEDGMENTS.....	56

SCHEDULES

Schedule 1	Territory Description
Schedule 2	Brand Conversion Addendum
Schedule 3	Nondisclosure and Non-Competition Agreement
Schedule 4	Unlimited Guaranty and Assumption of Obligations
Schedule 5	Holders of Legal or Beneficial Interest in Franchisee; Officers; Directors
Schedule 6	Automated Clearing House Authorization
Schedule 7	State Addenda to the Franchise Agreement

KEYRENTER FRANCHISE, LLC

FRANCHISE AGREEMENT

This Franchise Agreement is entered into _____, (date) by and between Keyrenter Franchise, LLC, a Utah limited liability company, having its principal place of business at 79 East Fort Union Blvd., Midvale, Utah 84047 (“Franchisor,” “we,” “us,” or “our”), and _____ (“Franchisee,” “you,” or “your”), an individual or entity established in the State of _____ and whose principal address is _____

WITNESSETH:

WHEREAS, Franchisor and its Affiliates* have developed, and are in the process of further developing, a System identified by the service mark “Keyrenter Property Management®” and other marks we authorize Franchisee to use (“Marks”) relating to the establishment and operation of businesses providing real estate services, including buying, selling, leasing and managing commercial and residential property. including single-family, multi-family, townhomes, vacation homes, condominiums, apartment buildings, commercial, and homeowner associations, including leasing, rent collection, and maintenance and repair management services, all referred to as the “Keyrenter Property Management Businesses;” and

WHEREAS, the distinguishing characteristics of the System include: uniform standards and procedures for efficient property management business operations; procedures, systems, and strategies for marketing, advertising and promotion, maintenance services, customer service and development techniques, and other strategies, techniques and Trade Secrets and other Confidential Information; and the Confidential Operations Manual; and

WHEREAS, Franchisor grants to qualified persons and business entities the right to own and operate a Keyrenter Property Management Business using the System and the Marks; and

WHEREAS, Franchisee desires to operate a Keyrenter Property Management Business, has applied for the Franchise and such application has been approved by Franchisor in reliance upon all of the representations made herein and therein; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor’s high and uniform standards of quality, operations and service and the necessity of operating the Franchised Business in strict conformity with Franchisor’s System.

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

* Capitalized terms not otherwise defined are defined in Section 1.

1. DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings:

“Accounts” mean all clients, customers and sources of revenue developed by Franchisee through use of Franchisor’s System,

“Affiliate(s)” means any business entity that controls, is controlled by, or is under common control with Franchisor;

“Agreement” means this agreement entitled “Keyrenter Franchise, LLC Franchise Agreement” and all instruments supplemental hereto or in amendment or confirmation hereof;

“Approved Location” means the site address for the operation of the Franchised Business selected by Franchisee and approved in writing by Franchisor;

“Competitive Business” means any business 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 Keyrenter Property Management Businesses, including maintenance on real property, or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees; provided, however, that the term “Competitive Business” shall not apply to (a) any business operated by Franchisee under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest;

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

“Confidential Operations Manual” means the Keyrenter Property Management Confidential Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers’ manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor;

“Cooperative Advertising” means the combined advertising program of two (2) or more franchisees established within a common market that Franchisor may require for Keyrenter Property Management Businesses within a particular region;

“Designated Manager” means the individual designated by Franchisee as having primary responsibility for managing the day-to-day affairs of the Franchised Business;

“Effective Date” means the date on which Franchisee and Franchisor fully execute this Agreement, thereby commencing its effectiveness and term;

“Electronic Depository Transfer Account” means an account established at a national banking institution approved by Franchisor and providing Franchisor with access to electronically withdraw any funds due Franchisor;

“Franchise” means the right granted to Franchisee by Franchisor to use the System and the Marks;

“Franchised Business” means the Keyrenter Property Management Business to be established and operated by Franchisee pursuant to this Agreement;

“Franchisee” means the individual or entity defined as “Franchisee” in the introductory paragraph of this Agreement;

“Franchisor” means Keyrenter Franchise, LLC;

“Generally Accepted Accounting Principles” or “GAAP” means the standards, Keyrenter Summit Conventions and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements;

“Gross Revenues” means all revenue from the franchised business or any affiliates thereto, whether through property management transactions, maintenance work performed, or any other income resulting from the efforts of the Franchised Business. However, Gross Revenues do not include revenues from real estate sales or referral fees nor sales tax or use tax;

“Incapacity” means the inability of Franchisee, or any holder of a legal or beneficial interest in Franchisee, to operate or oversee the operation of the Franchised Business on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

“Internet” means any one (1) or more local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web;

“Joint-Advertising” means an agreement approved by Franchisor between Franchisee and at least one other Keyrenter Property Management Business pursuant to which Franchisee and the Keyrenter Property Management Business engage in a campaign to jointly advertise and market the Franchised Business and the Keyrenter Property Management Business;

“**KeyAssist**” refers to our trade name for the provision of office administration, accounting and bookkeeping within Xero, and other assistance services for your property management business.

“**Keyrenter Method**” refers to our system, including but not limited to the processes, policies and procedures used in the operations of the Franchised Business.

“**Keyrenter Property Management Business**” means a business operated by Franchisor, an affiliate of Franchisor, or a franchisee of Franchisor, and providing real estate, and property management services for properties, including but not limited to leasing services, provision and coordination of maintenance and repairs, rent collection, eviction management, which uses the System and the Marks;

“**Key University**” means the educational training program provided by Franchisor, including all methods used to deliver training, and the site where training occurs;

“**KPM Franchise**” means a franchised business pursuant to Franchisor's franchise program where a franchise is purchased within a market area with a population that exceeds 100,000;

“**KeyWare**” is a combination of software systems, which are designated and approved by us, for use by KPM Franchisees to manage and grow the franchised business.

“**Marks**” means the trademark “Keyrenter Property Management®,” and any other marks that we authorize you to use in the franchised business, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Franchisor may designate to be used in connection with Keyrenter Property Management Businesses;

“**National Account**” means any customer, which, on its own behalf or through parents, subsidiaries, affiliates, agents, franchisees, licensees or other third parties, owns, manages, controls or otherwise has responsibility for properties of any kind in more than one location whose presence is not confined within any one particular Keyrenter Property Management Business’s territory, regardless of the aggregate contract amount of the services to be performed. Any dispute as to whether a particular customer is a National Account shall be determined by Franchisor in its sole discretion and Franchisor’s determination shall be final and binding;

“**System**” means the uniform standards, methods, procedures and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor for the operation of Keyrenter Property Management Businesses;

“**Territory**” means the market area in which your approved office site is located. It is designated in Schedule 1 to this Agreement.

“**Trade Secrets**” means information in any form (including, but not limited to, 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: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; and

2. GRANT OF FRANCHISE; APPROVED LOCATION; AND TERRITORY

2.1 Grant

We hereby grant to you and you undertake and accept, upon the terms herein contained, a franchise to operate one (1) Keyrenter Property Management Business office using the System and Marks.

2.2 Territory

You will be assigned a non-exclusive Territory with a population of 100,000 or greater. To determine Market Size to designate the territory, we use population data from the U.S. Census Bureau or another source we deem reliable.

The non-exclusive Territory defines the area in which you must operate your Keyrenter franchise. 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 Franchise 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.

A territory for a Standard KPM Franchise will contain a population of 100,001 to 300,000 people or more. To determine population 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.

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 to you 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 5 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, you and other franchisees may not solicit or accept orders from 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 marketing and management efforts within a 45 mile radius of your Approved Location. You may not enter into property management agreements for or service any properties located outside of the state in which your Territory is located

In select instances, according to our guidelines, you may service properties outside of the Territory, including those located in the territories of other Keyrenter Property Management Businesses. And, such instances, pursuant to our guidelines, you shall permit other Keyrenter Property Management Businesses to service properties or clients located within the 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.

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 Manuals 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.

Continuation of your franchise rights depends on your meeting a performance requirement. You must be managing at least 25 units/properties (doors under management) at your one-year anniversary from the date you sign the Franchise Agreement. At your two-year anniversary, you must be managing at least 50 units/properties (doors under management). You must be managing at least 75 units/properties (doors

under management) at your three-year anniversary, and 100 units at your 4-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.

2.3 Sub-franchising/Agents

You shall not sublicense or sub-franchise the use of the System or Marks to any person or entity. Except as may be permitted pursuant to Section 18, you shall not grant any person or entity the right to perform any part of your rights or obligations licensed hereunder.

3. FEES

3.1 Initial Fees

Upon execution of this Agreement, Franchisee shall pay the following 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 \$40,000 for a territory with a population of 100,000 or greater.

Brand Conversion Franchise: If you already own a bona fide, existing residential property management company with at least 20 residential or commercial units under management and would like to convert the existing business to a KPM Franchise, the Initial Franchise Fee is \$25,000 regardless of the population of the Territory. Whether or not your business qualifies as bona fide Brand Conversion is solely at our discretion.

Discounts for Veterans and Keyrenter Employees: If you are currently in, or have been honorably discharged from any branch of the U.S. Armed Forces, you will be given a 20% discount on the Initial Franchise Fee of your first KPM Franchise. 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. 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 this Agreement will not be granted.

E-2 Visa Fee: If you are coming to us through the E-2 Visa program, in addition to the Initial Franchise Fee, you must 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. The E-2 Visa Fee is fully earned by us upon receipt and is not refundable unless 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.

E-2 Additional Deposit: In addition to the E-2 Visa fee, if we assist you in investing additional amounts into the business based on the requirements that the United States Citizenship and Immigration Services prescribes you will be required to invest an additional \$25,000 to \$35,000 (“E-2 Visa Deposit”). We will credit your E-2 Visa Deposit towards items such as materials for your KPM Franchise which may include fee amounts.

Training Fee: You will be enrolled in our Key University training program after you sign this Agreement, which consists of both online and in-person training. The initial Training Fee is \$5,000. Up to two people may participate in the initial training program. Franchisee will be required to pay an additional \$495 fee for each additional person attending the initial training program.

Start-Up Marketing Package Fee: You will be required to pay us a start-up marketing package fee (“Start-Up Marketing Package Fee”) of \$10,000 upon execution of this Agreement to create your local website and develop a start-up marketing and advertising strategy for lead generation. The Start-Up Marketing Package Fee also includes essential supplies needed for your business.

Refund of the Initial Fees: 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 that we will refund the E-2 Visa Fee if you can provide proof 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.

3.2 Monthly Royalty Fee

(a) On Gross Revenues Other Than Real Estate Sales. On the fifteenth (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 Franchise Agreement is signed, or after Franchisee begins using the System in any way, whichever is sooner, Franchisee shall pay to Franchisor without offset, credit or deduction of any nature, a monthly fee (“Royalty Fee”) equal to 7% of all Gross Revenues other than on real estate sales for the preceding month. Franchisor shall automatically deduct the Royalty Fees through electronic transfer as set forth in Section 3.4. Franchisee shall provide a true and accurate Gross Revenues Report with each monthly Royalty Fee, that clearly shows all Franchisee’s Gross Revenues for the same period using a form that is provided by Franchisor.

(b) On Real Estate Sales Commissions and Referrals. 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 in the same manner as Royalty Fee. You may not sell real estate without our prior written approval and you must have 2 years of experience in real estate or be managing over 150 doors (i.e., properties) in order to do so.

3.3 Taxes

In addition to the fees, and if applicable, Franchisee shall pay to Franchisor an amount equal to any and all sales taxes, excise taxes, withholding taxes, use taxes and similar taxes imposed on the fees payable by Franchisee to Franchisor hereunder and on services furnished to Franchisee by Franchisor at the same time as Franchisee remits such fees to Franchisor, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchised Business is located. It is Franchisee's obligation to duly calculate such applicable taxes.

3.4 Electronic Transfer

Franchisee must pay all Royalty Fees, Brand Development Fund Contributions, and other amounts due to Franchisor through an Electronic Depository Transfer Account (ACH or EFT). Franchisee shall open and maintain an Electronic Depository Transfer Account and shall provide Franchisor with continuous access to such account for the purpose of retrieving any payments due to Franchisor. Every month, Franchisee shall make timely deposits to the account sufficient to cover all amounts owed to Franchisor prior to the date such amounts are due, unless Franchisor elects to automatically deduct such fees. Franchisee shall execute any documents Franchisor’s or Franchisee’s bank requires to establish and implement the Electronic Depository Transfer Account. Once established, Franchisee shall not close the Electronic Depository Transfer Account without Franchisor’s written consent. Franchisor reserves the right to require an alternative payment method or payment frequency for any fees or amounts owed to Franchisor or its affiliates under the Franchise Agreement.

3.5 Late Fees

For any amounts due to Franchisor or its affiliate, that are not received by Franchisor within five (5) days after their respective due dates shall incur late fees at the rate of one and one-half percent (1.5%) per month (or the highest rate allowed by the law of the state where Franchisee is located, whichever is lower) from the date payment is due to the date payment is received by Franchisor. Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any unpaid and past due amounts due Franchisor, including reasonable accounting and legal fees.

3.6 Technology Fee

You agree to pay to us a monthly technology fee (“Technology Fee”) of \$150 for expenses associated with digital content storage, the delivery of training through digital technology, and other fees associated with the KeyWare. The Technology Fee is wholly earned once paid. Franchisor has no obligation to account to Franchisee for expenditures associated with this fee. We may increase this fee periodically upon notice to you. You will begin paying the Technology Fee the month you begin operations, and will pay it at the same time and manner as the Royalty Fee. One email address and on-going email maintenance are included in the Technology Fee. Additional email addresses can be obtained for a fee of \$6 per email address per month, or \$12 per email address per month if you upgrade to Google Standard.

3.7 Office Relocation Fee

If the physical address for your Approved Location changes after you have opened, you agree to pay to us an office relocation fee of \$350 for website changes and search engine optimization work.

3.8 Non-Compliance Fee

If we notify you that you are not compliant with our System, you agree to pay us a non-compliance fee of \$25 per day until you achieve or regain compliance, in addition to any other applicable fees.

3.9 Application of Payments

All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Franchisor shall have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, Brand Development Fund Contributions, purchases from Franchisor or any other amount owed to Franchisor or any of its affiliates in any proportion or priority.

4. TERM AND RENEWAL

4.1 Initial Term

The term of this Agreement shall begin on the effective date and shall expire on a date that is ten (10) years after the Effective Date (“Initial Term”), unless sooner terminated pursuant to Section 16.

4.2 Renewal Term

Subject to the conditions below, Franchisee has the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new franchise agreement with Franchisor. Franchisee’s right to a successor franchise is unlimited, however, to qualify for a successor franchise, each of the following conditions shall have been fulfilled and remain true as of the last day of the term of this Agreement:

a. Franchisee has, during the entire term of this Agreement, fully complied with all material provisions of this Agreement;

b. Franchisee has access to and, for the duration of the successor franchise, the right to remain in possession of an Approved Location, or a suitable substitute location approved by Franchisor, which is in full compliance with Franchisor’s then-current specifications and standards;

c. Franchisee has, at its own expense, made such improvement expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that the Franchised Business reflects Franchisor’s then-current standards and specifications;

d. Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor (or any Affiliate), and has timely met these obligations throughout the term of this Agreement;

e. Franchisee is not in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor (or any Affiliate or required vendor);

f. Franchisee has given written notice of its intent to operate a successor franchise to Franchisor not less than six (6) months nor more than twelve (12) months prior to the end of the term of this Agreement;

g. In order to renew your Franchise, Franchisee shall execute Franchisor’s then-current form of franchise agreement (or has executed other documents at Franchisor’s election that modify this Agreement to reflect the fact that the franchise agreement relates to the grant of a successor franchise), which franchise agreement shall supersede this Agreement in all respects, and the terms of the successor franchise agreement may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or Brand Development Fund Contribution; provided, however, that Franchisee shall not be required to pay the then-current Franchise Fee, but is required to pay a renewal fee of \$2,500;

h. Franchisee has complied with Franchisor’s then-current qualifications for a new franchisee and has agreed to comply with any training requirements; and

i. Franchisee has executed a general release, in a form the same as or similar to the General Release attached as Exhibit D, of any and all claims against Franchisor, any Affiliate and against their officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), except to the extent prohibited by the laws of the state where the Franchised Business is located.

5. APPROVED LOCATION

5.1 Selection of Site

If an Approved Location for the Franchised Business has not been determined as of the Effective Date, Franchisee shall promptly select a site for the Franchised Business and shall notify Franchisor of such selection. Franchisor, in its sole discretion, may evaluate the site and notify Franchisee of its approval or disapproval of a proposed site within a reasonable time (usually thirty 30 days) after Franchisee notifies Franchisor of the selection of such site. If Franchisor approves of such selection, the site shall be designated as the Approved Location. If Franchisor does not approve of such selection, Franchisee shall select and notify Franchisor of new sites until Franchisor approves a site for the Franchised Business. Franchisor shall provide Franchisee with general guidelines to assist Franchisee in selecting a site suitable for the Approved Location, but will not be required to physically inspect the proposed location. Franchisor has the right to approve or disapprove a proposed location based on such factors as it deems appropriate, including, without limitation, the condition of the premises, demographics of the surrounding area, proximity to other Keyrenter Property Management Businesses, proximity to Competitive Businesses, lease requirements, traffic patterns, visibility, vehicular and pedestrian access, proximity to major roads and the units to be managed by Franchisee, available parking and overall suitability. Franchisee shall not locate the Franchised Business on a selected site without the prior written approval of Franchisor. ***Franchisor does not represent that it, or any of its Affiliates, owners, employees or agents, have special expertise in selecting sites. Neither Franchisor's assistance nor approval is intended to indicate or indicates that the Franchised Business will be profitable or successful at the Approved Location. Franchisee is solely responsible for identifying the Approved Location.***

5.2 Failure to Select Site

If Franchisee fails within ninety (90) days after the Effective Date to select a site for the Franchised Business that meets Franchisor's approval, then Franchisor may terminate this Agreement.

5.3 Lease of Approved Location

After the designation of the Approved Location (and if the site is to be leased or purchased), Franchisee shall execute a lease for, or a binding agreement to purchase, the Approved Location, the terms of which must have been previously approved by Franchisor in writing. Franchisor shall not unreasonably withhold its approval. ***Franchisor's review, if any, of a lease or purchase agreement, or any advice or***

recommendation offered by Franchisor, shall not constitute a representation or guarantee that Franchisee will succeed at the Approved Location nor constitute an expression of Franchisor's opinion regarding the terms of such lease or purchase agreement. Franchisee acknowledges and agrees that Franchisee shall solely rely on its review and its attorney's review of any such lease. Franchisee shall ensure that nothing contained in the lease contradicts, or is likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement. Franchisee shall take all actions necessary to maintain the lease, if any, of the Approved Location while this Agreement is in effect. Any default for which the lease may be terminated shall also be deemed a default of this Agreement, and the time to cure the same shall expire when the lease is terminated. Franchisor has the right to require that the lease for the Approved Location be collaterally assigned by Franchisee to Franchisor, pursuant to the terms of its standard collateral assignment of lease form, to secure performance by Franchisee of its obligation under this Agreement. Franchisor's approval of a lease shall be conditioned upon inclusion of terms in the lease acceptable to Franchisor and, at Franchisor's option, the lease shall contain such provisions as Franchisor may reasonably require, including:

a. a provision reserving to Franchisor the right, but not the obligation, at Franchisor's election, to assign the leasehold interest to another qualified party without payment of any assignment fee or similar charge and without any payment to any Franchisee, or without increase in rent or other fees upon termination or expiration of the Franchise grant. The lessor agrees that, before the effective date of any assignment of the lease to Franchisor (or its designee), Franchisee shall be solely responsible for all obligations, debts and payments under the lease;

b. a provision expressly permitting the lessor of the premises to provide Franchisor all sales and other information lessor may have obtained or received relating to the operation of the Franchised Business, as Franchisor may request;

c. a provision requiring the lessor to provide Franchisor with a copy of any written notice of deficiency sent by the lessor to Franchisee, and granting to Franchisor the right (but not the obligation) to cure any deficiency under the lease should Franchisee fail to do so within fifteen (15) days after the expiration of the period in which Franchisee may cure the default;

d. a provision requiring the lessor to provide Franchisor (at the same time lessor provides to Franchisee) a copy of all lease amendments and assignments, and a copy of all letters and notices lessor sends to Franchisee relating to the lease or the leased premises;

e. a provision permitting Franchisor to enter the leased premises to make any modifications or alterations necessary in Franchisor's sole discretion to protect the System and the Marks without being guilty of trespass, or other tort or other crime;

f. a provision allowing Franchisee to display the Marks in accordance with the specifications required by the Confidential Operations Manual, subject only to the provisions of applicable law;

g. a provision prohibiting the premises from being used for any purpose other than the operation of the Franchised Business;

h. a provision allowing Franchisor, upon expiration and non-renewal or termination of the lease or the Franchise Agreement, to enter the premises and remove any interior and exterior signs containing the Marks and trade fixtures;

i. a provision stating that upon default of this Agreement, Franchisor or its nominee has the right, but not the obligation, to take possession of the Approved Location and operate the Franchised Business, or otherwise designate or to transfer the Franchised Business to any duly licensed property management company; and

j. a provision stating that lessor shall not amend or otherwise modify the lease in any manner that would affect any of the foregoing provisions to be included in the lease set forth above without Franchisor's prior written consent.

5.4 Development of Approved Location

Franchisor shall make available to Franchisee, at no charge to Franchisee, specifications for the development of a Keyrenter Property Management Business, including fixtures, approximate square footage, equipment, décor and signs. Such specifications are subject to alteration as Franchisor deems necessary. Franchisee shall use exterior signs as described in Franchisor's Confidential Operations Manual and meet all signage requirements imposed by state or local real estate or other law. Franchisee shall cause the Approved Location to be developed, equipped and improved in accordance with such specifications within ninety (90) days after the Effective Date. In connection with the development of the Approved Location, Franchisee shall:

a. obtain all zoning classifications and clearances which may be required by state and local laws, ordinances or regulations, and submit to Franchisor, for Franchisor's approval, final plans for construction based upon the preliminary plans and specifications;

b. obtain all building, utility, sign, health, and business permits and licenses, and any other permits and licenses required for the build-out and operation of the Franchised Business and certify in writing and provide evidence to Franchisor that all such permits and licenses have been obtained;

c. purchase any supplies or inventory necessary for the operation of the Franchised Business;

d. purchase and install all computer equipment, signs, furniture, fixtures and any other equipment required for the operation of the Franchised Business; and

e. hire an attorney to review any and all forms or documents Franchisor provides to Franchisee for use in Franchisee's Franchised Business to ensure that they are legal in Franchisee's jurisdiction. Franchisee's attorney may alter these forms or documents to fit Franchisee's jurisdiction's laws and regulations. After review by Franchisee's attorney, Franchisee shall provide any altered documents to Franchisor, as well as proof that an attorney reviewed them; and

f. establish high-speed Internet access.

5.5 Failure to Develop Approved Location

Should Franchisee fail to develop the Approved Location for the Franchised Business within 120 days after the Effective Date, Franchisor has the right to terminate this Agreement.

5.6 Opening

Before opening the Franchised Business and commencing business, Franchisee must:

- a. fulfill all of its obligations pursuant to the other provisions of this Section 5 to the satisfaction of the Franchisor;
- b. furnish Franchisor with copies of all approved insurance policies required by law, by this Agreement, or by the lease, or such other evidence of approved insurance coverage and payment of premiums as Franchisor may request;
- c. complete initial training to the satisfaction of Franchisor;
- d. hire and train any personnel necessary or required for the operation of the Franchised Business;
- e. obtain and provide proof to Franchisor of all necessary permits and licenses;
- f. if Franchisee is a business entity, cause each of its stock certificates or other ownership interest certificates to be conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement;
- g. obtain Franchisor's permission and approval of an opening date; Franchisor shall not unreasonably withhold consent to open. Permission to open shall be based on Franchisor's determination that Franchisee is ready to open and satisfactorily prepared to operate;
- h. pay in full all amounts due to Franchisor, and
- i. if Franchisee is a business entity, Franchisee must have valid executed bylaws an operating agreement, or any other agreement to govern the entity in place, which must be approved by Franchisor. Franchisee may not operate without such an agreement if the Franchisee has more than one owner.

5.7 Failure to Open

Time is of the essence. Should Franchisee fail to commence operations of the Approved Location for the Franchised Business within 210 days after the Effective Date, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 5.7, Franchisor shall retain the entire Franchise Fee paid by Franchisee. The Franchise Fee retained shall be specifically understood and agreed by the parties to be in consideration of the services provided, time expended, work performed, and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the Franchised Business and shall not be construed as nor considered to be a penalty.

5.8 Use of Approved Location

Franchisee shall not use the Approved Location for any purpose other than for the operation of a Keyrenter Property Management Business in full compliance with this Agreement and the Confidential Operations Manual, unless approved in writing by Franchisor. Franchisee may not operate any other business from the Approved Location.

5.9 Relocation

Franchisee shall not relocate the Franchised Business without the prior written consent of Franchisor. If the lease for the Approved Location expires or terminates through no fault of Franchisee or if the Franchised Business's premises is destroyed, condemned or otherwise rendered unusable, or as otherwise may be agreed upon in writing by Franchisor and Franchisee, Franchisor may allow Franchisee to relocate the Franchised Business. Any such relocation shall be at Franchisee's sole expense, and shall proceed in accordance with the requirements set forth in Sections 5.1 through 5.7. Franchisor has the right to charge Franchisee for any costs incurred by Franchisor in providing assistance to Franchisee, including, but not limited to, telephone support, legal, website, marketing, and accounting fees. Notwithstanding the foregoing, Franchisor has no obligation to provide relocation assistance. If Franchisor and Franchisee do not agree upon a substitute site within 90 days after the lease expires or is terminated or the Approved Location is rendered unusable, Franchisor may terminate this Agreement.

6. PROPRIETARY MARKS

6.1 Ownership

Franchisee shall use the Marks to hold out the Franchised Business out to the public. Franchisee's right to use the Marks is derived solely from this Agreement, is non-exclusive and their use is strictly limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Franchisee's use of the Marks, and any goodwill created thereby, shall inure to the benefit of Franchisor. Franchisee shall not at any time acquire an ownership interest in the Marks by virtue of any use. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination

or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use in Business Name

Franchisee shall not use any Mark or portion of any Mark as part of any business entity name. Franchisee may use a Mark as a d/b/a, but not as the original business entity's name. Franchisor may require Franchisee to change the name of Franchisee's business entity. Franchisee must submit a written request to Franchisor for approval of the proposed d/b/a name and receive Franchisor's approval prior to registration or use of the name.

Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Franchised Business. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee. Franchisee shall include on all communications, signs, forms, cards, advertising materials, emails and other such identification and correspondences, and shall display at the Approved Location, a prominent notice stating, "Each Office is Independently Owned and Operated."

6.3 Notification of Infringements and Claims

Franchisee shall immediately notify Franchisor of any infringement of the Marks or challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee shall not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge or claim; provided, however, Franchisee may communicate with Franchisee's counsel at Franchisee's expense. Franchisor has the right to take such action as it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks. Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks.

6.4 Indemnification for Use of Marks

Franchisor shall reimburse Franchisee for all expenses reasonably incurred by Franchisee in any trademark or similar proceeding disputing Franchisee's authorized use of any Mark, provided that Franchisee has complied with the provisions of Section 6.3 and has complied with this Agreement and Franchisor's directions in responding to such proceeding. At Franchisor's option, Franchisor or its designee may defend and control the defense of any proceeding arising directly from Franchisee's use of any Mark.

This indemnification shall not include the expense to Franchisee of removing signage or discontinuance of the use of the Marks. This indemnification shall not apply to litigation between Franchisor and Franchisee wherein Franchisee's use of the Marks is disputed or challenged by Franchisor. This indemnification shall not apply to any separate legal fees or costs incurred by Franchisee in seeking independent counsel separate from the counsel representing Franchisor and Franchisee in the event of litigation disputing Franchisor and Franchisee's use of the Marks.

6.5 Discontinuance of Use

If Franchisor deems it necessary for Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within ten (10) business days after notice to Franchisee by Franchisor and subject to the limitations in Section 10.2. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark.

6.6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised Business, Franchisor and its designees have the right to enter and inspect the Franchised Business and the Approved Location at all reasonable times and, additionally, have the right to observe the manner in which Franchisee renders services and conducts activities and operations, and to inspect facilities, equipment, products, supplies, reports, forms and documents and related data to ensure that Franchisee is operating the Franchised Business in accordance with the quality control provisions and performance standards established by Franchisor. Franchisor and its agents shall have the right, at any reasonable time, to remove sufficient quantities of products, supplies or other inventory items offered for retail sale, or used in rendering services, to test whether such products or items meet Franchisor's then-current standards. Franchisor or its designee has the right to observe Franchisee and its employees during the operation of the Franchised Business and to interview and survey (whether in person or by mail) customers and employees and to photograph and videotape the premises.

6.7 Franchisor's Sole Right to Domain Name and Social Media

Franchisor encourages Franchisee to engage in aggressive advertising, but Franchisee shall not advertise on the Internet (including on any social media) using, or establish, purchase, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the words "Keyrenter" or "Keyrenter Property Management" or any variation thereof without Franchisor's written approval. Franchisor is the sole owner of all right, title and interest in and to such and all domain names as Franchisor shall designate in the Confidential Operations Manual. Additionally, any social media pages, all advertisements, all reviews, blogs, or the like are the sole property of Franchisor, and Franchisee shall

relinquish any custody over these to Franchisor upon Franchisor's request or termination or expiration of this agreement for any reason. Franchisee may not establish an account or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the Franchised Business, Franchisor or any of its affiliates without Franchisor's prior written consent and as subject to Franchisor's online policy.

7. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

7.1 Confidentiality of Trade Secrets and Other Confidential Information

Franchisee acknowledges that Franchisor shall disclose Trade Secrets and other Confidential Information to Franchisee during the training program, through the Confidential Operations Manual, and as a result of guidance furnished to Franchisee during the term of this Agreement. Franchisee shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of the Franchised Business and in performing its duties during the term of this Agreement. Franchisee acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges that the Trade Secrets and other Confidential Information are proprietary and are disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. Franchisee shall enforce this Section as to its employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

7.2 Additional Developments

We own the Franchise system and all intellectual property associated with it. To the extent you have or later obtain any intellectual property, other property rights, or interests in the Franchise system by operation of law or otherwise, you hereby disclaim such rights or interests and will promptly assign and transfer such entire interest exclusively to us. You will not undertake to obtain, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system.

If you develop any new concept, product, process, content, educational video, blog, advertisement, review, social media content, document, agreement, or improvement in the System ("Keyrenter IP"), you agree to promptly notify us and provide us with all necessary related information, without compensation.

You assign to us all such Keyrenter IP and acknowledge that all such Keyrenter IP will become our property, and we may use or disclose such Keyrenter IP as we may determine to be appropriate.

You agree that we may incorporate into our business operations any suggestions, enhancement requests, recommendations, or other feedback provided by you or anyone else and we shall have sole rights and title to such suggestions.

You hereby consent to our use of your name, voice, and likeness in videos, photographs and similar medium for commercial purposes on the internet, in print, or otherwise without any compensation therefor.

7.3 Exclusive Relationship and Non-Disparagement

During the term of this Agreement, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee (or any member of their immediate families or households), nor any officer, director, executive, manager or member of the professional staff of Franchisee, either directly or indirectly, shall:

a. Divert or attempt to divert any business or customer of the Franchised Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

b. In the United States, offer property management services except pursuant to this or another franchise agreement with Franchisor.

c. Disparage the Franchisor or its officers, directors, or members.

7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals

Franchisor has the right to require any holder of a legal or beneficial interest in Franchisee (and any member of their immediate families or households), and any officer, director, executive, broker, manager or member of the professional staff and all employees of Franchisee to execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 3, upon execution of this Agreement or prior to each such person's affiliation with Franchisee. Upon Franchisor's request, Franchisee shall provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to this Section. Such agreements shall remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.

7.5 Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in this Section are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement. Franchisee 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 Franchisor, the System and the Marks and Franchisee waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

8. TRAINING AND ASSISTANCE

8.1 Initial Training

Franchisor shall make an initial training program available to the Designated Manager and one (1) or more persons who have signed a confidentiality and non-disclosure agreement. Prior to the opening of the Franchised Business, the Designated Manager must successfully complete, to Franchisor's satisfaction, an initial training program pertaining to the operation and administration of the Franchised Business including, but not limited to, The Keyrenter Method; sales and marketing techniques; financial controls; maintenance of quality standards; customer service techniques; record keeping; reporting procedures, and on-the-job training. Franchisor shall conduct the pre-opening portion of the initial training program remotely via internet. After Franchisee has commenced doing business, its Designated Manager, and up to one other person who is involved in the daily operations of the Franchise Business, is required to attend a live training at Franchisor's headquarters, at another designated location, or via internet. In any case, the method or location of training shall be at the sole discretion of Franchisor. Franchisor may require Franchisee to complete software training provided by third-party vendors, if necessary to competently operate the business. All expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, shall be the sole responsibility of Franchisee. Franchisee shall be responsible for training its managers and other employees.

8.2 Opening Assistance

Franchisor will provide training and support to Franchisee in Franchisee's search for a broker at no additional cost. In conjunction with the beginning of operation of the Franchised Business, Franchisor shall make available to Franchisee by electronic or telephonic means, at Franchisor's expense, an Onboarding Program that involves at least one (1) of Franchisor's representatives, experienced in the System, for the purpose of familiarizing Franchisee's staff with Keyrenter Property Management techniques and for the purpose of providing general assistance and guidance in connection with the opening of the Franchised Business. Franchisee must open the Franchised Business and be operational within 210 days after signing the Franchise Agreement. If Franchisee requests additional assistance with respect to the continued operation of the Franchised Business, and should Franchisor deem it necessary and appropriate to comply with such request, Franchisee shall pay Franchisor's then-current standard rates, plus expenses, for such additional assistance.

8.3 Failure to Complete Initial Training Program

If Franchisor determines that the Designated Manager is unable to satisfactorily complete the training program described above, Franchisor has the right to terminate this Agreement. If Franchisee is a business entity and the Designated Manager fails to complete the initial training program to Franchisor's reasonable satisfaction, Franchisee may be permitted to select a substitute manager and such substitute manager must complete the initial training to Franchisor's satisfaction. Franchisee will be required to pay Franchisor's then-current rates for additional training, if any, for providing the substitute manager an initial training program.

8.4 New Designated Manager

After beginning operations, should Franchisee name a new Designated Manager, Franchisee must notify Franchisor of the identity of the new Designated Manager and the new Designated Manager must complete the initial training program to Franchisor's satisfaction within 120 days of being named. The new Designated Manager may attend the initial training program for a fee, which is currently \$495. Franchisee shall be responsible for all travel costs, room and board and employees' salaries incurred in connection with the new Designated Manager's attendance at such training.

8.5 Ongoing Training

Franchisor shall deliver ongoing training via internet and phone and Franchisee or its Designated Manager shall be required to participate in at least 50% of these trainings. Franchisor shall not charge a fee for this training. Franchisor may offer other additional training or through third parties, in which a fee will be charged to participate.

From time to time, Franchisor may require that the Designated Manager attend other ongoing training programs, seminars and conferences during the term of this Agreement. Franchisee and its Designated Manager may also be required to complete training programs through third-party vendors as deemed necessary by Franchisor.

Franchisor may also require Franchisee to attend an annual convention ("Keyrenter Summit Convention") that shall not exceed 4 days in length and pay an attendance fee, currently \$495 per person, but which we may vary. Franchisee shall be responsible for all travel costs, room and board, and employees' salaries incurred in connection with attendance at such training. If Franchisee does not attend, Franchisee must pay \$1,000, which Franchisor will contribute to the Brand Development Fund.

8.6 Telephone or Electronic Assistance

We or an affiliate may provide certain support through the telephone or electronically, as we may designate.

8.7 Referral Fee

We encourage our franchisees to refer prospective franchisees to us and to describe their experiences with us. To compensate for time expended, if you or another person directly refers a prospective franchisee to us, and said prospect purchases a Keyrenter franchise, we will pay you or the referring party a one-time fee of \$5,000 for the referral, for the first location only. The determination of whether or not you or another party directly referred the prospect to us, however, is solely at our discretion.

9. CONFIDENTIAL OPERATIONS MANUAL

9.1 Loan by Franchisor

While this Agreement is in effect, Franchisor shall lend to Franchisee one (1) copy of the Confidential Operations Manual or grant Franchisee access to an electronic copy of the Confidential Operations Manual. Franchisee shall conduct the Franchised Business in strict accordance with the provisions set forth in the Confidential Operations Manual. The Confidential Operations Manual may consist of one (1) or more separate manuals and other materials as designated by Franchisor and may be in written or electronic form. The Confidential Operations Manual shall, at all times, remain the sole property of Franchisor. The Confidential Operations Manual, along with any reproductions thereof, and shall promptly be returned to Franchisor upon expiration or termination of this Agreement.

9.2 Revisions

Franchisor has the right to add to or otherwise modify the Confidential Operations Manual from time to time to reflect changes in the specifications, standards, system, operating procedures and rules prescribed by Franchisor; provided, however, that no such addition or modification shall materially alter Franchisee's fundamental status and rights under this Agreement unless stated elsewhere in this Agreement, such as changing software. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee shall immediately, upon notice, adopt any such changes and shall ensure that its copy of the Confidential Operations Manual is up-to-date at all times. If a dispute as to the contents of the Confidential Operations Manual arises, the terms of the master copy of the Confidential Operations Manual maintained by Franchisor at Franchisor's headquarters shall be controlling.

9.3 Confidentiality

The Confidential Operations Manual contains Trade Secrets and other Confidential Information of Franchisor and its contents shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the expiration and non-renewal or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Confidential Operations Manual is available at the Approved Location in a current and up-to-date manner. If the Confidential Operations Manual is in paper form or stored on

computer-readable media, Franchisee shall maintain the Confidential Operations Manual in a secure manner at the Approved Location; if the Confidential Operations Manual is in electronic form, Franchisee shall maintain the Confidential Operations Manual in a password-protected file. Franchisee shall only grant authorized personnel, as defined in the Confidential Operations Manual, access to the Confidential Operations Manual or any key, combination or passwords needed for access to the Confidential Operations Manual. Franchisee shall require such authorized personnel to sign a Non-Disclosure Agreement in conjunction with receiving access to the Confidential Operations Manual and the Trade Secrets therein. Franchisee shall not disclose, duplicate or otherwise use any portion of the Confidential Operations Manual in an unauthorized manner.

10. FRANCHISE SYSTEM

10.1 Uniformity

Franchisee shall strictly comply, and shall cause the Franchised Business and its employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Confidential Operations Manual or other communications supplied to Franchisee by Franchisor.

10.2 Modification of the System

Franchisor has the right to change or modify the System from time to time including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, and computer hardware, software, equipment, inventory, supplies or sales and marketing techniques. Franchisee shall accept and use any such changes in, or additions to, the System as if they were a part of this Agreement as of the Effective Date. Franchisee shall make such expenditures as such changes, additions or modifications in the System may reasonably require; provided, however, Franchisee shall not be required to implement or conform to any such changes, additions or modifications if the cost to do so would exceed (a) \$5,000 during the first (1st) year of the term of this Agreement; (b) \$50,000 in the aggregate during the initial term of this Agreement (which amounts may be increased consistent with increases to the Consumer Price Index, as published by the United States Department of Labor, Bureau of Labor Statistics or (c) \$5,000 during the final year of the term of this Agreement if Franchisee provides written notice of its intention not to renew the Franchise. Any required expenditure for changes or upgrades to the System shall be in addition to expenditures for repairs and maintenance as required in Section 10.3. Notwithstanding the foregoing, Franchisee shall be required to make any and all improvements or modifications whenever such are required by law, regulation, agency decision or court order.

10.3 Variance

Franchisor has the right to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the

demographics of the trade area, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of any particular Keyrenter Property Management Business. Franchisor shall not be required to disclose or grant to Franchisee a like or similar variance hereunder.

11. ADVERTISING AND PROMOTIONAL ACTIVITIES

11.1 Local Advertising

Beginning 90 days after signing this Agreement, Franchisee is required to spend the greater of, \$1,425, or 3% of its monthly Gross Revenues, whichever is greater, per month (“Local Advertising Spend”) on lead generation efforts within their local market area (“Local Advertising”). This amount is in addition to the \$575/month Keyrenter Marketing Fee discussed in Section 11.4 below, plus any additional amounts for third-party marketers you and we agree to. This monthly fee could change over time. If you do not meet the Local Advertising Spend you are required to pay the difference between what you spent and your Local Advertising Spend to the Brand Development Fund.

Such expenditures shall be made directly by Franchisee, subject to the prior approval and direction of Franchisor. Franchisor shall provide general guidelines to Franchisee for conducting Local Advertising. Within 30 days after the end of each month, Franchisee shall furnish to Franchisor an accurate accounting of the expenditures on Local Advertising for the preceding month.

Franchisee shall submit to Franchisor, for its prior approval, all advertising and promotional materials to be used by Franchisee including, but not limited to, ad copy, coupons, flyers, scripts and direct mail. Franchisor shall use reasonable efforts to provide notice of approval or disapproval within 20 days from the date all requested material is received by Franchisor. If Franchisor does not approve submitted materials by the end of such 20 day period, such materials shall be deemed to have not received the required approval. Franchisee shall not use any marketing or promotional material prior to written approval by Franchisor. The submission of advertising materials to Franchisor for approval shall not affect Franchisee’s right to determine the prices at which Franchisee sells products or provides services.

11.2 Brand Development Fund

Franchisor has established a brand development fund (“Brand Development Fund”). Franchisee is required to make monthly contributions to the Brand Development Fund (“Brand Development Fund Contribution”) equal to one percent (1%) of Gross Revenues. Brand Development Fund Contributions shall be made in the same time and manner as the Royalty Fee. We reserve the right to increase the Brand Development Fund Contribution up to three percent (3%) upon 30 days’ written notice to you. Franchisor shall notify Franchisee at least 30 days before implementing or changing Brand Development Fund Contribution requirements. The Brand Development Fund shall be maintained and administered by Franchisor or its designee as follows:

a. Franchisor shall oversee all marketing programs, with sole discretion over the creative concepts, materials and media used in such programs, and the placement and allocation thereof. Franchisor does not warrant that any particular franchisee will benefit directly or pro rata from expenditures by the Brand Development Fund. The program(s) may be local, regional or System-wide. Franchisee's Brand Development Fund Contributions may be used to meet the costs of, or reimburse Franchisor for its expenses related to, producing, maintaining, administering and directing consumer advertising (including, without limitation, the cost of preparing and conducting television, radio, Internet, magazine and newspaper advertising campaigns and other public relations activities; developing and/or hosting an Internet web page or site and similar activities; employing advertising agencies to assist in the above; providing promotional brochures and other marketing materials to franchisees; and to develop, maintain, and update Franchisor's website). All Brand Development Fund Contributions shall be maintained in a separate account from the monies of Franchisor and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable costs and expenses, if any, that Franchisor may incur in activities reasonably related to the administration of the Brand Development Fund.

b. Franchisor has the right to suspend (and subsequently reinstate) or terminate the Brand Development Fund at any time. The Brand Development Fund shall not be terminated, however, until all Brand Development Fund Contributions have been expended for advertising and promotional purposes or returned to Franchisee and other franchisees on a pro rata basis.

c. Each Franchised Business operated by Franchisor, or any Affiliate of Franchisor, shall make Brand Development Fund Contributions at the same rate as Keyrenter franchisees. 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.

d. An accounting of the operation of the Brand Development Fund shall be prepared annually and shall be available to Franchisee upon request. Franchisor retains the right but not the obligation to have the Brand Development Fund audited, at the expense of the Brand Development Fund, by an independent certified public accountant selected by Franchisor.

e. Franchisee acknowledges that the Brand Development Fund is not a trust and Franchisor assumes no fiduciary duty in administering the Brand Development Fund.

11.3 Cooperative Advertising

Franchisor has the right, but not the obligation, to create a Cooperative Advertising programs or campaigns for the benefit of Keyrenter Property Management Businesses located within a particular region. Franchisor has the right to collect and designate all or a portion of the Local Advertising payments for the funding of a Cooperative Advertising program. Franchisor has the right to determine the composition of all geographic territories and market areas for the implementation of each Cooperative Advertising program and to require that Franchisee participate in such Cooperative Advertising programs if established within

Franchisee's Territory. If a Cooperative Advertising program is implemented in a particular region, Franchisor has the right to establish an advertising council to self-administer the Cooperative Advertising program. If established, Franchisor may require Franchisee to participate in the council according to the council's rules and procedures and Franchisee shall abide by the council's decisions. If Franchisor establishes a Cooperative Advertising program or programs with or without an advertising council, Franchisor has the right, but not the obligation, to change, dissolve or merge such program(s) and/or council(s) at any time. The contribution amount of each cooperative member shall be greater than or equal to the Local Advertising Spend. 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.

11.4 Internet Advertising

Franchisee may not establish a presence on, or market using, the Internet (including on any social media) in connection with the Franchised Business without Franchisor's prior written consent. Franchisee must use only Approved Vendors in our System for digital market, and advertising. Franchisor reserves the right to remove any Approved Vendor at any time without advance notice to Franchisee.

Presently, Franchisee must pay us the following fees related to internet marketing:

- \$10,000 for the Start-Up Marketing Package that includes the creation of a custom local website specific to your physical location and DBA. We will also setup your business directory listings and social media accounts and provide a start-up supply of promotional items including for-rent signs, business cards, brochures, branded apparel, pens, presentation folders. We will provide consultation with a digital marketing specialist to develop a start-up marketing and lead generation strategy. The initial \$10,000 fee for the Start-Up Marketing Package does not include the cost of PPC advertising which Franchisee must pay to third parties that you and we agree to, such as Google, Bing, or Facebook.

- a marketing fee ("Keyrenter Marketing Fee") of \$575 per month beginning 90 days after you sign this Agreement. In return, we will register your domain, provide SSL certificate, host, maintain provide ongoing basic SEO work and analytics for your local website and social media accounts. This fee does not include the cost of online advertising or additional SEO services. If you pay your Keyrenter Marketing Fee by credit card, it will be subject to an additional 3% surcharge. We may increase this fee periodically upon notice to you

You will be required to spend additional funds to generate leads for your sales pipeline. We will provide you with a list of approved vendors and digital marketing partners to assist with your local marketing and lead generation strategy. 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 to provide this service.

Franchisor has established and maintains an Internet website at the uniform resource locator www.keyrenter.com (or other website as listed in the Confidential Operations Manual) that provides

information about the System and the services that Franchisor and its franchisees provide. Franchisor may (but is not required to) include at the Keyrenter Property Management website an interior page containing information about the Franchised Business. If Franchisor includes such information on the Keyrenter Property Management website, Franchisor has the right to require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. All such information shall be subject to Franchisor's approval prior to posting. Franchisor retains the sole right to advertise or use the Marks on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, social media, auction sites, 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 Franchisee shall relinquish any custody over these to Franchisor upon termination for any reason or expiration of this agreement. At Franchisor's request, Franchisee shall provide content for Franchisor's Internet marketing and shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor retains the sole right to approve any linking to, or other use of, the Keyrenter Property Management website.

You are responsible for ensuring that all marketing and advertising, including content published on your local website, adheres to pertinent federal, state, and local laws, and any marketing and advertising guidelines that we or our affiliates may specify.

11.5 Unauthorized Advertising Fee

You agree to pay to us \$500 per occurrence if you use unauthorized advertising in violation of the terms of the Franchise Agreement or Confidential Operations Manual.

11.6 Joint-Advertising

Franchisee may engage in Joint-Advertising, as described in Section 2.6 of this Agreement.

11.7 Additional Marketing and Advertising Services

You agree to pay us our current fee for any additional marketing services you request such as press releases, industry articles, blog fee, video editing, and email campaigns.

11.8 Telephone Number

We will own and provide to you a telephone number for your business. All advertising and marketing for your business must be done using the phone number we provide you. You may not establish any other phone numbers for your 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. Upon your termination, non-renewal, or other departure from the franchise system, the phone number shall remain under our control.

12. ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

12.1 Records

During the term of this Agreement, Franchisee shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Confidential Operations Manual or otherwise in writing. Franchisee shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to the Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by Franchisor or required by law.

12.2 Gross Revenues Reports

Franchisee shall maintain accurate books and records using software designated by Franchisor. Presently, Franchisee must use Appfolio and Xero online and provide Franchisor access from which it pulls Gross Revenues (“Gross Revenues Report”). To verify accuracy, Franchisee shall provide a true and accurate Gross Revenues Report by the tenth day of each month, using a form provided by Franchisor.

12.3 Financial Statements

If requested by Franchisor, Franchisee shall supply to Franchisor on or before the 10th day of each month, in a form approved by Franchisor, a balance sheet as of the end of the last day of the preceding month and an income statement for the preceding month and the fiscal year-to-date. Franchisor has the right to electronically access Franchisee’s financial information. Franchisee shall, at its expense, submit to Franchisor within 90 days after the end of each calendar year, an income statement for the calendar year just ended and a balance sheet as of the last day of the calendar year. Such financial statements shall be prepared in accordance with GAAP applied on a consistent basis. If required by Franchisor, such financial statements shall be reviewed or audited by a certified public accountant. Franchisee shall submit to Franchisor such other periodic reports in the manner and at the time specified in the Confidential Operations Manual or otherwise in writing.

12.4 Other Reports

Franchisee shall submit to Franchisor copies of all state sales tax returns, either electronically or by U.S. Mail, that are required to be filed with the appropriate governmental agency and such other records as Franchisor may reasonably request from time to time or as specified in the Confidential Operations Manual. Franchisor shall have the right to release financial and operational information relating to the Franchised Business to Franchisor’s lenders or prospective lenders. Franchisee shall certify as true and correct all reports to be submitted pursuant to this Agreement.

12.5 Computer System

Franchisor may require Franchisee to purchase, install and use computer systems consisting of hardware and software, in accordance with Franchisor's specifications and upgrades. Franchisor reserves the right to alter software programs during the term of this Agreement. Franchisee shall properly enter into Franchisee's property management software program every property/unit/building that Franchisee has authority to manage, and all Gross Revenues, and Franchisee may only have one property management software account. Franchisor shall have full access to all of Franchisee's computer systems and all, either in person or by telephone, modem or Internet to permit Franchisor to verify Franchisee's compliance with its obligations under this Agreement.

We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates or support for the Computer System. You must arrange for installation, maintenance, and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance repairs or upgrades relating to the Computer System. We cannot estimate the cost of maintaining, updating or upgrading the Computer System or its components because it will depend on your repair history, local costs of computer maintenance services in your area and technological advances which we cannot predict at this time. We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation.

You will have sole responsibility for: (1) the operation, maintenance, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our Computer System and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained, and upgraded.

We (or our designee(s)) have the right to independently access the electronic information and data relating to your Keyrenter Franchise, and to collect and use your electronic information and data in any manner, including promoting the System. This may include posting financial information of each franchisee on an intranet website and using the financial information in Item 19 of our Franchise Disclosure Document. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your Keyrenter Business, or from other locations.

12.6 Right to Inspect

Franchisor or its designee has the right, during normal business hours, to examine, copy and audit the books, records and tax returns of Franchisee in person or electronically. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the rate of 18% per annum (or the highest rate allowed by the law of the state where Franchisee is located, whichever is lower). If the audit or any other inspection should reveal that Franchisee has not spent at least its minimum monthly Local Advertising Spend amount or if the inspection discloses

an underpayment of 3% or more of the amount due for any period covered by the audit, Franchisee may be required to reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

12.7 Release of Records

At Franchisor's request, Franchisee shall authorize and direct any third parties, including accounting and legal professionals to release to Franchisor all accounting and financial records arising from or relating to the operation of the Franchised Business including, but not limited to, records evidencing Gross Revenues, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired term of this Agreement or until such time as Franchisor withdraws its request. Franchisee shall execute all documents necessary to facilitate the release of records referenced herein to Franchisor.

13. STANDARDS OF OPERATION

13.1 Authorized Products, Services and Suppliers

Franchisee acknowledges that the reputation and goodwill of the System is based in large part on offering high quality services and products to its customers. Accordingly, Franchisee shall provide or offer for sale or use at the Franchised Business only those items, supplies, signs, equipment and other items and services that Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. If required by Franchisor, any such items or services shall be purchased only from "Approved Suppliers" that Franchisor designates or approves (which might include, or be limited to, Franchisor or an Affiliate). Franchisee shall not offer for sale, sell or provide through the Franchised Business or from the Approved Location any services or products that Franchisor has not approved.

Franchisee must purchase and use all software that Franchisor specifies for the term of this Agreement. Currently, Franchisee must utilize Appfolio software to track all properties/units/buildings under management with the Franchised Business. Franchisee must use any credit card vendors and accept all credit cards and debit cards that we determine. Franchisor currently utilizes Appfolio Payment Services for processing rental payments, security deposits, owner draws, and rental applications. Franchisor may modify this requirement in its sole discretion. Franchisee must pay the software provider(s), currently Appfolio, its then-current fees for all software services.

Franchisee acknowledges that software templates and documents provided by Franchisor are developed for generic use among Franchisees. Templates may require modification prior to use and Franchisor does not guarantee compliance with all state and local law or regulation. Franchisee is solely responsible for making necessary modifications prior to use.

Franchisor shall provide Franchisee, in the Confidential Operations Manual or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of the supplies, signs, equipment and other approved or specified items and services, and Franchisor may from time to time issue revisions to such list. If Franchisor or an Affiliate is an Approved Supplier, Franchisee shall execute a standard form purchase or supply agreement for the items to be supplied by Franchisor or its Affiliate, which shall be attached as exhibits to this Agreement. If Franchisee desires to utilize any products or services that Franchisor has not approved (for services and products that require supplier approval), Franchisee shall first send Franchisor sufficient information, specifications and samples for Franchisor to determine whether the service or product complies with its standards and specifications or whether the supplier meets its Approved Supplier criteria. Franchisee shall bear all expenses incurred by Franchisor in connection with determining whether it shall approve an item, service or supplier. Franchisor will decide within a reasonable time (usually 30 days) after receiving the required information whether Franchisee may purchase or lease such items or services or from such supplier. Approval of a supplier may be conditioned on the supplier's ability to provide sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor deems confidential.

Notwithstanding anything contrary in this Agreement, Franchisor has the right to review from time to time its approval of any items or suppliers. Franchisor may revoke its approval of any item, service or supplier at any time by notifying Franchisee and/or the supplier. Franchisee shall, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor and shall promptly cease purchasing from suppliers disapproved by Franchisor.

Franchisor has the right to designate certain services and products, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, franchisee qualifications, test marketing and regional or local differences. Franchisor has the right to give its consent to one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 10.3 and shall not create any rights in Franchisee to provide the same products or services.

Franchisor has the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing of suppliers. Franchisee shall have no entitlement to or interest in any such benefits.

13.2 Appearance and Condition of the Franchised Business

Franchisee shall maintain the Franchised Business and the Approved Location in "like new" condition, and shall repair or replace furniture, fixtures, supplies, inventory and signage as necessary to comply with the health and safety standards and specifications of Franchisor's Confidential Operations

Manual and Franchisee's lessor and any applicable laws or regulations. The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications, as described in Section 10.2.

13.3 Ownership and Management

The Keyrenter Franchise 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"). We may allow you to appoint a Designated Manager to run the day-to-day operations of the Keyrenter Franchise. 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 do not 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).

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.

Certain individuals associated with your franchised business, including your owners (and members of their immediate families and households), 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.

13.4 Days of Operation

Franchisee shall keep the Franchised Business open for business during normal business hours on the days specified in the Confidential Operations Manual. Franchisee must either utilize a call center or have some other solution for resolving after-hours issues.

13.5 Contributions and Donations

In order to protect the Marks, Franchisee must obtain Franchisor's prior written consent 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). Franchisee must obtain written permission from Franchisor prior to allowing the Marks to be displayed on any shirts or other items that may be used in sports, or in any other sponsored activity. Franchisor may withhold any such consent in its sole and absolute discretion.

13.6 Licenses and Permits

Franchisee shall secure and maintain in force all required licenses, permits and certificates necessary for the operation of the Franchised Business, such as but not limited to real estate licensing (including real estate brokerage and/or property management designation where applicable), and shall operate the Franchised Business in strict compliance with all applicable laws, ordinances, rules, and regulations of any applicable governing body. If you are an entity, at least one franchise owner must participate in the day-to-day operations of the business during the first two years at a level that does not exceed limitations of their real estate license. If you hire a Manager or Principal Broker to supervise licensed activities for your business, they must sign an employment contract and written authorization to maintain confidentiality of trade secrets and conform with covenants not to compete or solicit clients and employees (Schedule 3). Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations with regard to the operation of the Franchised Business.

13.7 Notification of Proceedings

Franchisee shall notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee or the Franchised Business, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of the Franchised Business not more than five (5) days after notice of such commencement or issuance. Franchisee shall notify Franchisor immediately of any investigation, audit, or accusation by the Department of Real Estate and Franchisee shall deliver to Franchisor not more than five (5) days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

13.8 Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service in the property management industry, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created and licenses granted hereby. Therefore, Franchisee shall endeavor to maintain high standards of quality and service in the operation of the Franchised Business. Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised Business. The Franchised Business shall in all dealings with its customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. If Franchisor deems that Franchisee did not fairly handle a customer complaint, Franchisor has the right to intervene and satisfy the customer. Franchisor likewise has the right to designate a licensed individual/company near the Franchised Business to assist Franchisee's customers until which time Franchisee is fit to manage them itself. Franchisor has the right to terminate this Agreement for violation of this Section. Franchisee shall reimburse Franchisor for all costs incurred by Franchisor in servicing a customer of the Franchised Business pursuant to this Section.

13.9 Uniforms

Franchisee shall abide by any uniform or dress code requirements stated in the Confidential Operations Manual or otherwise. Uniforms, if required, must be purchased from an Approved Supplier, if such is designated, or if none, then a supplier who meets Franchisor's specifications and quality standards for uniforms. Initially, Franchisee should request its maintenance personnel to wear jackets or shirts that display the Keyrenter® Marks.

13.10 Vending Machines

Franchisee shall not sell, display, or use in the Franchised Business any vending machines, entertainment devices, video games, or similar products that have not been previously approved by Franchisor.

13.11 Credit Cards

Franchisee shall, at its expense, lease, purchase, or maintain the necessary equipment and/or software and shall have arrangements in place with Visa, MasterCard, such other credit card issuers as Franchisor may designate, from time to time, to enable the Franchised Business to accept such methods of payment from its customers over the phone and in person.

13.12 E-Mail

Franchisee shall, at all times and at Franchisee's expense, maintain an e-mail address and account for communicating with Franchisor (for example, email@keyrenter*****.com) email address. Franchisor shall provide Franchisee and its managers and employees with an e-mail address, which Franchisee shall

exclusively use in connection with the Franchised Business. Franchisee shall use no other e-mail address in connection with the Franchised Business unless approved in advance by Franchisor in writing. The use of any Keyrenter-issued email address is prohibited for any cold email outreach campaigns without written consent.

13.13 Best Efforts

Franchisee shall use its best efforts to promote and increase the sales and recognition of services offered through the Franchised Business. Franchisee shall require all of Franchisee's Designated Manager, employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all services and products provided as part of the Keyrenter System.

13.14 Solicitations to Other Franchisees

Franchisee shall not, and shall not permit any of Franchisee's employees, managers, officers, agents or representatives to solicit to other former or current franchisees any services or products without written permission from Franchisor.

14. FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE

14.1 Accounting and Bookkeeping Support

We provide accounting and bookkeeping services through our KeyAssist program at our then-current fees, and you are required to utilize certain "KeyAssist" services in your business. Certain fees vary based on how long you have been operating. You will pay us our then-current fee for bookkeeping software (\$25 per month). You must pay us our then-current fee to provide bookkeeping services to you during your first year (currently \$40 per month). After your first year of operation, you may elect to purchase optional bookkeeping services from us for our then-current fee (currently, \$250 per month). KeyAssist will facilitate the setup of Appfolio, provide initial training and ongoing support. Services provided by KeyAssist include Appfolio month end accounting, vendor billing, brokerage trust account reconciliation, financial diagnostics, and audit prep. KeyAssist also includes tenant screening for \$20 per application. The cost of these services may increase over time with prior notice.

14.2 General Advice and Guidance and Support

Franchisor shall be available to render advice, discuss problems and offer general guidance to Franchisee electronically or otherwise as Franchisor may offer, with respect to planning, opening and operating the Franchised Business. Franchisor shall not charge for this service; however, Franchisor retains the right to refuse or charge a fee for this service should Franchisee be deemed by Franchisor to be utilizing this service too frequently or in an unintended manner. Franchisor's advice or guidance to Franchisee relative to prices for services and products that, in Franchisor's judgment, constitutes good business practice

is based upon the experience of Franchisor and its franchisees in operating Keyrenter Property Management Businesses and an analysis of costs and prices charged for competitive services and products. Franchisee shall have the sole right to determine the prices to be charged by the Franchised Business; provided, however, that Franchisor 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 the Franchised Business.

14.3 Brand Development Council

We have formed an brand development council known as the Keyrenter Brand Development Council (“BDC”) that advises us on management, operational, marketing and other issues. The BDC may engage in promotional and educational activities, and levy assessments for its expenses. Expenditures may be paid by Franchisee’s contributions to the Brand Development Fund. Members of the BDC are selected from among our franchisees by self-nomination or the nomination of another, 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 and does not have operational or decision-making power. We have the power to form, change, or dissolve the BDC.

14.4 Periodic Reports

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. Franchisee shall implement any required changes or improvements as required by Franchisor with time being of the essence.

15. INSURANCE

15.1 Types and Amounts of Coverage

At its sole expense, Franchisee shall procure within 120 days of the Effective Date, and maintain in full force and effect during the term of this Agreement, the types of insurance listed below. All policies (except any workers’ compensation insurance) shall expressly name Franchisor and any designated affiliates as an additional insured or loss payee and all shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure:

a. “all risk” property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business. Franchisee’s property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;

b. workers' compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a minimum limit of \$500,000) or, if higher, the statutory minimum limit as required by state law;

c. comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, the operation of the Franchised Business, or Franchisee's conduct of business pursuant to this Agreement, with a minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate or, if higher, the statutory minimum limit required by state law;

d. Errors and Omissions insurance ("E&O") coverage of at least \$1,000,000 or as necessary to meet licensing regulations, provide protection of Franchisee's business assets in amounts and with terms acceptable to Franchisor, in the event a client holds Franchisee responsible for a service Franchisee provided, or failed to provide that did not have the expected or promised results in connection with the operation of the Franchised Business;

e. automobile liability insurance for owned or non-owned hired vehicles, with a combined single limit of at least \$1,000,000 or, if higher, the statutory minimum limit required by state law, for any vehicles used for business purposes; and

f. such insurance as necessary to provide coverage under the indemnity provisions set forth in Section 21.3.

15.2 Future Increases

Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, Keyrenter's future focus of management, future damage awards or other relevant changes in circumstances.

15.3 Carrier Standards

Such policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in the latest issue of A.M. Best's Key Rating Guide.

15.4 Evidence of Coverage

Franchisee's obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 21.3. Franchisee shall provide, annually, certificates of insurance showing compliance with the foregoing

requirements. Such certificates shall state that said policy or policies shall not be cancelled or altered without at least thirty (30) days' prior written notice to Franchisor and shall reflect proof of payment of premiums. All insurance policies, except for workmen's compensation, must name Franchisor as an additional insured or loss payee and shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns.

15.5 Failure to Maintain Coverage

If Franchisee for any reason fails to procure or maintain the insurance required by this Agreement, Franchisor will have the right (but not the obligation) to procure such insurance and to charge Franchisee the costs and premiums, plus a reasonable fee for Franchisor's expense in so acting. Such costs, premiums, and fees will be payable by Franchisee immediately upon Franchisor's demand and will accrue interest thereon until paid.

16. DEFAULT AND TERMINATION

16.1 Termination by Franchisor

Franchisor has the right to terminate this Agreement upon notice but without any opportunity to cure by Franchisee, if Franchisee:

- a. fails to timely select an approved site for or establish, equip and commence operations of the Franchised Business pursuant to Section 5.2, Section 5.5, or 5.7;
- b. fails to have its Designated Manager satisfactorily complete any training program pursuant to Section 8.3;
- c. made any material misrepresentation or omission in its application for the Franchise or otherwise to Franchisor in the course of entering into this Agreement;
- d. is convicted of or pleads no contest to a felony or other crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Business;
- e. after notice to cure, Franchisee fails to refrain from activities, behavior or conduct likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Business;
- f. discloses, duplicates or otherwise uses in an unauthorized manner any portion of the Confidential Operations Manual, Trade Secrets or any other Confidential Information;
- g. if required by Franchisor, fails to have any holder of a legal or beneficial interest in Franchisee (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of Franchisee, execute a

nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 3, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to Section 7.4 if requested by Franchisor;

- h. abandons, fails or refuses to actively operate the Franchised Business for five (5) or more consecutive days (unless the Franchised Business has not been operational for a purpose approved by Franchisor), or, if first approved by Franchisor, fails to promptly relocate the Franchised Business following the expiration or termination of the lease for the Approved Location, the destruction or condemnation of the Approved Location or any other event rendering the Approved Location unusable;
- i. surrenders or transfers control of the operation of the Franchised Business without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in Franchisee of a deceased or incapacitated owner thereof as herein required;
- j. fails to maintain the Franchised Business under the primary supervision of a Designated Manager during the 180 days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee pursuant to Section 18.6;
- k. submits to Franchisor on two (2) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to Franchisor by more than 3% for any accounting period and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;
- l. is insolvent, meaning unable to pay bills as they come due in the ordinary course;
- m. misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;
- n. fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Royalty Fee, Brand Development Fund Contribution, amounts due for purchases from Franchisor and any Affiliate, or other payment when due to Franchisor or any Affiliate, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee;
- o. has its real estate license suspended or revoked based upon any fraudulent conduct;
- p. engages in any activity exclusively reserved to Franchisor;
- q. fails to comply with any applicable law or regulation, including the handling of Trust Accounts, within ten (10) days after being given notice of noncompliance;

- r. fails to meet the Performance Requirements set forth in Section 2.7 above;
- s. breaches this Agreement or any requirements contained in the Confidential Operations Manual three or more times in a 12-month period, whether or not previous breaches or failures are cured;
- t. defaults under any other agreement between Franchisor (or any Affiliate) and Franchisee, such that Franchisor or its Affiliate, as the case may be, has the right to terminate such agreement or such agreement automatically terminates.

Except as otherwise provided in this Agreement, Franchisor has the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that Franchisee may avoid termination by curing such default or failure (or by providing proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

- a. within five (5) days of receiving notice of Franchisee's failure to pay any amounts due to Franchisor;
- b. within ten (10) days of receiving notice of Franchisee's failure to maintain insurance as specified in Section 15 of this Agreement; or
- c. within 30 days of receiving notice of any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Confidential Operations Manual or otherwise prescribed in writing.

16.2 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, Franchisor may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

16.3 Right of Franchisor to Discontinue Services to Franchisee

If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of termination pursuant to Section 16, Franchisor has the right to suspend its performance of any of its obligations under this Agreement including, without limitation, the sale or supply of any products or services for which Franchisor is an Approved Supplier to Franchisee, until such time as Franchisee corrects the breach.

16.4 Right of Franchisor to Operate Franchised Business

In addition to Franchisor's right to terminate, this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any), then Franchisor has the right, but not the obligation, to assume the operation of the Franchised Business, including assuming control over the Accounts, and Franchisee's use of the specified property management software until such time as Franchisee corrects the breach. Franchisor may charge a management fee as stated in the Confidential Operations Manual from time to time, currently equal to \$500 per day, and Franchisee shall reimburse Franchisor for any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any claims that may arise out of or relate to Franchisor's operation of the Franchised Business.

17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1 Actions to be Taken

Except as otherwise provided herein, upon termination or expiration for any reason, this Agreement and all rights granted hereunder to Franchisee shall terminate and Franchisee shall:

a. immediately cease to operate the Franchised Business and all KeyWare software, including Appfolio, and transfer full access to franchisor or its designee the property management accounts so they can be duly allocated and re-assigned, and Franchisee agrees to cooperate fully with Franchisor in the transfer of "Trust Funds" to another qualified Franchisee or other licensed Principal Broker designated by Franchisor;

b. cease to use the Trade Secrets, Confidential Information, the System and the Marks including, without limitation, all signs, slogans, symbols, logos, advertising materials, stationery, forms and any other items which display or are associated with the Marks;

c. upon demand by Franchisor, immediately assign (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as Franchisee's lease) its interest in the lease then in effect for the Approved Location to Franchisor (or Franchisor's designee) and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within 30 days after termination or expiration of this Agreement, and Franchisor or its designee has the right to pay rent and other expenses directly to the party to whom such payment is ultimately due;

d. take such action as may be necessary to cancel or assign to Franchisor or its designee, at Franchisor's option, any assumed name or equivalent registration filed with state, city or county authorities which contains the name "Keyrenter" or any other Mark, and Franchisee shall furnish Franchisor with

evidence satisfactory to Franchisor of compliance with this obligation within 30 days after termination or expiration of this Agreement;

e. pay all sums owing to Franchisor and any Affiliate. In the event of termination for any default of Franchisee, such sums shall include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees, with respect to litigation, mediation or arbitration, appellate or bankruptcy proceedings, unpaid Royalty Fees, loss of future Royalty Fee payments incurred by Franchisor as a result of any early termination of this Agreement, and any other amounts due to Franchisor or any Affiliate;

f. pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

g. immediately return to Franchisor the Confidential Operations Manual and all other Confidential Information including records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised Business (all of which are acknowledged to be Franchisor's property);

h. if any telephone numbers associated with the Franchised Business are under your control, you shall assign such telephone numbers to us or our designee;

i. transfer any URLs and social media accounts related to the Franchised Business to Franchisor; and

j. comply with all other applicable provisions of this Agreement.

17.2 Post-Termination Covenant Not to Compete

Franchisee acknowledges that the restrictive covenants contained in this Section and in Section 7 are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

- a. to protect the Trade Secrets, Systems, Proprietary documents, and other Confidential Information of Franchisor;
- b. to induce Franchisor to grant a Franchise to Franchisee; and
- c. to protect Franchisor against its costs in training Franchisee and its officers, directors, executives, professional staff and Designated Managers.

Except as otherwise approved in writing by Franchisor, neither Franchisee, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, shall, for a period of two (2) years after the expiration or termination of this Agreement (including a sale of the business or Franchisee's interest in the franchise), either directly or indirectly:

- a. provide Competitive Business services located or operating (a) within a 50-mile radius of the Approved Location, or (b) within a 50-mile radius of the location of any other Keyrenter Property Management Business office in existence at the time of termination or expiration; or
- b. solicit or otherwise attempt to induce or influence any customer or business associate of Franchisor, Franchisor's affiliates, or other System franchisees to terminate or modify his, her or its business relationship with such parties or to compete against such parties.

In furtherance of this Section, Franchisor has the right to require certain individuals to execute standard form nondisclosure or non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 3.

17.3 Unfair Competition

If Franchisee operates any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks. Franchisee shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor. This Section is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict any other Sections of this Agreement. If Franchisor elects not to receive an assignment or sublease of the Approved Location, Franchisee shall make such modifications or alterations to the Approved Location (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Approved Location. Franchisee shall make such specific additional changes to the Approved Location as Franchisor may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to enter upon the Approved Location for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand.

17.4 Franchisor's Option to Purchase Certain Business Assets

Franchisor has the right (but not the obligation), for a period of 30 days after termination or expiration of this Agreement, to purchase any or all assets of the Franchised Business including leasehold improvements, equipment, supplies and other inventory. The purchase price shall be equal to the assets' fair market value, as determined by an independent appraiser. If Franchisor elects to exercise this option to purchase, it has the right to set off all amounts due from Franchisee under this Agreement, if any, against the purchase price. Franchisee agrees and acknowledges that Accounts solely constitute Franchisor's property and that Franchisee has not right or claim over the Accounts. Accordingly, Franchisee shall be entitled to no compensation for the Accounts.

17.5 Survival of Certain Provisions

All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

18. TRANSFERABILITY OF INTEREST

18.1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement.

18.2 Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or collective skill and financial ability. Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Franchised Business, its assets or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If Franchisee is in compliance with this Agreement, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

- a. Franchisee has complied with the requirements set forth in Section 19;
- b. all obligations owed to Franchisor, and all other outstanding obligations relating to the Franchised Business, are fully paid and satisfied;
- c. Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release, in a form the same as or similar to the General Release attached as Exhibit D, of any and all claims against Franchisor, including its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership

of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law;

d. the prospective transferee has satisfied Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, as Franchisor may require to demonstrate ability to conduct the Franchised Business;

e. the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current franchise agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Brand Development Fund Contribution rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;

f. the transferee has executed a general release, in a form the same as or similar to the General Release attached as Exhibit D, of any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;

g. Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise;

h. Franchisee, or the transferee, has paid to Franchisor a transfer fee in the amount of \$12,500 plus any actual cost of a broker fee, commission, or finder's fee that we incurred;

i. the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by Franchisor;

j. the transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location) and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

k. Franchisee has, and if Franchisee is an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to Franchisor a nondisclosure and non-competition agreement in a form satisfactory to Franchisor and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7 and 17; and

l. the transferee agrees that its Designated Manager shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 8.1 prior to assuming the management of the day-to-day operation of the Franchised Business.

18.3 Transfer to a Controlled Entity

If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by Franchisee (“Controlled Entity”), Franchisor’s consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

- a. the Controlled Entity is newly organized and its charter provides that its activities are confined exclusively to the operation of the Franchised Business;
- b. Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;
- c. all obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18;
- d. the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised Business. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;
- e. all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity’s obligations to Franchisor and the performance by the Controlled Entity of all the obligations of this Agreement;
- f. each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and
- g. copies of the Controlled Entity’s articles of incorporation or organization, bylaws, operating agreement, federal tax identification number and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.
- h. The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights, or, at the Franchisor’s discretion, the term of the transferred franchise shall be for a period of 10 years, as was the Initial Term.
- i. Franchisee pays to Franchisor \$250 if the transfer occurs more than six (6) months after entering into this Agreement.

18.4 Franchisor's Disclosure to Transferee

Franchisor has the right, without liability of any kind or nature whatsoever to Franchisee, to make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Business or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and shall release and hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to the Franchised Business by an intended transferee identified by Franchisee.

18.5 For-Sale Advertising

Franchisee shall not, without prior written consent of Franchisor, place in, on or upon the location of the Franchised Business, or in any communication media, any form of advertising relating to the sale of the Franchised Business or the rights granted hereunder.

18.6 Transfer by Death or Incapacity

Upon the death or Incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding 180 days following such event, transfer such individual's interest in the Franchised Business or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance shall be subject to the conditions for assignments and transfers contained in this Agreement, unless prohibited by the laws of the state wherein Franchisee resided, with such choice of law provision being applicable only for this Section 18.6. During such 180-day period, the Franchised Business must remain at all times under the primary management of a Designated Manager who otherwise meets Franchisor's management qualifications.

Following such a death or Incapacity of such person as described in this Section 18.6, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor may charge a management fee as stated in the Confidential Operations Manual from time to time, currently equal to \$500 per day, and Franchisor shall be entitled to reimbursement of any expenses Franchisor incurs that are not paid out of the operating cash flow of the Franchised Business.

19. RIGHT OF FIRST REFUSAL

19.1 Submission of Offer

If Franchisee, or any of its owners, proposes to sell or otherwise transfer (including a transfer by death or Incapacity pursuant to Section 18.6) the Franchised Business (or any of its assets outside of the

normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder, Franchisee must obtain and deliver a *bona fide*, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to Franchisor, except with regards to a sale or transfer to a family member. The offer must apply only to Franchisee's interest in this Agreement or the Franchised Business or any interest in its lease for the Approved Location, and it may not include any other property or rights of Franchisee or any of its owners.

19.2 Franchisor's Right to Purchase

Franchisor shall, for 21 days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase such interests for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor has the right to substitute cash for the fair market value of any form of payment proposed in such offer. Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to 60 days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, such representations and warranties contained in the proposal.

19.3 Non-Exercise of Right of First Refusal

If Franchisor does not exercise its right of first refusal within 21 days from the date of delivery of all such documents, the offer or proposal may be accepted by Franchisee or any of its owners, subject to Franchisor's prior written approval as required by Section 18. Should the sale fail to close within 120 days after the offer is delivered to Franchisor, Franchisor's right of first refusal shall renew and be implemented in accordance with this Section.

19.4 Sales or Transfers to Family Excepted

If Franchisee, or any of its owners, proposes to sell or otherwise transfer the Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in the Franchise granted hereunder to a member of Franchisee's (or its owners') family, then the terms and conditions of this Section 19 shall be inapplicable. Nothing in this Section 19.4 shall be construed to relieve Franchisee from full compliance with the terms and conditions of Section 18.2 prior to a sale or transfer to family pursuant to this Section.

20. BENEFICIAL OWNERS OF FRANCHISEE

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in Schedule 5 are the sole holders of a legal or beneficial interest (in the stated percentages) of Franchisee. No change to such owners may occur unless Franchisee

presents the proposed changes to the Franchisor, the Franchisor approves in writing, and the parties enter into an Amendment or other agreement as reasonably required by Franchisor to memorialize the change.

21. RELATIONSHIP AND INDEMNIFICATION

21.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, legal representative, joint venturer, partner, employee, servant or independent contractor of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the term of this Agreement, and any extension or renewal hereof, Franchisee shall hold itself out to the public only as a franchisee and an owner of the Franchised Business operating the Franchised Business pursuant to a franchise from Franchisor. Franchisee shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, nor any other obligation of Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business. Any third-party contractors and vendors retained by Franchisee to convert or construct the premises are independent contractors of Franchisee alone.

21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Franchisee to obtain Franchisor's written consent or permits Franchisee to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Franchisee or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation.

21.3 Indemnification

Franchisee shall hold harmless and indemnify Franchisor, any Affiliate, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "Franchisor Indemnities") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or any settlement thereof, which arises from or is based upon Franchisee's (a) ownership or operation of the Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law,

regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisee and Franchisor (or an Affiliate); (d) defamation of Franchisor or the System; (e) acts, errors or omissions committed or incurred in connection with the Franchised Business, including any negligent or intentional acts; or (f) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Confidential Information. The obligations of this Section 21.3 shall expressly survive the termination of this Agreement.

Franchisor shall not be liable for any loss that Franchisee may suffer as a result of its engagement of any vendor.

21.4 Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section causes any of Franchisee's insurers to refuse to pay a third-party claim, all cause of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor from Franchisee.

22. GENERAL CONDITIONS AND PROVISIONS

22.1 No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

22.2 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by fax; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; (d) at the time delivered via E-mail; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. Either party may change its address by a written notice sent in accordance with this Section. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address:

Keyrenter Franchise, LLC
79 East Fort Union Blvd.
Midvale, Utah 84047
(801) 316-1500

22.3 Unlimited Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater shall be required to execute, as of the date of this Agreement, the Unlimited Guaranty and Assumption of Obligations attached as Schedule 4, through which such holders agree to assume and discharge all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same. 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.

22.4 Approvals

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 upon which Franchisee may rely, 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.

22.5 Entire Agreement

This Agreement, its exhibits and the documents referred to herein shall be construed together and constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and shall supersede all prior agreements. No other representation, oral or otherwise, has induced Franchisee to execute this Agreement, and there are no representations (other than those within Franchisor's Keyrenter Franchise, LLC Disclosure Document), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties.

22.6 Severability and Modification

Except as noted below, each provision of this Agreement shall be considered severable. If any provision herein is ruled to be unenforceable, unreasonable or invalid, such ruling shall not impair the operation of or affect the remaining portions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable or invalid provisions shall be deemed not part of this Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration of this Agreement, Franchisor has the right to, at its option, terminate this Agreement.

Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Confidential Information or on competition to the maximum extent provided or permitted by law.

22.7 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

22.8 Withholding Payments

Franchisee shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to Franchisor or to an Affiliate. Franchisee shall not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such

payment without prejudice to Franchisor's right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor. Additionally, Franchisor has the right to apply any late fee or standard fee that would otherwise be due if not paid by the proper due date.

22.9 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

23. DISPUTE RESOLUTION

23.1 Choice of Law

This Agreement is effective upon its acceptance in Utah by our authorized officer. Except as to claims governed by federal law, Utah law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

23.2 Jurisdiction and Venue

You and we agree that venue and jurisdiction for any Claims shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Salt Lake County, Utah. However, if you are an Illinois or Maryland resident or your franchise territory is located in Illinois or Maryland, you agree to bring any Claims, if at all, solely in arbitration before the American Arbitration Association in the city or county where our corporate headquarters are located.

23.3 Jury Waiver

In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

23.4 Class Action Waiver

You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

23.5 Punitive Damages Waiver

As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages. Further, Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise Fee and Royalty Fees.

23.6 Limitations of Actions

You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

23.7 Prior Notice of Claims

As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

23.8 Internal Dispute Resolution

You must first bring any Claim to our CEO, after providing notice as set forth in Section 23.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

23.8 Mediation

Before you may bring any Claim against us in court, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA"), and split any AAA and mediator fees equally.

23.9 Waiver of bond

You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

23.10 Attorney Fees

If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

23.11 Third-Party Beneficiaries

Our officers, directors, members, shareholders, agents, and employees are express third-party beneficiaries of the terms of the Dispute Resolution provisions contained herein.

24. ACKNOWLEDGMENTS

24.1 Receipt of this Agreement and the Uniform Franchise Disclosure Document

Franchisee represents and acknowledges that it has received this Agreement and Franchisor's Franchise Disclosure Document.

24.2 True and Accurate Information

Franchisee represents that all information set forth in any and all applications, financial statements and submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

24.3 No Violation of Other Agreements

Franchisee represents that its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

(Signatures on following page)

KEYRENTER FRANCHISE, LLC:

By: _____

Name printed: _____

Title: _____

FRANCHISE: _____
(type/print name)

By: _____

Name: _____

Title: _____

[or, if an individual]

Signed: _____

Name printed: _____

SCHEDULE 1 TO THE FRANCHISE AGREEMENT

TERRITORY DESCRIPTION

Pursuant to Section 2.2 of the Franchise Agreement, the sole area in which you may locate your Approved Location is as follows:

[insert territory description here]

SCHEDULE 2 TO THE FRANCHISE AGREEMENT

**ADDENDUM TO THE FRANCHISE AGREEMENT
(Brand Conversions)**

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: _____

SCHEDULE 3 TO THE FRANCHISE AGREEMENT

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: _____

SCHEDULE 4 TO THE FRANCHISE AGREEMENT

UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS is given _____, by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated _____ herewith (“Agreement”) by Keyrenter Franchise, LLC (“Franchisor”), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ (“Franchisee”) shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee’s breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 6, 7, and 17 of the Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty shall be joint and several; (b) it shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

Successors and Assigns; Death of Guarantor. This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor’s death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor’s estate and heirs shall continue to be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor’s death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Utah (without giving effect to principles of conflicts of law).

Guarantor hereby irrevocably consents and submits to the non-exclusive jurisdiction of the Courts of the State of Utah and the United States District Court located in or serving Salt Lake County, Utah and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Guaranty or any of the other Franchising Agreements or in any way connected with or related or incidental to the dealings of Guarantor and Franchisor in respect of this Guaranty or any of the other Franchising Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising and whether in contract, tort, equity or otherwise, and agrees that any dispute arising out of the relationship between Guarantor or Franchisee and Franchisor or the conduct of any such persons in connection with this Guaranty, the other Franchising Agreements or otherwise shall be heard only in the courts described above (except that Franchisor shall have the right to bring any action or proceeding against Guarantor or his or her property in the courts of any other jurisdiction which Franchisor deems necessary or appropriate in order to realize on any collateral at any time granted by Franchisee or Guarantor to Franchisor or to otherwise enforce its rights against Guarantor or his or her property).

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Personally and Individually (Signature)

HOME ADDRESS

HOME ADDRESS

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP
IN FRANCHISEE: _____%

SCHEDULE 5 TO THE FRANCHISE AGREEMENT
HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; OFFICERS; DIRECTORS

Holders of Legal or Beneficial Interest:

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____ %

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____ %

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership _____ %

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership _____ %

Officers and Directors:

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____ %

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership _____ %

***No changes are allowed to the identity of any owners, officers, or directors on this page without the Franchisor's prior written consent.**



SCHEDULE 6 TO THE FRANCHISE AGREEMENT

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: _____

SCHEDULE 7 TO THE FRANCHISE AGREEMENT

STATE ADDENDA TO THE FRANCHISE AGREEMENT

FOR THE STATE OF CALIFORNIA

This Addendum to the Franchise Agreement is agreed to _____ by and between Keyrenter Franchise, LLC and _____.

1. The following language is added to Section 3.1 of the Franchise Agreement:

The Initial Franchise Fee will be placed into an impound account at Enterprise Bank & Trust, located at 31351 Rancho Viejo Road, Ste 101, San Juan Capistrano, CA 92675, until the Franchisor completes all of its initial obligations to Franchisee and the franchise is open for business.

2. If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

3. Section 16.1 is deleted and in its place is substituted the following:

16.1 Termination Without an Opportunity to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with

any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 16.2 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

Termination With an Opportunity to Cure. We may terminate this Agreement, after sending you notice and a 60 day opportunity to cure, for any other breach of this Agreement.

4. 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.

5. 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.

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

Keyrenter Franchise, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF ILLINOIS

This Addendum to the Franchise Agreement is agreed to this _____ by and between Keyrenter Franchise, LLC and _____.

1. Section 3.1 is amended to also 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.

2. Illinois law governs the Franchise Agreement.

3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, 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.

5. 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.

6. 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.

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

Keyrenter Franchise, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF MARYLAND

This Addendum to the Franchise Agreement is agreed to _____ by and between Keyrenter Franchise, LLC and _____.

1. The Franchise Agreement is amended to also provide: “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.”

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. 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.

4. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. 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.

6. 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. 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.

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

Keyrenter Franchise, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF MINNESOTA

This Addendum to the Franchise Agreement is agreed to _____ by and between Keyrenter Franchise, LLC and _____.

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

The franchisor defers the receipt of the initial franchise fee until the franchised business is open.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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.

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.

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

Keyrenter Franchise, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement is agreed to _____ by and between Keyrenter Franchise, LLC and _____.

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- 1. You are not required to sign a general release upon renewal of the franchise agreement.
- 2. The franchise agreement is amended to also provide as follows:

“Covenants not to compete are generally considered unenforceable in the State of North Dakota.”

- 3. 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.”

- 4. North Dakota law governs any cause of action arising out of the franchise agreement.
- 5. 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.
- 6. 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.
- 7. 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.

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

Keyrenter Franchise, LLC: _____ Franchisee: _____

By: _____ By: _____

Title: _____ Title: _____

FOR THE STATE OF RHODE ISLAND

This Addendum to the Franchise Agreement is agreed to _____ by and between Keyrenter Franchise, LLC and _____.

1. 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.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. 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.

4. 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.

5. 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.

6. 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.

8. 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.

[Signature Page Follows]

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

Keyrenter Franchise, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE COMMONWEALTH OF VIRGINIA

This Addendum to the Franchise Agreement is agreed to _____, by and between Keyrenter Franchise, LLC and _____ to amend and revise said Franchise Agreement as follows:

- 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.
- 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.

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

Keyrenter Franchise, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, FRANCHISEE DISCLOSURE QUESTIONNAIRE AND RELATED AGREEMENTS

This Addendum to the Franchise Agreement is agreed to _____, by and between Keyrenter Franchise, LLC and _____.

Section 3.1 of the Franchise Agreement is modified to also 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.”

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.

6No 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.

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.

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.

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

Keyrenter Franchise, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

FOR THE STATE OF WISCONSIN

This Addendum to the Franchise Agreement is agreed to _____, by and between Keyrenter Franchise, LLC and _____ to amend and revise said Franchise Agreement as follows:

1. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07 shall supersede any conflicting terms of the Franchise Agreement.

2. 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.

3. 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.

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

Keyrenter Franchise, LLC:

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____

KEYRENTER FRANCHISE, LLC
EXHIBIT C TO THE DISCLOSURE DOCUMENT
SECURED PROMISSORY NOTE

Secured Promissory Note

On this date of _____ in return for valuable consideration received, the undersigned, _____ of _____, herein after referred to as “borrower” does promise to pay, according to the terms of this Agreement, to **Keyrenter Franchise, LLC** of 79 East Fort Union Blvd. Midvale, Utah 84047 herein after referred to as “lender”, the sum of \$ _____, together with interest thereon at the rate of **10%** per annum.

Additional Terms

1. Origination Fee:

An origination fee of ___% of the amount borrowed is due and is to be paid _____.

2. Payments and Late Fees:

This Note is due and payable as follows: 36 equal monthly payments of \$ _____ (_____). The first such payment is due and payable on the ___ day of _____, **20**__, and a like installment shall be due and payable on the same day of each succeeding month thereafter until the total principal balance, together with accrued interest, is paid in full. The Amortization Schedule attached is hereby incorporated into this Agreement.

Borrower agrees that the above payments will be automatically withdrawn through an ACH transaction, from Borrower’s account at Lender’s direction. Borrower must fill out the ACH form, attached as Schedule 6 to the Franchise Agreement.

In the event of default in the payment of any of the said installments or said interest when due as herein provided, time being of the essence hereof, lender may, without notice or demand, declare the entire principal sum then unpaid immediately due and payable. Regardless of whether lender declares the entire principal sum due, borrower agrees to an increase of the late fee to 18% (Eighteen Percent) or the highest amount permitted under the law of said payment. Borrower agrees to pay all costs and expenses incurred by lender, including all reasonable attorney fees (including both hourly and contingent attorney fees as permitted by law) for the collection of this Note upon default, and including reasonable collection charges should collection be referred to a collection agency.

3. Loss of Franchise Upon Default:

Upon default, lender may, as franchisor, terminate borrower’s Franchise Agreement if borrower does not make payments on time more than two times during the note term.

4. Confession of Judgment:

Borrower expressly waives any notice and consents to immediate execution of judgment, and expressly waives benefit of all exemption laws and presentment, demand, protest, and notice of maturity, and/or protest, and also waives benefit of any other requirements necessary to hold each of them liable as makers and endorsers.

5. Security or Collateral:

This Agreement is secured by a Personal Guarantee to be signed by borrower, and any shareholders of borrower’s corporation or members of borrower’s Limited Liability Company.

6. Prepayment:

This Note may be prepaid in whole or in part at any time without premium or penalty. All prepayments shall first be applied to interest, and then to principal payments in the order of their maturity.

7. Amendments:

No modification or waiver of any of the terms of this Agreement shall be allowed unless by written agreement signed by both parties. No waiver of any breach or default hereunder shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

8. Severability:

In the event that any portion, provision, or word of this Note is deemed unenforceable, all other provisions of this Note shall remain in full force and effect. All terms and conditions of this Note shall be interpreted under the laws of Utah.

9. Binding Nature:

The covenants, obligations and conditions herein contained shall be binding on and inure to the benefit of the heirs, legal representatives, officers, and assigns of the parties hereto.

Borrower:

Signature

Printed Name

Lender:

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

Signature

Printed Name

Personal Guarantee of Loan

Reference is hereby made to a loan between _____ (“borrower”), and **Keyrenter Franchise, LLC** (“lender”) dated _____ in the amount of \$_____ plus interest.

In consideration of lender having executed said Loan at the request of the undersigned, the undersigned borrowers (Guarantors) hereby jointly and severally unconditionally guarantee to lender and lender's successors and assigns, the payment of the principal, interest and other sums provided for in said Loan and the performance and observance of all agreements and conditions contained in said Loan on the part of borrower to be performed or observed.

Guarantors hereby waive presentment for payment, demand for payment, notice of nonpayment or dishonor, protest and notice of protest, diligence in collection, and any and all formalities that may be legally required to charge them or either or any of them with liability; and the Guarantors, and each of them, for further agree that their liability as Guarantors shall in no way be impaired or affected by any renewals, waivers, or extensions that may be made from time to time, with or without the knowledge and consent of any one or more of them, of any default or the time of payment or performance required under said Loan, or by any forbearance or delay in enforcing any obligation thereof, or by assignment of said Loan, or by any modifications of the terms or provisions of the Loan.

The Guarantors further jointly and severally covenant and agree to pay all expenses and fees, including attorney fees that may be incurred by the lender or its successors or assigns enforcing any of the terms or provisions of this Guarantee.

This Guarantee shall be binding upon the heirs, legal representatives, successors, and assigns of the Guarantors, and each of them, shall not be discharged or affected, in whole or in part by the death, bankruptcy, insolvency of the Guarantors, or anyone or more of them.

This Guarantee is absolute, unconditional, and continuing, and payment of the sums for which the undersigned becomes liable shall be made at the office of lender or its successors or assigns from time to time on demand as the same become or are declared due.

(Signatures on following page)

IN WITNESS THEREOF, Guarantor has hereunto set his hands and seal this Agreement on this day _____.

Guarantor (borrower):

Signature

Printed Name

Guarantor (borrower):

Signature

Printed Name

Guarantor (borrower):

Signature

Printed Name

KEYRENTER FRANCHISE, LLC

EXHIBIT D TO THE DISCLOSURE DOCUMENT

GENERAL RELEASE

EXHIBIT D TO THE FRANCHISE AGREEMENT

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. 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: _____

KEYRENTER FRANCHISE, LLC

EXHIBIT E TO THE DISCLOSURE DOCUMENT

**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 Services, 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
--------------	---------------------------

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

KEYRENTER FRANCHISE, LLC

EXHIBIT F TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL

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
8. Marketing & Advertising	Page 46
9. Training	Page 51
10. Human Resources	Page 53
11. Safety Procedures	Page 87
12. Maintenance Vendors	Page 90

Handbook Two - General Operations Manual

1. Definitions	Page 7
2. Acronyms	Page 8
3. Tools and System	Page 9
4. Meetings and Collaboration	Page 12
5. Company Culture	Page 14
6. Activities and Community Outreach	Page 16
7. Procedures and Tasks	Page 18
8. General Policies	Page 18
9. Communication Procedures	Page 23
10. Management Process Overview	Page 29
11. Marketing	Page 30
12. Owner Sales	Page 38
13. New Client/ Property On-Boarding	Page 49
14. Rental Advertising	Page 52

15. Leasing	Page 60
16. General Overview	Page 60
17. Leasing Inquires	Page 60
18. Showings	Page 61
19. Lease-to-Purchase	Page 68
20. Tenant Applications and Screening	Page 70
21. Tenant Move-In	Page 75
22. New Tenant On-Boarding	Page 77
23. Lease Renewal	Page 78
24. Managing Properties and Leases	Page 80
25. Property Insps. / Conditions Reports	Page 91
26. Maintenance	Page 97
27. Tenant Move-Out	Page 107
28. Owner Cancellation	Page 110
29. Billing	Page 112
30. Accounting	Page 114

EXHIBIT G

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
Fariba Kharazmi
3508 Cody Way # 250
Sacramento, CA 95864
(916) 407-4000

Keyrenter San Diego
Fariba Kharazmi
1455 Frazee Road, Suite 500, PMB61
San Diego, CA 92108
(916) 897-1008

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

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

Indiana

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

Kansas

Keyrenter Wichita
Matthew Zalk
334 St. Francis Avenue, Ste. 357
Wichita, KS 67202
(316) 391-7000

Maryland

Keyrenter Annapolis



Mark Miller
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
2512 S. University Blvd. Apt 806
Denver, CO 80210
(714) 349-3614

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

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

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
One Columbus Center, Suite 700
Virginia Beach, VA 23462
(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

Wisconsin

Keyrenter Milwaukee
Smartner LLC
1910 Thomas Ave.
Cheyenne, WY 82001-3527 (508) 589-4710

Franchise Agreements Signed but Outlet Not Yet Open (as of December 31, 2022)

California

Keyrenter Escondido
Juan Castro
Calle 145 A #12A-45 Apt 909
Bogota, Colombia
57-301-785-3600

Keyrenter Riverside
Alfredo Bustamante & Kristofer Mckerall
6678 Kenborne Ct
Riverside, CA 92506
(952) 463-7731

Keyrenter North San Diego
Gene Jin-Won Lee
1624 N. Coast Highway 101 SPC 21
Encinitas, CA 92024-1041
(858) 654-5222

Florida



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

Keyrenter Miami West
Roel van de Ven
435 Aiken Rd.,
Jacksonville, FL 32216
(786) 556-8232

Keyrenter Broward
Steve Chamberland
2900 NE 12th Ter, Unit 17,
Oakland Park, FL 33334
(954) 991-8680

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

Illinois

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

Utah*

Keyrenter St. George
Adam Marshall
2385 East La Grasse Dr.
St. George, UT 8790
(801) 997-5520

*Outlet was transferred, Transferee has not commenced operations.

Virginia

Keyrenter Chester
Steven Pierce
13223 Rivers Bend Blvd.
Chester, VA 23836
(804) 796-0011

Tennessee

Keyrenter Knoxville



Dan McKee
11020 Kingston Pike, #330
Knoxville, TN 37934
(865) 405-8414

Texas

Keyrenter Frisco
Mark Scribner
2591 Dallas Park Way, Suite 300
Frisco, TX 75034
(972) 426-8000

EXHIBIT H

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.

Florida

Keyrenter Jacksonville
Wade Gaines
1301 Riverplace Blvd., Ste. 800-23
Jacksonville, FL 32207
(904) 330-4040

Keyrenter Sarasota
Matthew Edwards & Sean Ronkoske
9015 Town Center Pkwy #411
Lakewood Ranch, FL 34202
(941) 317-3000

Washington

Keyrenter Tacoma
Gayle Snider
2367 Tacoma Ave S #C222
Tacoma, WA 98402
(253) 449-3000

KEYRENTER FRANCHISE, LLC

EXHIBIT I TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

KEYRENTER FRANCHISE LLC

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022, 2021, AND 2020



KEYRENTER FRANCHISE LLC

Table of Contents

	<u>Page</u>
Independent auditor's report.....	3
Balance sheets	5
Statements of operations.....	6
Statements of member's deficit	7
Statements of cash flows	8
Notes to the financial statements	9



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, 2022, 2021, and 2020, 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, 2022, 2021, and 2020, 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 & Dunlay

St. George, Utah
April 11, 2023

KEYRENTER FRANCHISE LLC

BALANCE SHEETS

As of December 31, 2022, 2021, and 2020

	2022	2021	2020
Assets			
Current assets			
Cash and cash equivalents	\$ 226,345	\$ 217,606	\$ 79,235
Accounts receivable, net	149,887	133,517	103,933
Deferred commissions, current	28,679	38,468	10,460
Notes receivable, current	7,651	112,012	15,238
Total current assets	412,562	501,603	208,866
Non-current assets			
Right of use asset	84,291	-	-
Deferred commissions, non-current	296,484	236,245	96,234
Notes receivable, non-current	-	-	10,849
Total non-current assets	380,775	236,245	107,083
Total assets	\$ 793,337	\$ 737,848	\$ 315,949
Liabilities and Member's Deficit			
Current liabilities			
Accounts payable	\$ 49,565	\$ 77,881	\$ -
Credit card liability	27,348	30,220	39,621
Due to affiliates	66,858	67,101	29,119
Due to member	147,358	147,358	147,358
Line of credit	-	23,884	-
Deferred revenue, current	69,330	71,110	29,230
Operating lease liability, current	16,943	-	-
National advertising fund liability	107,313	106,918	54,692
Total current liabilities	484,715	524,472	300,020
Non-current liabilities			
Operating lease liability, non-current	68,189	-	-
Deferred revenue, non-current	722,448	559,511	293,732
Total non-current liabilities	790,637	559,511	293,732
Total liabilities	1,275,352	1,083,983	593,752
Member's deficit			
Member's interests	557,895	557,895	437,821
Accumulated member's deficit	(1,039,910)	(904,030)	(715,624)
Total member's deficit	(482,015)	(346,135)	(277,803)
Total liabilities and member's deficit	\$ 793,337	\$ 737,848	\$ 315,949

The accompanying notes are an integral part of these financial statements.

KEYRENTER FRANCHISE LLC
STATEMENTS OF OPERATIONS
For the years ended December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenue			
Initial franchise fees	\$ 132,851	\$ 187,804	\$ 155,527
Royalty fees	967,566	852,237	544,265
Service revenue	574,635	242,865	228,618
Total operating revenue	<u>1,675,052</u>	<u>1,282,906</u>	<u>928,410</u>
Cost of revenues	61,550	51,031	31,835
Gross profit	<u>1,613,502</u>	<u>1,231,875</u>	<u>896,575</u>
Operating expense			
Advertising and marketing	94,381	201,951	100,097
General and administrative	1,280,936	769,197	715,478
Professional fees	216,266	350,971	164,819
Total operating expense	<u>1,591,583</u>	<u>1,322,119</u>	<u>980,394</u>
Income (loss) from operations	21,919	(90,244)	(83,819)
Other income (expense)			
Interest income	1,309	793	1,061
Interest expense	(4,824)	(5,876)	(1,421)
Bad debt	(43,478)	(13,175)	-
Other income	17,694	9,546	79,800
Total other income (expense)	<u>(29,299)</u>	<u>(8,712)</u>	<u>79,440</u>
Net loss	<u>\$ (7,380)</u>	<u>\$ (98,956)</u>	<u>\$ (4,379)</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, 2022, 2021, and 2020

	Member's Interests	Accumulated Member's Earnings	Total
Balances as of January 1, 2020	\$ 437,821	\$ (465,713)	\$ (27,892)
Adoption of ASC 606	-	(178,282)	(178,282)
Distributions to member	-	(67,250)	(67,250)
Net loss	-	(4,379)	(4,379)
Balances as of December 31, 2020	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	557,895	(904,030)	(346,135)
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>

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>2022</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities			
Net loss	\$ (7,380)	\$ (98,956)	\$ (4,379)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Bad debt	43,478	13,175	-
Amortization of right of use asset	11,411	-	-
Change in operating assets and liabilities:			
Accounts receivable	(16,370)	(29,584)	(76,799)
Operating notes receivable	60,883	(99,100)	21,731
Due from/due to affiliate	(243)	37,982	23,133
Deferred commissions	(50,450)	(168,019)	(1,487)
Accounts payable	(28,316)	77,881	-
Credit card liability	(2,872)	(9,401)	29,203
Due to/due from member	-	-	(142)
Deferred revenue	161,157	307,659	39,473
Operating lease liabilities	(10,570)	-	-
National advertising fund liability	395	52,226	(9,263)
Net cash provided by operating activities	<u>161,123</u>	<u>83,863</u>	<u>21,470</u>
 Cash flows from financing activities			
Distributions to member	(128,500)	(89,450)	(67,250)
Contributions from member	-	120,074	-
Net change in line of credit	(23,884)	23,884	-
Net cash provided (used) by financing activities	<u>(152,384)</u>	<u>54,508</u>	<u>(67,250)</u>
 Net change in cash and cash equivalents	8,739	138,371	(45,780)
 Cash and cash equivalents at beginning of period	217,606	79,235	125,015
Cash and cash equivalents at end of period	<u>\$ 226,345</u>	<u>\$ 217,606</u>	<u>\$ 79,235</u>
 Supplemental disclosures of cash flow:			
Cash paid for interest	\$ 4,824	\$ 5,876	\$ 1,421

The accompanying notes are an integral part of these financial statements.

KEYRENTER FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022, 2021, and 2020

(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, 2022, 2021, and 2020 the Company had cash and cash equivalents of \$226,345, \$217,606, and \$79,235, respectively.

KEYRENTER FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022, 2021, and 2020

(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, 2022, 2021, and 2020, the Company had net receivables of \$149,887, \$133,517, and \$103,933, respectively. As of December 31, 2022, 2021, and 2020, 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, 2022, 2021, and 2020 was \$107,313, \$106,918, and \$54,692, respectively.

(h) Revenue Recognition

The Company's revenues consist of fees from franchised locations operated by conventional franchisees. Revenues from franchisees consist of initial franchise fees, royalty fees, and service fees.

The Company adopted ASC 606, *Revenue from Contracts with Customers*, as of January 1, 2020, using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch-up adjustment recognized upon adoption. As such, comparative information in the Company's financial statements has not been restated and continues to be reported under the accounting standards in effect for those periods. The cumulative adjustment recorded upon adoption of ASC 606 consisted of deferred contract costs of \$105,207 and deferred initial franchise fees of \$283,489. The net effect on retained earnings was a reduction of \$178,282.

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

KEYRENTER FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022, 2021, and 2020

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, 2022, the 2021, 2020, and 2019 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 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, 2022, 2021, and 2020 was \$94,381, \$201,951, and \$100,097, 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, 2022, 2021, and 2020, the notes receivable balance was \$7,651, \$112,012, and \$26,087, respectively. Interest income earned on notes receivable for the years ended December 31, 2022, 2021, and 2020 was \$1,309, \$793, and \$1,061, 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, 2022, 2021, and 2020, net advances from affiliates were \$66,858, \$67,101, and \$29,119, respectively. These advances do not bear interest and are due upon demand.

KEYRENTER FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022, 2021, and 2020

(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, 2022, 2021, and 2020, the balance on this loan was \$147,358.

(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 and 2020. As of December 31, 2022, the Company recorded a right of use asset of \$84,291. As of December 31, 2022, the Company had the following operating lease liability:

	2022
Operating lease liability, current	\$ 16,943
Operating lease liability, non-current	68,189
	\$ 85,132

As of December 31, 2022, the maturities of the Company's lease liability were as follows:

		For the year ended December 31,
2023	\$	16,943
2024		18,449
2025		20,051
2026		21,755
2027		7,934
	\$	85,132

(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, 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, 2022, 2021, and 2020:

	2022	2021	2020
Deferred revenue – current	\$ 69,330	\$ 71,110	\$ 29,230
Deferred revenue – non-current	722,448	559,511	293,732
	\$ 791,778	\$ 630,621	\$ 322,962

KEYRENTER FRANCHISE LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022, 2021, and 2020

The Company has estimated the following current and non-current portions of deferred commissions as of December 31, 2022, 2021, and 2020:

	2022	2021	2020
Deferred commissions – current	\$ 28,679	\$ 38,468	\$ 10,460
Deferred commissions – non-current	296,484	236,245	96,234
	<u>\$ 325,163</u>	<u>\$ 274,713</u>	<u>\$ 106,694</u>

(8) Commitments and Contingencies

(a) Litigation

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 Topic 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.

(b) COVID-19

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus (“COVID-19”) as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through 2022 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company’s operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company’s future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company’s customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company’s future financial condition or results of operations is uncertain.

(9) Subsequent Events

The Company has evaluated subsequent events through April 11, 2023, the date which the financial statements were available to be issued.

EXHIBIT J TO DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

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

Date” _____
Name of Franchisee/Applicant

Explanation of any negative responses (Refer to Question Number):

KEYRENTER FRANCHISE, LLC

EXHIBIT K TO THE DISCLOSURE DOCUMENT

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

**ADDENDUM TO THE
KEYRENTER FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT**

FOR THE STATE OF CALIFORNIA

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT..

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document 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 these persons from membership in the association or exchange.

3. 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.

4. Item 5 of the Franchise Disclosure Document is amended by the addition of the following language:

The Initial Franchise Fee will be placed into an impound account at Enterprise Bank & Trust, located at 31351 Rancho Viejo Road, Ste 101, San Juan Capistrano, CA 92675 until the Franchisor completes all of its initial obligations to Franchisee and the franchise is open for business.

5. ITEM 17 of the Disclosure Document is amended to add the following:

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

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.

- The Franchise Agreement contains a covenant not to compete that extends beyond the term of the agreement. This provision might not be enforceable under California law.
- The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law.
- The Franchise Agreement requires application of the laws of a state other than the State of California. This provision might not be enforceable under California law.
- The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in Item 17 with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (including 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 following URL address is for the franchisor's website:

www.keyrenter.com and www.keyrenterfranchise.com

FRANCHISOR'S 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.

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.

FOR THE STATE OF HAWAII

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

THESE FRANCHISES HAVE 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 HEREIN 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 THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

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
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 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.

FOR THE STATE OF ILLINOIS

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Item 5 is amended to also 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.
- In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
- Item 17.w. is modified to provide that Illinois law applies.
- Any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.
- The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

FOR THE STATE OF MARYLAND

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 5 is modified to also provide, “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.”
2. ITEM 17 of the Disclosure Document is amended to add the following:
 - 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.
 - 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.
 - Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
 - In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

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.

FOR THE STATE OF MINNESOTA

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. ITEMS 5 and 7 of the Disclosure Document are amended to also add the following:
 - The franchisor defers the receipt of the initial franchise fee until the franchised business is open.
2. ITEM 13 of the Disclosure Document is amended as follows:
 - As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
3. ITEM 17 of the Disclosure Document is amended as follows:
 - With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 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 of non-renewal of the Agreement.
 - ITEM 17 does not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
 - Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document 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 the jurisdiction.

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.

FOR THE STATE OF NEW YORK

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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 THAT 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 DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT 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:

Except as provided above, with regard 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 ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

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 upon the franchisee by Article 33 of the General Business Law of the State of New York.

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.

FOR THE STATE OF NORTH DAKOTA

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 5 is amended to also 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.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

Applicable Laws: North Dakota law will govern the franchise agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota Franchises.

Waiver of Exemplary & Punitive Damages: Any waiver of punitive damages will not apply to North Dakota Franchisees.

General Release: Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota 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.

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.

FOR THE STATE OF RHODE ISLAND

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

ITEM 17 of the Disclosure Document is amended to add the following:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 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 the Rhode Island Franchise Investment Act.
- Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

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.

FOR THE COMMONWEALTH OF VIRGINIA

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for **Keyrenter Franchise, LLC** for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosures:

The following statement is added to ITEM 5:

- 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.

The following statements are added to ITEM 17(h):

- Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground 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.

FOR THE STATE OF WASHINGTON

As to franchises governed by the Washington Franchise Investment Protection Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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.

ITEM 1 of the Disclosure Document is amended to add the following:

- 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.

ITEM 5 of the Disclosure Document is amended to add the following:

- 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.

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.

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.

FOR THE STATE OF WISCONSIN

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

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.

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.

EXHIBIT L

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	<i>Pending</i>
Illinois	<i>Pending</i>
Maryland	<i>Pending</i>
Minnesota	<i>Pending</i>
New York	<i>Pending</i>
Virginia	<i>Pending</i>
Washington	<i>Pending</i>
Wisconsin	<i>Pending</i>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT M

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
Darin Hicks , 79 East Fort Union Blvd., Midvale, UT 84047; (801) 316-1500

Issuance Date: April 20, 2023

I received a disclosure document issued April 20, 2023 which included the following exhibits:

- Exhibit A List of State Administrators and Agents for Service of Process
- Exhibit B Franchise Agreement
- Exhibit C Secured Promissory Note
- Exhibit D General Release
- Exhibit E Appfolio Service Agreement, Pricing Sheet and Key Assist Tenant Screening Service Agreement
- Exhibit F Confidential Operations Manual Table of Contents
- Exhibit G List of Current Franchisees
- Exhibit H List of Former Franchisees
- Exhibit I Financial Statements
- Exhibit J Franchisee Disclosure Questionnaire
- Exhibit K State Addenda and Agreement Riders
- Exhibit L Effective Dates
- Exhibit M 1 Receipt

Date Signature Printed Name

Date Signature Printed Name Rev. 012417

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.



**RECEIPT
(Our Copy)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If 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, D.C. 20580, and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Nate Tew, 79 East Fort Union Blvd., Midvale, UT 84047; (801) 316-1500
Darin Hicks, 79 East Fort Union Blvd., Midvale, UT 84047; (801) 316-1500

Issuance Date: April 20, 2023

I received a disclosure document issued April 20, 2023 which included the following exhibits:

- Exhibit A List of State Administrators and Agents for Service of Process
- Exhibit B Franchise Agreement
- Exhibit C Secured Promissory Note
- Exhibit D General Release
- Exhibit E Appfolio Service Agreement, Pricing Sheet, and KeyAssist Tenant Screening Service Agreement
- Exhibit F Confidential Operations Manual Table of Contents
- Exhibit G List of Current Franchisees
- Exhibit H List of Former Franchisees
- Exhibit I Financial Statements
- Exhibit J Franchisee Disclosure Questionnaire
- Exhibit K State Addenda and Agreement Riders
- Exhibit L Effective Dates
- Exhibit M 2Receipt

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.

